



## QUALITATIVE DIMENSIONS OF BRAND AUDIT: AN EXPLORATORY ANALYSIS FOR MEASURING THE IMMEASURABLE

Dr. Padmaja V\* & Prof Govind Nath Srivastava \*\*

### **Abstract**

*Today in the world of new opportunities and changing demographics, brand audit is a very relevant concept and this concept is still in an evolution phase. As subjectivity, perception and emotional values are associated with brand, and psychic cost for parting with a particular brand is relatively more important for valuing brand equity and assessment of brand, hence this paper focuses more on qualitative dimensions of brand and elaborates qualitative research techniques for measuring the immeasurable. Each brand contains unique image value; hence different kinds of strategies are required for assessment of brand. Brand audit analyzes the strength of brand equity and it describes the positioning map of the brand in terms of its present position, market share, and most importantly overall impression of the brand and core brand values in the minds of customers. Brand audit is required for all kinds of organizations irrespective of goods and services as brand has a tendency to become less relevant gradually. Most of the companies do not exercise brand audit due to complexity associated with measurement of assessment of subjective attributes of the brand. Modern research associated with neuro-marketing suggests that customers make decisions through emotions, senses, and instinct and whenever a clash takes place between emotion and logic, emotion always triumph and customers thus give priority to take intuitive decisions over deliberative decisions. It has been found from the study that high emotional value and psychic cost increases the zone of tolerance of the customers and promotes sustainable development of the brand. As brand value depends more on intangible values and it lies in the mind set of customers so the perception, thoughts, belief, image and emotional attachment of the customers are investigated apart from reviewing the actual impact of brand knowledge on consumer response. Efforts have also been made to review and examine subjective attributes associated with brand.*

**Key words:** perception, brand audit, brand equity, psychic cost, neuro-marketing

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\*Assistant Professor, M S Ramaiah Institute of Management, Bangalore

\*\*Research scholar, Banasthali University, Rajasthan



## **Introduction**

Branding is a fundamental strategic process and a long term affair and hence 70% of the marketing expenditure may be used by a firm to improve the brand equity. A brand with distinction and continuously enhanced value offers sustainable competitive advantage to the firm. Today there is a fierce competition among several strong brands for the limited shelf space in retail outlets. The actual battle and clash is between the brands and not between the companies. Brands are valuable, tradable, renewable and lasting assets and deliver value to the firm. Since brand is a company's strategic asset and is a combination of a company's promotional, distribution and service efforts, so brand audit examines different aspects of the brand based on brand inventory.

A brand audit is a comprehensive examination of a brand to discover its sources of brand equity. A brand audit is a more externally consumer focused exercise that discovers the sources of brand equity and suggests ways to improve and leverage it. Brand equity and brand audit are closely linked with each other. Brand equity is a financial concept and it is a combination of assets and liabilities associated with the brand. This concept is still in an evolution phase. "Brand equity is monetary worth of all the attributes that the brand carries". Most of the companies do not show brand equity in their balance sheet due to subjective attributes of the brand.

## **Brand Equity**

From a behavioral view point, brand equity is critically important to make points of differentiation leading to competitive advantages based on non price competition. From the point of view of marketing, high brand equity provides platform to launch a new brand as the brand name carries high credibility. High brand equity also works as like a shield and protects the brand against any competing or opposing attack. Increase in marketing expenditure increases the brand equity which ultimately influences the brand value. The impact of increase in marketing expenditure creates different impact on different brand and that is why companies are calculating return on marketing investment. According to David Aakar (1991), brand equity is the set of assets and liabilities linked to a brand that add to or subtract from its value to the consumers and



business. Farquhar (1989) defined brand equity as the monetary value added by the brand to the product. Swait et al (1993) defined brand equity as the consumer's implicit valuation of the brand in a market with differentiated brands relative to a market with no brand differentiation.

Brand audit takes into the consideration qualitative as well as quantitative attributes of brand. The qualitative attributes of the brand include attitudinal and behavioral loyalty of the customers while quantitative attributes contains market share of the brand, market ranking and revenue generated by the brand. For effective brand audit, it is essential to understand the gravity of customer loyalty. The value of the brand is derived from loyalty of the customers which includes emotional attachment, love, and positive attitude to remain in the relationship even in the price hike. These subjective elements need to be diagnosed for the assessment of the brand from the customer's perspective. It is important to note that the value of the brand should be more based on perceived value of the customers and social pathology and individual psychology should be examined to review the demonstrative impact of the brand over society and individuals.

For brand audit, loyalty of the customers' needs to be transformed into monetary terms. Customer loyalty is a psychological state that a firm tries to create in the mind of the customer. Researchers in the field of customer loyalty defined the loyalty from different perspectives. Chip Bell pointed out that a loyal customer is one who does not just come back, he does not simply recommend, but he insists his friends to do business with you. Gremler and Brown pointed out that a loyal customer is one who repurchases from the same service provider whenever possible, who continues to recommend and who maintains a positive attitude towards the service provider. Zeithmal integrated various researches in the field of customer loyalty and described customer loyalty in terms preference of the customers, continuing relationships with the brand and positive attitude. Selnes( 1993) stated that loyalty is an attitude expressed in the form of readiness to advocate the brand to others. Hence brand loyalty is defined as a dedication, faithfulness, commitment, devotion to a brand. In order to become brand loyal, the customer must perceive a particular brand as a best option and he should have positive attitude towards that brand.



Brand audit considers customer loyalty as a multidimensional concept and take into the consideration both attitudinal loyalty and behavioral loyalty. After analyzing the two dimensional approach researchers insisted that focusing only on behavior (repeat purchase) does not give a complete understanding about brand loyalty. In other words examining the behavioral component of the customer does not confirm that whether the repeat purchase is result of convenience /incentive or brand is really creating a meaning in the life of customer.

### **Behavioural and attitudinal dimensions of brand loyalty**

Behavioral dimension refers to customer's behavior in respect of repeat purchase. Here repurchase activities are only measure of brand loyalty and any internally held attitude causing the behavior is completely ignored. Attitudinal dimension of brand loyalty focuses on the factors/causes responsible for the outcome (purchase). In pure economic sense a loyal customer is one who is ready to pay a premium price for the particular brand and select it over the other brands despite the fact that preferred brand does not possess any differential advantage.

Brand audit examines the level of satisfaction and loyalty. Customer satisfaction is a pre requisite for brand loyalty. According to Rai Srivastava model of customer loyalty, customer loyalty is a function of satisfaction and emotion. Thus:

$$\text{Customer loyalty} = f(\text{satisfaction, Emotion})$$

Customer satisfaction has a strong impact over the future purchase intension and loyalty building. Coyne established that loyalty and customer satisfaction share a weak relationship when customer satisfaction is low, moderate when customer satisfaction is intermediate and strong when customer satisfaction is high. Fornell ( 1992) pointed out that high customer satisfaction improves customer loyalty and reduces the price sensitivity of the customers towards competitive offering. Jones and Sasser revealed that satisfaction loyalty relationship is neither simple nor linear and defection also takes place among satisfied customers.

Fredrick clarified the difference between satisfaction and loyalty and stated that satisfaction is passive state of the customer while loyalty is pro active relationship with the supplier. A satisfied customer base sends a message to others that the brand is





### **Qualitative Dimensions of Brand Audit-**

Brand must create meaning in the life of customers and it should be meaningful for them. The meaning of brand is different for different customers and it depends on variety of the factors such as profile of the customers, past experience, knowledge and exposure. There is a common understanding among most of the researchers that customers give high value to emotions, love, faith, dedication and belief. The value of the brand is largely based on these intangible and subjective elements of the brand. Emotions play a very important role in the brand decision and emotion drive the decision of customers silently and unconsciously to the destiny where customers intend to go.

John Pawle and Peter Cooper used the Lovemak grid and incorporated quantitative as well as qualitative insights for measuring emotions. In their study they found that emotion significantly contribute in the consumer decision making as compared to functional factor and account for 65% to 85% depending on product category. Human behavior is heavily influenced by emotions not solely by reason. Consumers are highly emotional and intuitive in their behavior, operating through emotional center of the brain directed by their heart and often independent of conscious control (John Pawle and Peter Cooper).

For brand audit, the level of emotional attachment and degree of customer loyalty must be measured. The measure of customer loyalty is different than the other measure as for measuring the loyalty, post purchase experience is must.

Robert (2004) developed a love mark grid to understand the relationship between brand and consumer and emphasized that brand not only need to create respect but it should also earn respect from customers. Heath-2001, pointed out that brand decision is not wholly rational. Consumers take the decision via senses, emotions, instinct and intuition. He highlighted that customers are physically not able to take decision based on purely rational thinking. Kelvin Roberts in his study argued that human beings are powered by emotion and whenever there is conflict between emotion and reason emotion always wins.



Feelings of the customers ( positive or negative) should be taken into the consideration by a brand auditor while evaluating the brand and for the said purpose psychometric techniques should be used. Since intention determines the action, in the same fashion positive feeling leads to repeated purchase behavior. Damasio (1994) pointed out that feeling boost the conscious attention and continued working memory required for any reasoning or deciding pleasant and unpleasant feelings can help decision makers to resolve this dilemma by invoking distinguishable frame of the mind . It is no longer enough to explain to customers what brand can do for him, in fact a firm needs to win the emotions of the customer in order to delve deep inside the heart and mind of the new-generation customers . Here, it can also be mentioned that brand decision-making also depends on the mood of consumers.

Several studies have shown that in a happy mood, customers are more driven by their first feeling and emotion and they take quick intuitive judgment. Intuitive decision-making is characterized by sense by which customers perceive an option better than another. The customers are not necessarily able to find out the source of this intuition. Unhappy individuals are strongly persuaded by strong arguments, but not by weak arguments, whereas happy individuals are moderately persuaded by strong as well as weak arguments (Marieke D Vries, Rob W. Holand and Cilia L.M. Witte man, ) The way consumer experience emotion determines his behavioral intention (Yach and Spangenberg-2000). It is pointed out that Positive emotion creates approach behavior while negative emotion produces avoidance behavior.

### **Review of Literature**

Academic literature clearly addressed the importance of building a strong emotional relationship between consumers and brands. Positive brand feelings such as joy, warmth, affection, excitement are critically important to build strong consumer based brand equity that increases the monetary worth of the brand. Recent literature on branding has argued that an emotional brand experience is important to foster brand loyalty and purchase intentions. Brand equity provides a sustainable competitive advantage as it enables a firm to compete based on brand value other than offering a lower price . Price leadership strategy neither builds the brand nor increases the value of



the brand. Offering the brand at lesser price is not sustainable as it initiates a price war in the market place. Secondly it decreases the profitability ratio of bottom of pyramid. There are two different perspectives of brand equity, company-based brand equity and consumer-based brand equity. The present study focuses on consumer-based brand equity.

In the present study, perception of customers in the decision making process has been taken into consideration keeping in mind emotionality, faith, devotion, friendliness for the brand which ultimately determines the brand equity. Keller (1993) presented a conceptual model of consumer-based brand equity, which proposed that a high level of brand awareness and a favorable brand image leads to brand loyalty, which consequently creates brand equity. Brand equity can be divided into five factors and these are: brand association, brand awareness, perceived quality, brand loyalty, and other proprietary brand assets. Consumers buy the brands to satisfy specific problems, desires or needs that can be classified into a category of functional, emotional or self-expressive needs (Aaker, 1996). Aaker (1996) pointed out that organizations should view their brand as brand as a product, brand as an organization, brand as a person and brand as a symbol.

The brand as product entity focuses on product features (functional benefits); the brand as a organization and brand as a person entities focus on emotional and self-expressive benefits, while the brand as symbol emphasize on all three benefits, namely functional, emotional and self-expressive benefits. The companies should move beyond the functional benefits and products attributes and develop holistic approach for devising branding strategy.

The brand audit and brand equity depends on Brand's Value proposition that expresses three kinds of benefits namely functional , emotional and self expressive benefits delivered by the brand to the consumers .Greater the value consumer will perceive, higher would be chances to pay price premium by him. The brand should earn the respect and win the heart of the customers as emotional benefits can not be copied.



Firm can no longer sustain its competitive edge only by focusing on functional benefits so understanding sources of emotional arousal has become key result area. The Emotional benefits are linked to feelings of respect, admiration, appreciation etc for organizations or their brands (Aaker, 1996).

Emotions are strong, relatively uncontrolled feelings that affect our behaviour (Hawkins et al., 1998: 383). O'Shaughnessy et al. (2003) described in their book that emotions are the primordial force behind purchases – they are inseparable from our decision-making processes and may play a very important role (maybe even more so) in the decision-making process as does rational behaviour (McEwen, 2004). The emotional brain is involved in the decision making process like the rational brain. It is true that product attributes play a important role in decision making but there is common agreement among the researcher the customer purchase decision is more driven by symbolic cues than the feature, benefits and price. Reasoning strategy does not always work and as stated by Maslow, human behaviour is driven by unconscious forces. Purchase decision of the customer is not always based on cause and effect relationship and customer is more influenced by intuitive judgment as compared to deliberative judgment. Reasoning tells consumers a great deal about the features of a product, but it is the link between reason and emotion that decides the actual trade-offs that are made” - (O'Shaughnessy and O'Shaughnessy, 2003, ). In addition to the emotions, self-expressive need is also important to satisfy need of the customers. . The closer the distance between what the consumer thinks the brand expresses and how they desire to express themselves, the stronger the affiliation with the brand (Aaker, 1996).

The decision to purchase one particular brand over a competing brand is not necessarily based on value proposition of the brand . The preference of a customer for a particular brand depends on ability of the brand to project his community nicely. Customer buys luxury car such as BMW not to satisfy functional need but to project his community in the society. Social cue, symbolic cue and self expressive needs are critically important for selecting a brand over competing brand.



People act differently in different situations, as they are influenced by social roles and cues, and they have a need for self-presentation, therefore they will use different brands to express different personas of themselves. Different kinds of personalities lie in one person so the same person act differently depending upon the role, situation and self expressive need.

A business executive wears different types of apparel at different occasion. Brands work as like a tool for self-reflection and people are influenced by brands which can characterize their personalities and express themselves in the manner that they view themselves.

An important part of self-expressive needs, as well as emotional needs, is the brand imagery. Brand imagery deals with the extrinsic properties of the product / service, including the ways in which the brand attempts to meet consumers' psychological or social needs (Keller, 2003: 83. ) A brand that establishes relationship with the consumer and satisfy both emotional and functional need will be in the eyes of customers. Organization should have emotional connection with the customer and it should express it consistently at every touch points with the consumer in order to create a positive and memorable brand experience. The efforts of branding do not stop at customer satisfaction. The brand should do something more than just offer functional benefits. The development of the love construct brings important insight about feeling, emotional attachment of the customers with the brand. Carroll and Ahuvia pointed out that brand love is the degree of passionate emotional attachment a satisfied consumer has for a particular trade name. Results from these studies indicate that the more brand love experienced by satisfied consumers, the more brand loyalty and positive word-of-mouth publicity.

From the above review of literature, it can be said that love, passion and emotion increases the value of the brand and the brand which offers both emotional and functional benefits would be in the eyes of customers.





**Objectives of the Study-** Followings are the main objectives of this study:

- To explore different elements of qualitative dimension of the brand affecting brand value.
- To compare intuitive judgment with Deliberative judgment with special reference to brand decision in order to assess relative frequency of these decision in brand choice.
- To study the comparative analysis of emotional benefits with functional benefits in order to analyze the magnitude of these benefits and to assess the impact of these benefits over the brand value.
- To examine qualitative research techniques for measuring the intangible aspects of the brand value.
- To find out the gap in the existing study through extensive literature review of existing literature.
- To analyze the association between qualitative dimension of the brand.

**Research Methodology**

Qualitative research technique has a long history in marketing research. Ernest Dichter used psychoanalytic technique to understand the purchase behavior of the women for automobile products. Qualitative research identifies brand association and decode the inner insight and unconscious thought of the customers. In the present study qualitative research techniques such as *word association test*, *projective technique* have been used to explore various factors influencing the brand and to analyze the impact of these factors over the brand value. Qualitative research technique has been used for the study as the purpose of this study is to explore new ideas related to intangible demonstrative influence of the brand that significantly determines the value of the brand.

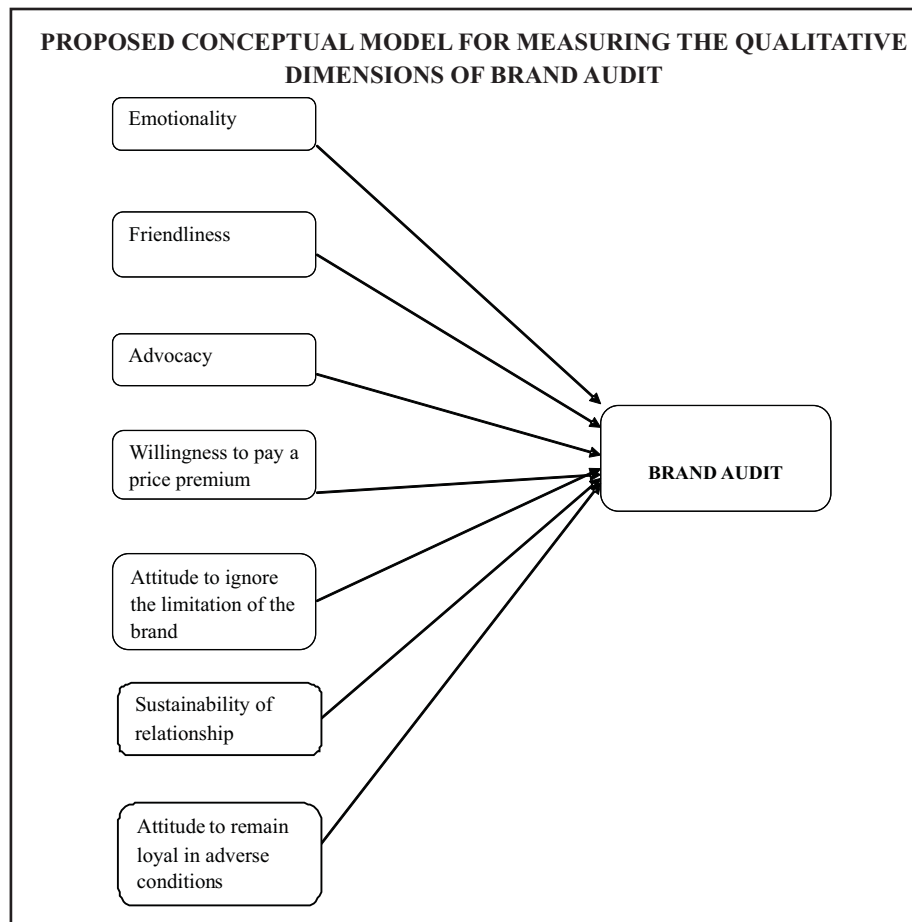
For the purpose of the study only 27 respondents were carefully selected. These respondents have positive inclination for a particular brand and efforts have been made to find out the reason behind this inclination so that factors influencing brand value could be obtained. Judgment sampling has been used to ascertain and obtain information from a specific group of people.



Open ended questions were used and a small- scale exploration research was carried out to explore appropriate question for the study. For collecting the data , depth interviews and focus group interviews were used and enough time was spent on each respondent to uncover their unspoken desire, hidden motive, social and symbolic cue. An informal, unstructured and lengthy interview was carried out between the respondents and interviewer and the respondents were encouraged to talk freely about their emotions, belief and attitude. Focus group interviews were also conducted for the study as it is a popular technique for exploratory research. Before administering the interview, a brief idea was given to the respondents for the discussion. The respondents spoke freely about their feelings, experiences, motives and inclinations related to the brand. The new ideas which emerged during the focus group interview have been incorporated in the study. A total seven questions were framed for the study and these questions are related with emotionality, friendliness with the brand, advocacy for the brand, willingness to pay a premium price, attitude to ignore the limitation of the brand, sustainability of relationship, attitude to remain loyal in adverse conditions. All these questions are subjective in nature and intend to discuss intangibility aspects of the brand. The validity of the questionnaire was tested by content validity test. Projective research technique such as word association test, sentence completion test , TAT test was used to understand the nature, subjectivity, magnitude of the relationship between the customer and the brand.

### **Discussion**

When projective research technique, word association test , and sentence completion test was administered, it was found that most of respondents reflected their emotional feelings and they admitted that ,in most of the cases they buy the products due to emotional reasons. In most of the cases, majority of the respondents could not define the exact reason behind the purchase decision, this shows that unconscious motivation plays an important role. It was also found from the TAT test , that customers expressed their inexpressible need when ambiguous stimuli was shown to them .Result shows that customers value love, affection , emotionality associated with the brand. The results drawn from the projective research technique reveals that emotional needs are complex and the association between the brand and customer play a important role in branding decision of the customers and it has prominent impact over the brand value.



## Conclusion

Preferences for products and brands seem to be fundamental to our sense of personal identity. The present study indicates that brand value depends more on intangible value of the brand and customers rate the brand beyond the functional benefits of the brand. Brand personality dimensions such as 'excitement', 'sophistication' affect the personality traits of a customer purchasing a particular brand. *"You are what you wear"* – is what brand-conscious people are concerned about. Since intuitions are charged with feelings, majority of the customers are inclined towards emotional benefits and hence give more preference to social cues, symbolic cues and expressive needs.



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