

*Örgütsel Davranış Araş tırmaları Dergisi* Journal Of Organizational Behavior Research Cilt / Vol.: 3, Sayı / Is.: S2, Yıl/Year: 2018, Kod/ID: 81S2284



# EVALUATION OF THE RELATIONSHIP BETWEEN BRAND ATTRIBUTES AND MARKETING MIX AND BRAND PREFERENCE WITH THE MEDIATING ROLE OF CONSUMER FEATURES

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#### ABSTRACT

Marketers need to have knowledge on various factors affecting brand preferences in order to succeed, since brand is a key factor in consumer preferences and choices. Hence, this research was conducted to evaluate the relationship between brand attributes and marketing mix and brand preferences, given the mediating role of consumer features. The research method is applied in terms of objective and descriptive-correlation and survey in terms of method. The research population included all consumers of home appliances in Aliabad Katul city. The data collection tool was a standard questionnaire. The validity of the questionnaires was confirmed by supervisor and the experts and its reliability was calculated by Cronbach's alpha and all Cronbach's alpha coefficients for the variables were obtained more than 0.7. Thus, it has high reliability. Simple randomized sampling method was used. A total of 384 standard questionnaires were distributed among samples selected based on Cochran formula. Structural equation method was used to analyze the data. LISREL software was used as a tool used to analyze them. The results of the research revealed a significant relationship between brand attributes and brand preferences.

Keywords: Brand Attributes, Marketing Mix, Consumer Features, Brand Preferences

#### INTRODUCTION

In modern era, marketing pays special attention to brand. Brands represent the identity and personality of whole company. Accordingly, brand has become a strategic asset for company. The important issue is that the brand is currently considered as one of the main factors in customer decision making, based on the studies conducted (Raju, 1995). Moreover, brand preference as a dependent variable in this research depends on factors such as brand attributes and the type of marketing mix of the company. This factor is recognized as a structure for brand preference. As the use of home appliances affects the level of quality of life of citizens of a community nowadays, the statistical population of the research was considered to be consumers of home applied in all chain stores in the city of Aliabad Katul, the research is considered as an applied study and since it examines the variables in the current situation without changes, it is considered as descriptive research.

For this purpose, simple randomized sampling was used on statistical population of the consumers of home appliances of Ali Abad Katul city and a total of 384 samples were selected. In this research, structural equation model was used for analysis of data. LISREL software was used for data analysis in the form of 5 hypotheses. The data analysis suggests a relationship

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between the brand attribute and the marketing mix and brand preferences. Thus, according to the conceptual model (Smile and Spinelli, 2012), the objective of this research is to evaluate the relationship between brand identity and marketing mix and brand preferences with considering the moderating role of consumer features.

## Problem Statement

Nowadays, the customer's choice has increased due to increasing competition, especially in consumer markets. With the expansion of similar products and services and globalization, companies are forced to differentiate their products from other companies. As other companies destroy the effect of axial innovation by modeling and even reverse engineering, branding is considered a strategic factor in creating competitive advantage and differentiation for the products and services products and services is a strategic factor in creating a competitive advantage and differentiation. There are tons of home appliances with different brands with different attributes in the market. Moreover, the features of consumers of these goods and services are not similar and they determine the type of goods and services (Keler, 2009).

Therefore, it can be stated that the main issue in the market is the choice of brand for this product and services, called as brand preferences. Based on the early studies, the presence of different brands and products with relatively similar attributes has made brand preference difficult for customer. While the right of choosing has increased for customers, choosing the appropriate brand has become more complex for customers (Keler, 2006). In addition, the presence of fake goods in the market of home appliances and their similarity to the original brands has complicated this issue. Given the attributes of brands in home appliances market and the special conditions of each of these products have increased the choices of customer. The features of consumers is the determining factor in choosing the brand type. In the current market of home appliances in Aliabad Katul, no study has been conducted on the match of brand with consumer features (Keler, 2008). Hence, this research aims to examine the relationship between the brand attributes and marketing mix and brand preferences, considering the moderating role of consumer features.

#### **REVIEW OF LITERATURE**

#### Brand attribute

A brand is a perception formed through the use of goods or services in the minds of the customer and includes two main attributes, including tangible attributes such as logo, color and appearance, and intangible attributes such as perception, memory, and mentality created by a brand (Albert & Merunka, 2013). Brand should offer information on the goal of product production, the benefits of using these products and services, and the way of using them. Therefore, it should be simple and short and can be pronounced easily. Thus, the following features are required for a brand (Sahin, 2012):

- Brand should be advertised and identified simply
- It should have the ability to be registered and supported legally
- It should be simple, clear and attractive
- It should be specific and accurate.
- The term should be beautiful



- It should be economical and have reproductive potential
- It should not be aggressive and insulting
- It should be new and distinct.

We can generally state that all of these attributes represent a good brand.

What is important here is that the brands must be registered and supported legally (Yoo, 2012). Accordingly, the seven attributes of a successful brand have been investigated from Jerry McLaughlin perspective. They include 1- level of effect on customer recognition 2- uniqueness, 3- creating motivation and incentive, 4- stability of quality, 5- distinction in competition, 6- ability to be advertised, and 7- novelty (Amir Shahi, 2013).

In defining your brand, the next step is to stabilizing its position. A brand positioning is all the features which you have defined and designed for your brand, and these features as a drawing have located in the mind of your audience. The positioning steps are presented as follows.

The first step: positioning the brand as a set of competitive products

The positioning analyses can be used at various levels, such as company level, activity unit level, product class level, a family of specific products level, or specific brand level. Such analyses can be used to determine the way of operating a company as an activity unit in market compared to their competitors.

The second step: identifying the key features

Positioning can be done on the basis of a variety of features. Some of them, which have the desired and appropriate features, can be regarded as a positioning criterion and can be used instead of other features. The common types of positioning principles include:

- Physical attraction: Physical attraction is often used in the physical positioning of the product and in industry products.
- Application: involves final use of psychological or behavioral demography and popularity.

Comparison: competition with a competitor product is a common practice.

Price/ quality: low price along with high quality

The third step: Collecting information related to the customer feedback about products in a competitive environment

After choosing a series of competitive products, the marketing manager must know which features are crucial for the target market. In addition, he should recognize the product class (Kotler & Armstrong, 2016). He should also consider the customers' views about different products in a competitive environment with respect to these features.

The fourth step: Analyzing the current status of products in a competitive environment

Without considering that whether the positioning process is being introduced about a new product or the available product is being re-positioned, the important point is that a clear understanding of the positioning of the selected competitive products is required (Hoeffler & Keller, 2002). A useful tool for doing this is the use of a positioning network or perceptual map.

# Marketing mix

Marketing mix elements include product, price, distribution and promotion. However, Yu et al (2000) considered the price, store image, distribution intensity, rate of advertising, and sales promotion as marketing mix elements. They are derived from classic marketing mix elements.



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They stated that these five factors have more effect in the market. McCarthy (1971) stated that the creation of a marketing mix is an integral part in choosing a target market, and all of these factors must be applied simultaneously in order to coordinate the marketing strategy in order that the strategy can be successfu (Peterson, 2005).

## Product

A product is something supplied the market to meet a need or demand. The concept of a product is not usually limited to physical objects, but it refers to something which can meet a need, that is, a product can be either goods or service, or both of them (Kotler and Armstrong, 2002).

#### Price

The price is the amount of money the customer pays for a product (Kotler & Armstrong, 2002). The price has a major difference with other factors of marketing mix. It brings earnings, but others impose cost (Kotler, 2006).

#### Distribution

Distribution refers to all activities which a company performs to make the product available to consumers (Kotler, 2008). These activities are performed through a set of interdependent organizations so that the product to be available for consumers (Kotler & Armstrong, 2002).

## Promotion



The fourth element of the marketing mix is promotional activities, which is considered as the last operational part of the company's marketing system. Sales promotion operations involve a set of company's communication programs with regard to the consumers (Pang, 2011). In other words, a promotional activities mix means is a set of advertising, in-presence sales, sales promotion, and public relations used to achieve the sales leads (Horotiz, 2012).

#### Brand preference

The determining factor which is involved in the consumer's purchasing decision making process is called as brand preference. This behavior may be due to the consumer satisfaction with previous purchase and re- purchase, or his tendency to experience another brand (Lam & Ahearne & Schillewaert, 2010). This behavior can be due to one's attitude towards the goods and norms in the community or one's decision related to his personality traits, or due to economic benefits or even the quality of the brand (Jalali, 2013).

Brand preference is a bias which is customer has toward a particular brand. Brand preference is defined as the extent to which the customer considers the services offered by the current companies as desirable compared to services offered by other companies (Bhattacharya, 2004). In addition, brand preference has a direct effect on re-purchasing intention of customers .In fact, researchers have introduced brand preferences as one of the main factors determining the purchasing intention of customers, especially in the service industry (Rahahleh & Shariari, 2008).

#### Consumer feature

The consumer features can be considered as specific and distinct patterns of emotional thought and behavior determines one's way of interaction with physical and social environment (Motmani, Moradi and Hemati, 2010).

In addition, Parker (2009) states that brand identity is like a bridge between consumers and the brands (Solomon & Michael, 1999). Therefore, the desirable brands of each person can reflect his personality. Kotler and Cohen (2005) states that people usually choose the brands

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which are consistent with their self-concept (Laros & Jan 2005). Anisimova (2007) stated that there is a significant relationship between the company's perceptual brand and consumer attitudes and their loyalty to the brand, and the brand personality of the company is one of the main predictors for consumers' attitudinal and behavioral loyalties to that brand (Peter, 2012).

Researcher name	year	Subject of research	Result
Umolia et al	2013	Evaluation of the effect of marketing mix elements on brand preference	The results of the research indicate that the marketing mix elements had a significant effect on brand preferences.
Kim and Hiun	2013	Effect of marketing mix performance on brand attributes	The results of the research showed that the marketing mix performance had a positive and significant effect on brand attributes.
Leen and Serisoto	2014	Investigating the effect of marketing mix on brand preference	The results of the research suggest that the marketing mix has a significant effect on brand preference.
Smile and Spinelli	2012	Investigating the effect of brand personality and brand preference on consumer behavior	The results of the research suggest that brand personality has a positive and significant effect on consumer behavior and brand preference.
Hosseini et al	2013	assessing the effect of marketing factors on brand preference	The results of the research suggest that marketing factors have a positive and significant effect on brand preference.
Zarbi	2011	Evaluation of the effect of marketing mix elements on brand equity	The results of the research suggest that the marketing mix elements have a positive and significant effect on brand equity.
Heydarzadeh et al	2014	Evaluation of the effect of brand credibility on commitment	Brand credibility has a direct effect on commitment and satisfaction.

#### Table 1: Review of literature

Conceptual model of research

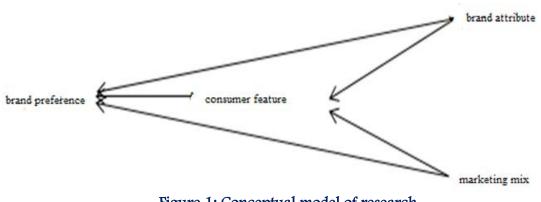


Figure 1: Conceptual model of research (Source of model: Smile and Spinelli (2012))

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The above model shows that the brand and marketing mix have a significant relationship with brand preference. However, the relationship between independent and dependent variables is established through the mediating variable of consumer feature in this model. As a result, this research determines the relationship between brand attribute and marketing mix and brand preference, considering the mediating role of consumer features. Therefore, based on the above model, research hypotheses are presented as follows.

Hypothesis 1: There is a significant relationship between brand attributes and consumer features.

Hypothesis 2: There is a significant relationship between marketing mix and consumer features.

Hypothesis 3: There is a significant relationship between consumer features and brand preference.

Hypothesis 4: There is a significant relationship between brand attributes and brand preferences.

Hypothesis 5: There is a significant relationship between the marketing mix and brand preference.

## METHODOLOGY



This research is applied in terms of objective and descriptive and correlational in terms of nature and method (Sarmad, 2015). The research population includes customers of home appliances in Aliabad Katul city in Golestan province. Simple randomized sampling was used to select the customers. The sample size was determined to be 384 using Cochran formula. In order to prevent the non-return of some questionnaires, a total of 400 questionnaires were randomly distributed among the samples.

To collect data on the research structures, standard questionnaire (Smile and Spinelli) was used. It includes 39 items on variables of research. Table 2 presents the research variables as follows

Variable	Type of variable	Abbreviation	Questionnaire	Items
Brand attributes	Independent	BA	Smile and Spinelli standard questionnaire	1~6
Marketing mix	Independent	MME	Smile and Spinelli standard questionnaire	7~19
Consumer features	Mediating	CF	Smile and Spinelli standard questionnaire	20~29
Brand preference	Dependent	PR	Smile and Spinelli standard questionnaire	30~39

Table 2 - Variables of the research based on the questionnaire

#### Research tool validity and reliability

To assess the validity of the questionnaire, the views of experts were used. The research questionnaire was confirmed by them (Sarukhani, 2014). To confirm the reliability of the questionnaire, Cronbach's alpha was used. Cronbach's alpha coefficient for all research

variables was obtained more than 7%. Thus, the research questionnaire has required reliability and the results of the research can be generalized (Shahin, Salehzadeh and Ghandhari, 2012). *Statistical Analysis* 

For data analysis, structural equation model is used. What makes this method strong and popular among the researchers is its graphical appearance facilitating the interpretation (Kumar, 2008) and this method can compute a set of relationships between variables simultaneously. In this research, the structural equation method is used due to the purposeful and simultaneous relationship between variables in a model and the presence of mediating variable and the latent nature of variables (Hair, 2006). As a result, structural equation model is used for data analysis given the conceptual model and the presence of mediating variables and the latency of variables in a network. The LISREL software is also used in this regard due to latency of the variables and presence of mediating variable in model.

In addition, Bartlett's test was used to ensure that the data is appropriate that is the matrix of correlations that are the basis for analysis is not zero in the population (Zarbi, 2011). In other words, using the Bartlett test, the sampling adequacy can be ensured. The results shown in the table below indicate the appropriateness of the existing correlations between the data for factor analysis and sampling adequacy. Given the number (greater than 7%) and the significant number of Bartlett's test (sig <5%), it can be stated that the data are appropriate for performing factor analysis. As a result, it can be stated that according to the two above-mentioned tests, the sample is adequate. The results of the above tests are shown in the table below:



Table 3: sample adequac	v test and factor analysis data
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Kaiser-Meyer-Olkir	.912		
Bartlett's Test of Sphericity	Approx. Chi-Square	20731.945	
	Df	741	
	Sig.	.000	

Structural equation model is used for inferential analysis of data (Ardalani, 2012). The reason to use this model is the presence of mediating variables and the latency of the variables and the relationship of variables in a model. Now, considering the use of a structural equation model and transferring the data to the LISREL software, the standard diagram is presented as follows. The correlation coefficients calculated in the standard diagram, which are greater than zero, indicate a significant relationship between the variables.

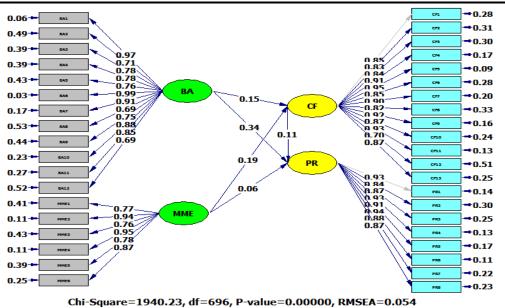
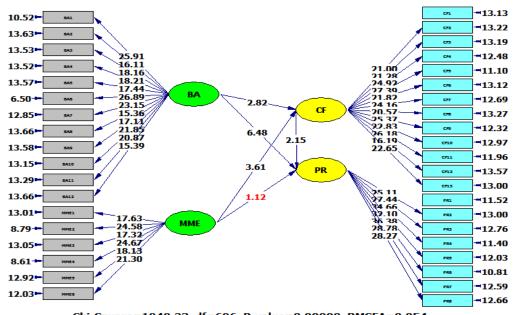


Diagram 1: Structural Research Model with Standard Coefficients



Significant structural diagram shows that if the relationship between the variables is significant or nor. In order to be significant, the p-value coefficient must be greater than 1.96. This shows that the p-value coefficient for hypotheses 1, 2, 3, and 5 is greater than 1.96, so all research hypotheses (except for hypothesis 4) are confirmed.



Chi-Square=1940.23, df=696, P-value=0.00000, RMSEA=0.054 Diagram 2: The structural model of research along with significant coefficients

According to the hypotheses in the significance diagram, the following results are extracted to confirm or reject the hypotheses:

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Table 4. Table of Results of Testing Hypotheses					
Hypothesis	Causal relationship between research variables	Abbreviation	Path coefficient	Significance coefficient	Test result
1	Brand attributes-consumer features	CF-BA	0.15	2.82	Confirmed
2	Marketing mix elements ~ consumer features	CF-MME	0.19	3.61	Confirmed
3	Brand attribute-brand preference	PR-BA	0.34	6.48	Confirmed
4	Marketing mix elements-brand preference	PR-MME	0.06	1.12	Rejected
5	Consumer features- brand preference	PR-CF	0.11	2.15	Confirmed

## Table 4: Table of Results of Testing Hypotheses

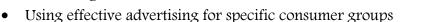
As shown in table, hypotheses 1, 2, 3 and 5 are confirmed and hypothesis 4 is rejected.

#### CONCLUSION

The research results suggest that there is no positive and significant relationship between the marketing mix elements and brand preference. The reason to reject this hypothesis is the market price fluctuations and inappropriate investment in the target market and the lack of authorized agencies for a particular brand in the market.

Given the results obtained, the following recommendations are presented:

- Selecting and introducing a specific brand for each group of consumers
- introducing the attributes of the brand for each of the consumers group using effective advertising



• The use of after-sales service qualification in creating advantage for brand preference

Therefore, the following executive recommendations can be presented for the research population:

- Determining the most important factor in the consumer's mental acceptance to choose a specific brand
- Choosing appropriate competitive price for brand choosing
- The presence of authorized agencies to provide necessary after-sales services
- Diversification and qualification of the after-sales services to create an advantage in the brand preference
- Effective and efficient advertising to identify brands and their benefits

#### Research Limitations

The limitations of this research include the use of questionnaire and the presence of mediating variable in a model whose comprehension was difficult for some respondents. Lack of knowledge of some consumers on specific brands, lack of personal experience of some consumers of particular home appliances are some of the limitations of this research.



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