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A survey on antecedents of brand preference (A case of Samsung on Audio and Video products)

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Abstract

This study aims to investigate the factors influencing brand preference. Samsung audio and video products have been chosen as a case study. This study is based on practical approach. Data collection methods are descriptive branch of the covariance matrix or correlation analysis. After gathering information through questionnaires, exploratory factor analysis was conducted by LISREL software. As a result, the overall factors affecting customer preferences in the form factor of 7 were determined. Each of these factors was determined as general hypothesis of the study. These assumptions were studied through confirmatory factor analysis and path analysis. The results showed that brand awareness, advertising, features of value and characteristics of customer, effect on Samsung brand preference.

Keywords: Brand awareness, Brand preference, Brand image, Customer features

Introduction

Many discussions on brand and brand strategy have used the term brand preference; while these discussions have focused on brand image, brand knowledge, brand awareness and brand equity. In fact, researchers have not regarded brand preference as the main theme and the heart of their arguments. Nilsson, on the other hand, suggests that management should mainly focus on brand preference and successful brand management focuses on building brand preference (Nilson, 2000, p. 135).

Despite the potential importance of this, particularly in dynamic markets where brand loyalty is not permanent, brand preference is limitedly considered so far (Alamro & Rowley, 2011, p. 475).

One of the most important concerns of marketing in companies is to address this that why people prefer brand products prefer or competing products. There are various factors influencing the process of purchasing preference; therefore, some companies do not understand what factors influence the customer's choice. Thus, wrong investments are made on improper factors.

Although there are studies which examine antecedents of brand preference, these studies consider only one or two factors as antecedent.

This step seems to be examined separately to consider factors influencing on brand preference. Because efforts of all brands which closely compete is that customers prefer their brands. Huge investments are made to attract customers to a particular brand. Thus, the study of factors influencing brand preference is of great importance.

Problem Statement

In this study, brand preference is regarded as a key factor and a necessary condition for brand equity. Considering modern competitive markets, thus, brand preference models have been developed and this will be considered in the competitive market of Iran.

The main objective of this study is to identify factors influencing Samsung brand preference to other similar brands in the audio and video market. To achieve this main objective, it is necessary to examine the relationship between factors influencing brand preference. Therefore, the relationship between variables (advertising, brand awareness, service value attributes, provider attributes, after sales services, customer attributes and mental image of manufacturer with brand preference) is examined.

Hypotheses

This needs to be examined that which factor influences on brand preference when buying audio and video products. Considering the number of cases and lack of its literature in Iran, it is required to conduct an exploratory factor analysis (EFA) to provide a logical classification in order to develop the main model. Although various studies provided different classifications of these factors, considering that the present study is conducted in Iran where many factors are added or excluded from the models, an EFA is required to specify the results on Samsung audio and video products.

Once data is gathered by questionnaires, the first step is to classify these factors based on the results of EFA. Then, the factors measuring same criteria will be placed in broader categories. These main factors called as total variables including partial variables are finally considered as hypotheses.

Hypotheses on Samsung after exploratory factor analysis include:

1. Service value attributes positively influence on Samsung brand preference.
2. Brand awareness positively influences on Samsung brand preference.
3. Provider attributes positively influence on Samsung brand preference.
4. After sales services positively influence on Samsung brand preference.
5. Customer attributes positively influence on Samsung brand preference.
6. Image of country of origin positively influence on Samsung brand preference.
7. Advertising positively influence on Samsung brand preference.

Literature Review

Theoretical Background

There is no consensus on the definition of customer preferences and limited empirical research on the factors influencing brand preference. Different authors use different ways of conceptualization for brand preference; they also develop various relationships between brand preference and other brand variables. For example, Keller discussed brand preference as an antecedent of brand loyalty and brand equity; while Chang and Ming considered brand preference as a result of brand loyalty and brand equity. Other scholars use both concept of brand preference and brand loyalty with the same meaning (Rundle-Thiele & Mackay, 2001, p. 530). In this study, the concept of brand preference is used as an antecedent of brand loyalty. Many authors do not provide a clear definition of brand preference; while, Helier et al defined and measured brand preference. Brand preference refers to the extent to which customer advocates services provided by the company against other companies (Hellier, Geursen, Carr, & Rickard, 2003, p. 1765).

Jamal and Good also examined the range of factors influencing the brand preferences. They suggested that demographic factors and product factors are suitable for the measurement of brand preference. Mitchell and Amioku specified the range of attributes influencing brand preference.

They conceptualized brand preference as a set of attributes which leads to loyalty to a brand. These attributes are categorized into three categories, namely consumer attributes, product or service attributes and market attributes (Mitchell & Amioku, 1985, p. 58).

Thus, there are a wide range of studies which examine the relationship between brand preference and one more branding variables such as brand equity (Chang & Ming, 2009), reference groups (Escalas & Bettman, 2003), advertising (Ayanwale, Alimi, & Ayanbimipe, 2005), brand image congruence (Jamal & Good, 2001) and re-purchase intention (Hellier, Geursen, Carr, & Rickard, 2003).

The strong commitment between a brand and a customer group includes the following steps:

1. Become familiar with the brand
2. Knowing about it by the customer
3. Prefer that brand by customers
4. If successful, obtain customer satisfaction and loyalty (Alerck & Settle, 1999, p. 114).

One important problem of marketing and brand management for enterprises is that how potential customers are made to prefer their brand. Purchase intention is a profitability. This intention is merely in the minds of consumers; therefore, it is studied as an attitude. Marketing managers intend purchases which increase sales level and their market share and purchases which increase customer satisfaction and lead to word of mouth.

Consumers' beliefs about product attributes influence on their attitudes about specific brands and finally induce behavioral tendencies and preference of a brand (Samadi, 2007, p. 40).

Experimental Background

Many authors believe that brand awareness, brand image and customer attributes are antecedents of brand preference for consumers (de Chernatony & Segal-Horn, The criteria for successful services brands, 2003) and (Grace & O'Cass, 2005) (Berry, 2000) and (Keller, 2003). When brand awareness, brand image and customer attributes are considered as antecedents of brand preference, they form a simple model, as follows:

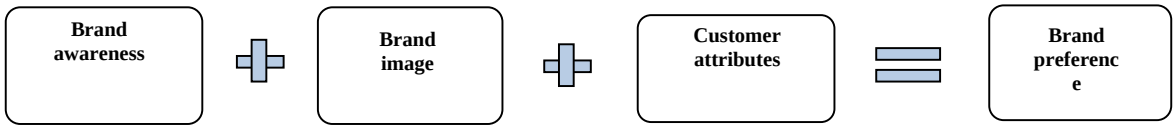

Figure 1: brand preference model (Alamro & Rowley, 2011)

Brand awareness is the ability to recognize brand by the potential customer as a member of a product category or service (Aaker D. 1996, p. 56). The brand image refers to perceptions of the brand reflected in the minds of consumers through activities of the brand (Keller, 2003, p. 55). According to Zeithaml, customer attributes refers to attributes, specifications and characteristics of consumers (Zeithaml, 1991, p. 40)

However, the relationship between these three concepts and brand preference are not clear and authors consider different scenarios. The proposed model and hypotheses used in this study are based on previous studies which consider these three concepts as antecedents of customer preferences. Therefore, potential antecedents to achieve brand preference are classified into three general categories: brand awareness, brand image and customer attributes (Alamro & Rowley, 2011, p. 476).

To succeed in a competitive market, organizations need to develop their practical and emotional relationship with their customers. Brand awareness and brand image (Keller, 2003) with

customer attributes (Hellier, Geursen, Carr, & Rickard, 2003) help to establish and maintain this relationship. Thus, brand awareness, brand image and customer attributes act as a bridge between organization and customers. Customer attributes include satisfaction, perceived risk and the reference group (Aaker D. 1996, p. 70).

However, brand awareness, brand image and customer attributes cannot, by itself, lead to sales. In fact, the main purpose of developing and strengthening brand awareness is not direct sales but brand preference (Alamro & Rowly, 2011, p. 476).

Conceptual Model

After exploratory factor analysis, factors examining brand preference are categorized into broader categories to form the original model.

As shown in the main model, 12 factors by which brand preference was examined were categorized into broader categories to form the main factors of brand preference. Accordingly, hypotheses were also determined.

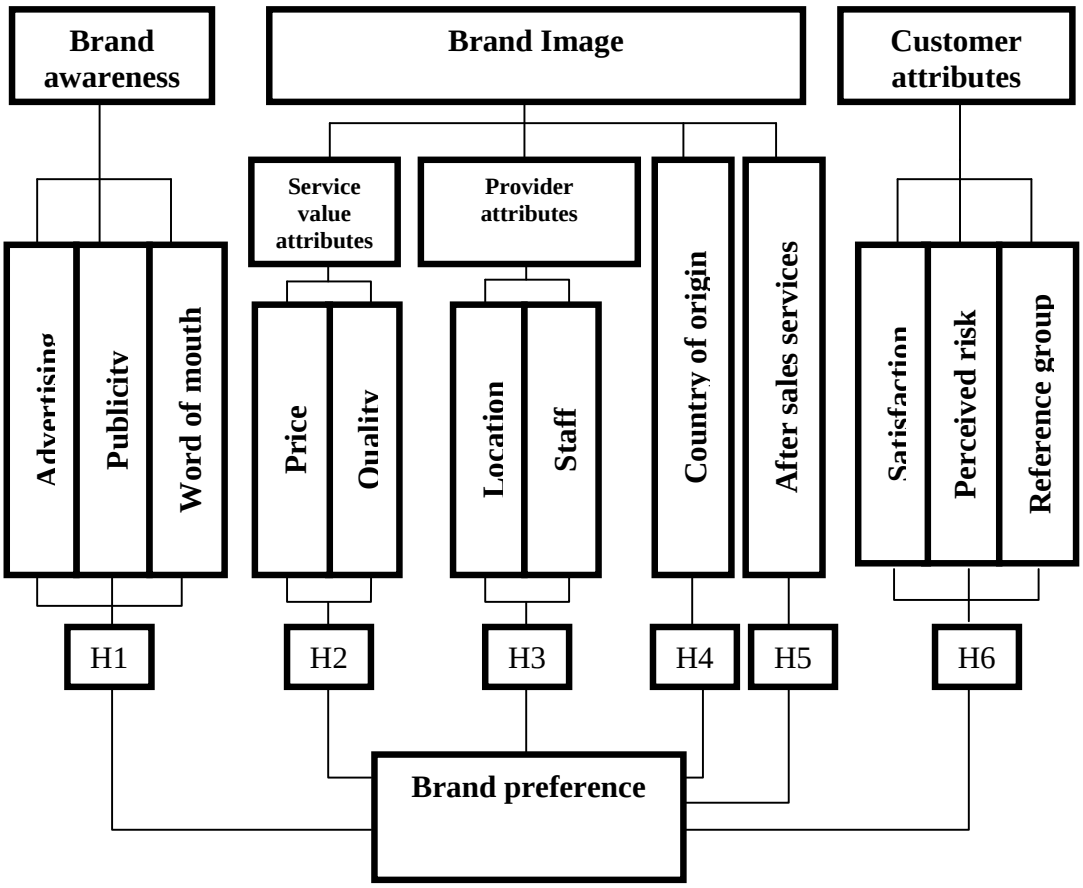

Figure 2: The main model (Alamro & Rowley, 2011)

Variables like advertising, publicity and word of mouth along together formed the brand awareness. Variables such as price and quality formed service value attributes. Location of shops and staff also formed provider attributes. In addition, country of origin and after-sales services were individually evaluated as independent factors.

However, EFA based on information obtained from the questionnaire showed that advertising was examined as a separate hypothesis.

Finally, customer satisfaction, perceived risk and reference groups together formed the features attributes.

Methodology

This study is based on a practical purpose. In terms of data collection, this study is descriptive, covariance matrix or correlation analysis. Because its main purpose is to identify and evaluate existing conditions or, in other words, to describe a situation at the present. According to the methodology presented in the literature review, this study involves data collection, drafting of the initial questionnaire and statistical analysis to finalize components using SPSS, LISREL to analyse data collected by the techniques of descriptive and inferential statistics.

Participants included all customers who wish to purchase audio and video products at the time of study. These people can attend in Samsung stores or other stores of audio and video products.

Cochran's formula was used to determine sample size is, as follows:

$$n = \frac{1.96^2 \times 0.54^2}{0.07^2} \qquad (1)$$

Exploratory factor analysis was performed by SPSS on 28 items; based on the table, 7 major factors were extracted. These seven factors accounted for approximately 75% of the variance relating to items.

Stage random method was used for sampling. This means that markets first, then shops, followed by days, hours, and have been designated for random sampling.

Results

To test the conceptual model and hypotheses of the model, structural equation modeling was used to analyze the data. Structural equation modeling is a comprehensive statistical approach to test hypotheses about the relationships between observed variables and latent variables. Through this approach, reasonability of theoretical models can be tested by correlation, non-pilot and pilot data. Therefore, maximum likelihood is used for estimation in Lisrel 8.80. The model consists of six independent variables (brand awareness, service value attributes, provider attributes, after sales services, after sales services, advertising, country of origin, customer attributes) and one dependent variable (brand preference).

Prior to approval of structural relationships, it is required to ensure goodness and fitness. In the present model, adaptive fitness, goodness of fitness, adjusted goodness of fitness, incremental fitness, adjusted fitness and non-adjusted fitness index are all nearly 0.9 and more; therefore, the model shows a good fitness and is supported.

To classify items among the factors based on their weights, results of the following table called as matrix of rotated elements are used. This table of output of factor analysis involves existing factors in the questionnaire with markers or items presented in Table with their weights. The correlation between observed variables and factor called as weights, in fact, represent the correlation between variables. Weights range from -1 to +1; the values closer to 1 represent the higher correlation between the factors. This table shows the correlation matrix between items and factors after rotation.

Table 1: Matrix of rotated elements

	Variables						
	Customer attributes	After sales services	Brand awareness	Service value attributes	Service provider	Advertising	Country of origin
Price 1	-0.170	0.206	0.152	0.695	0.015	0.240	0.141
Price 2	-0.132	0.172	0.104	0.670	0.118	0.207	0.135
Price 3	-0.197	0.149	0.141	0.750	0.012	0.290	0.117
Quality 1	0.033	-0.017	-0.004	0.852	0.092	-0.026	-0.021
Quality 2	0.037	0.031	0.034	0.844	0.076	-0.022	-0.085
Advertising 1	0.064	0.059	0.048	0.057	0.247	0.757	-0.090
Advertising 2	-0.097	0.190	0.228	0.238	-0.026	0.702	0.046
Advertising 3	0.011	0.110	0.193	0.162	0.114	0.802	0.109
Word of mouth 1	-0.003	0.125	0.875	0.046	0.106	0.099	0.024
Word of mouth 2	0.005	0.087	0.892	0.040	0.020	0.054	-0.037
Publicity 1	0.027	0.135	0.890	0.094	0.124	0.130	0.025
Publicity 2	0.045	0.075	0.895	0.071	0.106	0.086	0.016
Location 1	-0.045	0.164	0.105	0.127	0.717	0.132	0.161
Location 2	0.052	0.150	0.049	0.078	0.774	0.141	0.058
Staff 1	0.059	0.399	0.098	0.029	0.707	0.055	0.063
Staff 2	0.074	0.351	0.138	0.068	0.723	0.009	0.027
After sales services 1	-0.076	0.817	0.146	0.171	0.214	0.095	0.026
After sales services 2	0.024	0.835	0.110	0.072	0.255	0.029	-0.025
After sales services 3	-0.023	0.897	0.103	0.084	0.187	0.058	-0.031
After sales services 4	-0.003	0.855	0.086	0.037	0.234	0.085	-0.009
Satisfaction 1	0.79	0.112	0.026	0.031	0.076	-0.098	0.069
Satisfaction 2	0.822	0.057	0.006	0.058	0.091	0.131	-0.109
Risk 1	0.848	0.019	-0.022	-0.157	0.023	-0.072	-0.042
Risk 2	0.833	0.075	0.026	-0.030	0.060	0.179	0.043
Reference group 1	0.841	-0.057	-0.050	-0.029	0.065	0.089	-0.023
Reference group 2	0.855	0.079	-0.014	-0.019	-0.077	0.204	0.046
Country of origin 1	-0.002	-0.032	-0.038	0.048	0.159	0.011	0.870
Country of origin 2	0.002	0.069	0.022	0.089	0.074	0.035	0.880

A model of significant numbers is developed to know whether the relationship between structure and dimension as well as the relationship between dimension and index is significant. Model of significant numbers or T-Value is the amount of significance of each parameter; if its value is greater than the absolute value of 1.96, the parameters of the model will be significant. Considering that some significant numbers of parameters are larger than absolute value of 1.96, hypotheses related to the variable is supported.

The confirmatory path analysis of four hypotheses were supported by standard coefficients of path and significant numbers. The existing relationships are based on extracted hypotheses and collected data from the sample in relation to Samsung in significant level 0.05, as follows:

- Service value attributes positively influence on Samsung brand preference;
- Advertising positively influence on Samsung brand preference;
- Brand awareness positively influence on Samsung brand preference;
- Customer attributes positively influence on Samsung brand preference;
- After sales services positively influence on Samsung brand preference;
- Provider attributes positively influence on Samsung brand preference;
- Country of origin positively influence on Samsung brand preference.

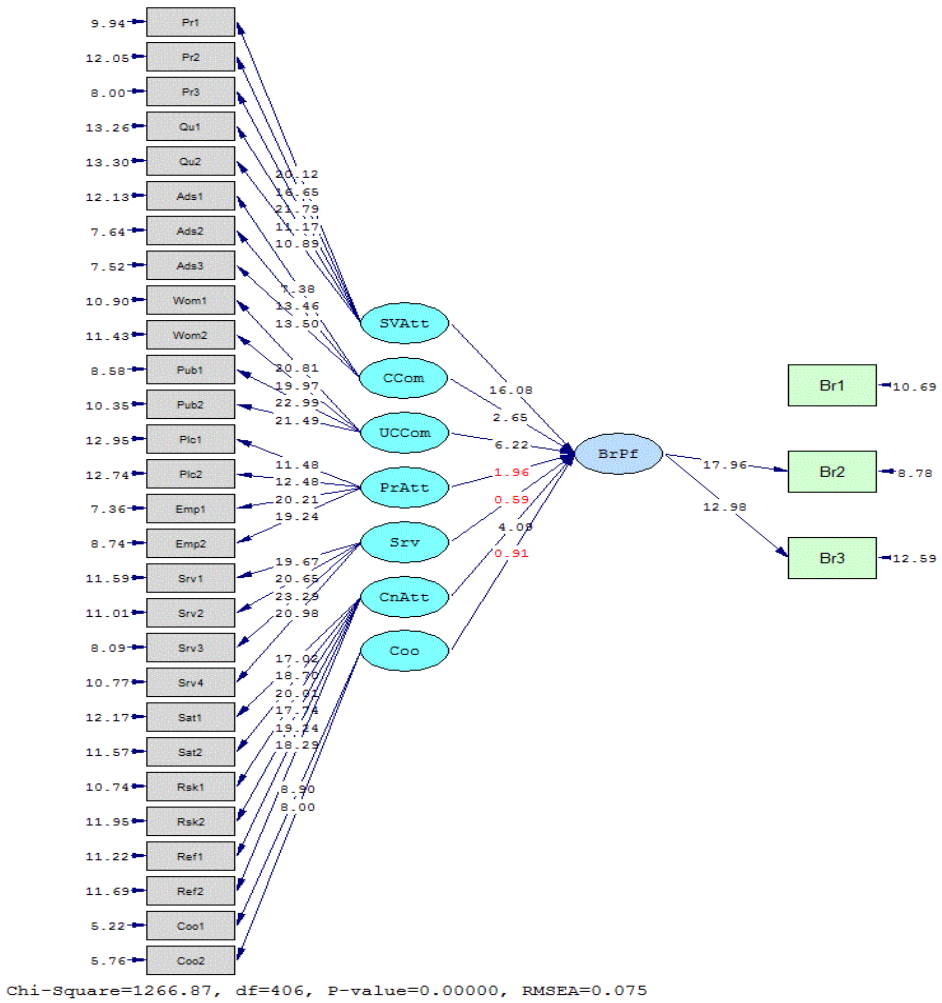

Figure 3: Model of significant numbers for Samsung

Conclusions

Brand awareness involves word of mouth and publicity. Service value attributes includes price and quality of products. Provider attributes includes variables such as location of Samsung stores and behaviour of sales staff. Finally, customer attributes include effectiveness of reference groups, risk-taking and mentality of customers on country of origin.

1. Brand awareness which includes word of mouth and publicity influences brand preference by customers. Therefore, people are attracted to Samsung's audio and visual products through friends and acquaintances about Samsung, praise of others, website of Samsung in Internet, information collected from social networks on Samsung and totally resources informing this brand. These factors help brand preference by customers.

2. Advertisement of Samsung influences on brand preference. In fact, customers generally believe that Samsung uses suitable media for advertisement; advertising changes their attitude toward audio and visual products of Samsung. Advertising is effective enough to be recalled. All of this will eventually cause customers prefer Samsung.

3. Service value attributes including price and quality influence on brand preference. Customers believe that price of Samsung audio and video products are generally good. Discounts and extra sales of Samsung are attractive for customers who are satisfied with the money they pay for Samsung products. The quality is also high; while products are easy to use and learn, they look beautiful and attractive. Thus, price and quality are among the factors which cause brand preference.

4. Unlike the above factors, provider attributes do not influence on brand preference. In fact, location of Samsung stores, their appearances, behaviour of sales staff and information provided by staff do not influence on brand preference.

5. After sales services provided by Samsung do not influence on brand preference. In fact, customers do not prefer Samsung because of after sales services; therefore, customers are less sensitive to this factor.

6. Country of origin of Samsung is Korea. This factor is not discuss as a criterion in the decision about brand preference. In fact, there is no relationship between country of origin and brand preference.

7. Customer attitudes influence on brand preference. People believe that Samsung is trying to attract customer satisfaction which makes customers suggest this brand to others. They also believe that the risk of purchasing Samsung products is low; because they do not feel the risk that they have done a wrong purchase. They also believe that reference groups influence on brand preference.

Managerial Implications

1. According to findings, after-sales services influence on brand preference. While this is not done correctly by Samsung. Although this does not mean that people are not satisfied with after-sales services, it indicates that sensitivity of people toward after-sales services is low. Samsung needs to provide better after-sales services. It also needs to consider the fact that although services are required after sales, customers consider services of great importance before purchase with prior experience and knowledge. Thus, Samsung can consider this factor as effective on brand preference by focusing on after-sales services.

Based on demographic analysis, women are more satisfied with the Samsung after-sales services than men. This indicates that Sam Service Company which is responsible for Samsung after-sales services could attract satisfaction of women. It is recommended to attract more men to obtain their satisfaction with after-sales services and eventually brand satisfaction.

The demographic findings show that educated people are more satisfied with after-sales service. In fact, people with higher education than MA and Ph.D. are more satisfied with after-sales

service. This indicates that Samsung could act well in establishment and informing customers, particularly academic customers. However, it is necessary that services attract satisfaction of all those with any kind of education.

2. Provider attributes are not considered as a factor for the preference. These criteria are not considered as serious criteria for preference. Thus, this may be wrong to think that other criteria are so strong that it is not required to train sales staff. It is recommended to provide more attractive stores. Staff need to behave appropriately and provide customers with enough information.

3. Korea is not a factor for brand preference. If people have low thoughts on products of Korea, it may be better to make people have more positive thoughts on their country. They can eliminates these negative thoughts by advertising, websites, journals and newspapers. However, this largely depends on the overall strategy for branding and marketing efforts in the international arena.

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