

# **Role of Advertisement in Creation of Brand Equity**

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## **ABSTRACT**

The study examined the role of advertising in creating the brand equity of cosmetic products. The purpose of the study to establish a theoretical and empirical basis that shows the role of the advertisement in creation of brand equity regarding cosmetic products. In this study 100 Girls students were selected by using the random sampling method from the Govt. College of the Rohtak Division. A structured questionnaire was used as a tool to collect primary data from respondents. Data were analyzed using SPSS. This study explores the relationship between advertising and brand equity creation. In particular, the study focuses on Qualitative perspective of the advertising. Based on findings of the data show that the contents of advertising play a prominent role influencing brand equity

**Keywords:** Advertising, Advertising effectiveness, Brand equity, Brand consciousness

## **INTRODUCTION**

Advertising is an important and successful factor to create brand equity, specially where the sale promotion is failing to increase sales. Brand equity is a set of assets and commitments attached to a brand's name and symbol that adds to (or subtracts from) the value provided by a product or service to a firm or that firms' customer (Aaker 1991:1996). (Johanson, 1984; Chay & Tellis, 1991; Lindsay, 1989; Sullivan 1993 and Lee & Staelin, 1994) identified the positive effect of advertising on brand equity. Advertising is positively concerned with the awareness of the brand association which is increased brand equity. According to Kirmani & Wright 1989, heavy investing in advertisement indicates that company invested on its brand which is evolved high quality. Brand equity has become main priority for many companies (Keller and Lehmann, 2006). The study examines the relationship between advertising and brand equity creation. The study emphasizes on qualitative perspective (general perceptions of advertising). Research has focused on understanding the role of advertisement in brand awareness, acceptability and retention. As well as developing supplementary insights into measurement of consumer-based brand equity, it is therefore important to study the sources of brand equity. This facilitates managers to recognize then drivers that provide to the strengthening of brand equity and those that adversely affect performance.

### **Objective:**

1. To check the role of the advertising in creation brand equity.
2. To find out the perception of the respondents towards advertisement

## **REVIEW LITERATURE**

**Cobb-Walgren (1995)** conducted a study to find out can advertising influence brand equity. They found that with advertising, it is able to create awareness of the brand and increase the probability that the brand is include in the consumer's evoked set. It can contribute to brand association which, when stored in accessible memory, translate into non conscious but reliable behavioural predisposition. They concluded that spending advertising costs has positive effect on brand equity and its dimensions.

**Joshua and Vikkraman (2011)** studied the impact of advertising and price promotions on brand equity in service sector. It was found that advertising has an impact on brand equity for experience product. The researcher took 90 respondents interviewed by using convenience sampling method. The result of the study showed that brand with the higher advertising budget yielded substantially higher levels of brand equity. **Bahram Ranjbarian et al. (2011)** examined the impact of Brand equity on advertising Effectiveness. The researcher used the Structural Equation Modeling (SEM) for establish the relationships between brand equity dimensions and advertising effectiveness. Perceived quality, brand loyalty, brand awareness and brand association are taken as brand equity dimensions. The result indicates that brand equity has a positive effect on advertising effectiveness. **Makasi, Govender & Rukweza (2014)** studied the impact of advertising on building brand equity in Zimbabwe's Tobacco floors. A structured questionnaire was used as a tool to collect the primary data

from 100 farmers. Results of the study found that advertising affects brand awareness, brand loyalty, brand association and perceived quality. Johnson (1984) conducted a study on the relationship between advertising spending and brand loyalty. Over the time those brands suffered a decline in brand loyalty; one of the main reason was a lack of advertising support. Therefore it is very compulsory for company to develop a well strategy that would help them gain a better brand's position and protecting them from other competitors. From the study of former scholars, we can find that scale variable of brand equity such as brand attitude and brand awareness can use exposure effect to increase the evaluation of customer to the brand. No published studies to date have examined all of the brand equity as they related to advertising.

## RESEARCH METHODOLOGY

The research study is primarily an empirical study on the Role of advertisement of cosmetic products in creation brand equity. the study focuses on Qualitative perspective of the advertising. Sampling is a technique or process of selection of samples. The researcher in carrying out this research adopted the most appropriate sampling technique for research that is the simple random sampling technique. In order to carry out the study with the predetermined objectives in mind, the primary data have been collected with the help of a structured questionnaire and informal personal discussions with the sample respondents. The secondary data have been collected from different sources such as published research papers, research articles in national and international journals, seminar reports, newspapers, books, departmental publications and working papers.

Data is evaluated with the help of percentage method, frequency method, and other appropriate technique which suitable for analysis of data.

### Data Analysis:

To study the objectives, seven statements were designed by using the Likert scale. Respondents were asked to rank the statements on a scale of five- strongly disagree, disagree, undecided, agreed, strongly agree. The Statements regarding Perception about brand preference and acceptability due to the advertising are as following:

1. It is not wise to prefer a brand of cosmetic product on the basis of its adv.
2. I don't believe that the brand I purchased has all the benefits claimed in the advertisement
3. advertising results in making the consumers more brand conscious regarding the cosmetic products
4. Advertising creates a brands image about the product in our minds , which in turn influences the purchase of that brand
5. Advertising gives me the information about the brands which have features I am looking for
6. Ads have made the youth brand and trend conscious.
7. All advertised products are really branded product.

The study is conducted on the perception of the rural and urban respondents regarding the role of advertisement in creation of the brand equity and the results are evaluated on that basis:

**Table: Showing the Frequency of the Perception of the Respondents**

Statement	Rural			Urban		
	Disagree	Not decided	Agree	Disagree	Not decided	Agree
It is wise to prefer a brand of cosmetic product on the basis of its adv.	27	15	18	14	15	11
	45%	25%	30%	35%	37%	28%
I believe that the brand I purchased has all the benefits claimed in the advertisement	21	14	25	20	4	16
	35%	23%	42%	50%	10%	40%
Advertising results in making the consumers more brand conscious regarding the cosmetic products	24	17	19	2	8	30
	40%	28%	32%	5%	20%	75%
Advertising creates a brands image about the product in our minds , which in turn influences the purchase of that brand	13	23	24	11	2	27
	22%	38%	40%	28%	5%	67%

Advertising gives me the information about the brands which have features I am looking for	18	15	27	6	1	33
	30%	25%	45%	15%	3%	82%
Ads have made the youth brand and trend conscious	23	13	24	5	0	35
	38%	22%	40%	12%	0%	88%
All advertised products are really branded products	35	13	12	23	8	9
	58%	22%	20%	57%	20%	23% <sub>s</sub>

**It is wise to prefer a brand of cosmetic product on the basis of its adv.:** 45% respondents of rural area are disagree and 35% and 37% respondents of urban area are disagree and not decided respectively, it means that it is not wise to prefer of cosmetic products on the basis of advertisement.

**I believe that the brand I purchased has all the benefits claimed in the advertisement:** 42% respondents of rural area are agree and 50% respondents of urban area are disagree with the statement. It means rural area respondents believe that the brand they purchased has all the benefit which are claimed in the advertisement. But the urban area respondents are opposite to them.

**Advertising results in making the consumers more brand conscious regarding the cosmetic products:** 40% respondents of rural area are disagree and 75% respondents of urban area are agree with the statement. It means rural area respondents believe that the advertisement can't make them brand conscious. But perception of the urban area respondents that advertisement makes the brand conscious. They are completely opposite them.

**Advertising creates a brands image about the product in our minds, which in turn influences the purchase of that brand:** 40% respondents of rural area are agree and 67% respondents of urban area are agree with the statement. It means rural area respondents believe that the advertisement creates the brand image about the product in rural customers mind, and the perception of the urban area respondents in its favour that the advertisements influence the purchasing and creates brand image in the mind.

**Advertising gives me the information about the brands which have features I am looking for:** 45% respondents of rural area are agree and 82% respondents of urban area are agree with the statement. It means rural area respondents believe that the advertisement gives the information about the brand which features I am looking for, and the perception of the urban area respondents in its favour that the advertisements provides maximum of information regarding the features for which they are looking in brands.

**Ads have made the youth brand and trend conscious:** 40% and 38% respondents of rural area are agree and disagree respectively and 88% respondents of urban area are agree with the statement. It means rural area respondents believe that the advertisement make the youth brand and trend conscious and also some of the rural respondents not having the same thinking. But perception of the urban area respondents that advertisement makes the youth more brand and trend conscious.

**All advertised products are really branded products:** 58% respondents of rural area are disagree and 57% respondents of urban area are disagree with the statement. It means rural area respondents believe that the advertised products are not really branded products, and the perception of the urban area respondents is also same that the advertised products are not always branded products.

## CONCLUSION

The role of advertisement in brand equity is analyzed on basis of various statements. To check the brand awareness, brand consciousness, brand acceptability, brand loyalty and brand behavior. So the study concluded that the advertisement makes youth more brand consciousness and trend consciousness and it provides the information regarding the brand features which creates awareness regarding the brand.

The branded cosmetic product is not more acceptable by the respondents because they believe that all advertised product are not really branded products. The advertisement claims many of benefits and many of respondents are in favour that the benefits shown in the advertisement are given at the time of purchase which creates brand loyalty in the market. The advertisement is able to create brand image in the mind of respondents regarding the product which influence the brand behavior of respondents.

**Limitations of the study:**

While it is not possible to obtain a global measure of the advertising effectiveness, we should seek to develop and apply methods and measures for a partial verification of results. It is not possible to go into every detail of the behaviour involved. Keeping in view the time and finance available the study is restricted to a sample of 100 respondents which may not be representative of the population. The universe being large, the study is restricted to girls of the Govt. College of Rohtak division.

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