

Impact of Brand Element Changes on Brand Equity: Special Reference to Dialog Telecom in the Telecommunication Industry in Sri Lanka

I.C. Nirmani and J.P.R.C. Ranasinghe
Uva Wellassa University, Badulla, Sri Lanka

Introduction

The concept of branding is very important in current complex business world. Building brand equity, or strong brands, is considered to be one of the key drivers of business's success. More and more firm and organization have come to the realization that one of their most valuable assets is the brand names associated with their product or services. (Keller, 2003). Brand elements play an important role for building brand equity in brand management.

If an organization changes their brand elements, nobody can say whether both users and non-users accept or disclaim it. Therefore, there is a risk about consumers' perception regarding changing brand elements. On the other hand, changing brand or brand elements is a highly expensive task. If an organization changes their brand, it must be communicated well through advertising to their customers (Chiranjeev Kohli & Lance Leuthesser, 2006). Then only marketers can achieve main purpose of changing brand elements and can build significant brand equity and loyalty (Aurand *et al*, 2005; Fournier 1998). The test of the building brand ability of elements is what consumers would think or feel about the product if they only knew about its brand name, associated logo and other characteristics. Accordingly, the way of building Brand Equity as parallel to Brand Element changes can be identified. In current Sri Lankan context, most of the local and international companies are changing their brand and its elements. It directly affects their brand equity. High brand equity is considered to be a competitive advantage since: it implies that firms can charge a premium; there is an increase in customer demand; extending a brand becomes easier; communication campaigns are more effective; there is better trade leverage; margins can be greater; and the company becomes less vulnerable to competition (Campbell, 2002; Keller, 2003). Therefore, the brand equity is very much important for the success of the organization. Accordingly, this study focused on identifying the effect of the changing brand elements for building strong brand equity at the exiting market; evaluate the successfulness of changing brand elements and consumers' perception of the new brand, and studying whether marketers can attract new customers via changing brand elements.

Methodology

This study was taken into customers, who use mobile phones in selected districts according to the information given by Telecommunication Regulatory Commission in Sri Lanka. Districts were selected according to the higher population density for Registered SIM cards and these districts are Colombo, Gampaha, Kandy, Galle and Kurunagala. This Study took 200 customers as its sample based on district wise proportion. Out of 200, only 181 customers have responded. Questionnaires have been employed in this survey to collect primary data. Further, secondary data was gathered from Telecommunication Regulatory Commission in Sri Lanka and telecommunication services centers in Sri Lanka.

Brand Elements (Display of the Brand Name, Jingle, and Color) were considered as independent variables and Brand Equity namely, Brand Awareness and Brand Image were considered as Dependent Variables for the study.

In addition, Brand Awareness included Brand Recall and Brand Recognition while Brand Image included Positive Word of Mouth, Brand Familiarity, Brand Personality, Uniqueness, and Reliability as its dimensions.

When developing the questionnaire, closed ended questions were used and Sinhala language had to be used as the respondents' language. Some general questions have been asked such as gender, age, occupation in the first section of the questionnaire. Further, some familiarization questions have been asked under second section. The third part basically focused on measuring study variables. Here, 5 - point likert scale was used to collect data in the questionnaire. When analyzing data, some parametric statistics have been used such as Mean, Personal Correlation and One Way ANOVA.

Results and Discussion

According to the reliability analysis for the study, a majority of alpha values were more than 0.6 and it can be summarized that reliability of the study was very strong. The values were found by the personal correlation analysis under the 99% confident level and "r" values is somewhat close to 0.5 levels. When it comes to the analysis, almost all the "r" values have shown a positive relationship of these study variables. Further, there was a positive correlation for each and every study variables of this study. Almost all mean values of brand recall and recognition through brand elements were less than 2.5 levels. According to the One Way ANOVA test for customer demographics, some of the values were significant.

Conclusion

Brand elements (display of the brand name, logo, jingle and color) have been affected to build brand awareness. Brand awareness was highly affected through jingle in the brand elements and majority of respondents did not agree with creating positive word of mouth through changing brand elements. Besides, a favorable brand association was not created through brand elements for brand image. Occupation affected the building of brand equity through changing brand elements. Ultimately it can be mentioned that changing brand elements are successful and it is able to create a Strong Brand Equity. Moreover, it can be concluded that the Brand elements have been affected to build brand image and awareness.

References

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