

**DETERMINANTS OF BRAND EQUITY DIMENSIONS: A CONSUMER
BASED MODEL INCORPORATING PRODUCT VALUE, BRAND TRUST-
AFFECT, RISK AVERSION, COUNTRY IMAGE AND INVOLVEMENT**

M.Sc. THESIS

Zeynep VURAL

Department of Management Engineering

Management Engineering Programme

JUNE 2013

**DETERMINANTS OF BRAND EQUITY DIMENSIONS: A CONSUMER
BASED MODEL INCORPORATING PRODUCT VALUE, BRAND TRUST-
AFFECT, RISK AVERSION, COUNTRY IMAGE AND INVOLVEMENT**

M.Sc. THESIS

**Zeynep VURAL
(507081019)**

Department of Management Engineering

Management Engineering Programme

Thesis Advisor: Assoc. Prof. Dr. Elif KARAOSMANOGLU

JUNE 2013

İSTANBUL TEKNİK ÜNİVERSİTESİ ★ FEN BİLİMLERİ ENSTİTÜSÜ

**MARKA EDERİ BOYUTLARINI ETKİLEYEN FAKTÖRLER: ÜRÜN DEĞERİ,
MARKA GÜVENİ, MARKA ETKİSİ, RİSKTEN KAÇINMA, MENŞEİ ÜLKE
İMAJİ VE KATILIMI KAPSAYAN TÜKETİCİ-TEMELLİ BİR MODEL**

YÜKSEK LİSANS TEZİ

**Zeynep VURAL
(507081019)**

İşletme Mühendisliği Anabilim Dalı

İşletme Mühendisliği Programı

Tez Danışmanı: Doç. Dr. Elif KARAOSMANOĞLU

HAZİRAN 2013

Zeynep Vural, a **M.Sc.** student of **ITU Institute of Science and Technology** of student ID 507081019, successfully defended the **thesis** entitled “**DETERMINANTS OF BRAND EQUITY DIMENSIONS: A CONSUMER BASED MODEL INCORPORATING PRODUCT VALUE, BRAND TRUST-AFFECT, RISK AVERSION, COUNTRY IMAGE AND INVOLVE**”, which she prepared after fulfilling the requirements specified in the associated legislations, before the jury whose signatures are below.

Thesis Advisor : **Assoc. Prof. Dr. Elif KARAOSMANOGLU**
İstanbul Technical University

Jury Members : **Assoc. Prof. Dr. Ayşe Banu ELMADAĞ**
İstanbul Technical University

Assist. Prof. Dr. Gülberk GÜLTEKİN SALMAN
Bahçeşehir University

Date of Submission : 03 May 2013
Date of Defense : 10 June 2013

FOREWORD

This thesis stands as the result of a painstaking study and commitment. I hope that it will contribute to marketing theory and be a beneficial resource for both future theoretical and managerial research.

I would like to thank all my lecturers in Istanbul Technical University for all their contributions and guidance and to my friends for sharing all the joy and the hard work through my masters' studies.

I would like to greatly appreciate my thesis advisor, Assoc. Prof. Dr. Elif KARAOSMANOĞLU for all her criticism, support and kindness during my studies. Finally, I would like to thank to my beloved husband and family for all of their love, patience and support during all my studies.

June 2013

Zeynep VURAL
Industrial Engineer

TABLE OF CONTENTS

	<u>Page</u>
FOREWORD	vii
TABLE OF CONTENTS	ix
ABBREVIATIONS	xi
LIST OF TABLES	xiii
LIST OF FIGURES	xv
SUMMARY	xvii
ÖZET	xix
1. INTRODUCTION	1
1.1 Purpose of the Thesis	2
1.2 Methodology and Methods Used	2
1.3 Contribution of the Study	3
1.4 Outline of the Thesis	4
2. LITERATURE REVIEW	5
2.1 Brand Concept.....	5
2.2 Brand Equity	12
2.2.1 Consumer Based Brand Equity	15
2.3 Dimensions of Consumer Based Brand Equity.....	18
2.3.1 Brand Awareness	19
2.3.2 Perceived Quality	21
2.3.3 Brand Loyalty	22
2.3.4 Brand Associations	27
2.4 Factors Affecting Brand Equity	30
2.4.1 Image of Country of Origin	30
2.4.2 Risk Aversion.....	34
2.4.3 Brand Trust	36
2.4.4 Brand Affect.....	39
2.4.5 Hedonic – Utilitarian Value	40
2.4.6 Involvement	42
3. CONCEPTUAL FRAMEWORK	47
3.1 Definition of Components	47
3.2 Hypothesis	49
3.2.1 Relationships among Product Value, Brand Trust and Brand Affect.....	49
3.2.2 Relationships between Brand Equity Dimensions and Their Antecedents	51
3.2.3 Moderating Effects of Involvement on the relationships.....	55
4. RESEARCH DESIGN	57
4.1 Questionnaire Design and Measurement.....	57
4.2 Sample and Data Collection	60
5. ANALYSIS AND RESULTS	63
5.1 Frequency Distribution.....	63
5.2 Factor Analysis.....	65

5.3 Correlation Analysis	67
5.4 Regression Analysis	69
5.5 One way analysis of variance (Anova) and Independence T test.....	72
5.6 Moderating Effects of Involvement.....	74
6. CONCLUSIONS AND RECOMMENDATIONS	81
6.1 Theoretical and Managerial Implications	84
6.2 Limitations and Future Research.....	85
REFERENCES	87
APPENDICES	93
CURRICULUM VITAE	101

ABBREVIATIONS

PII : Personal Involvement Inventory

LIST OF TABLES

	<u>Page</u>
Table 2.1 : Qualities of a Successful Brand.	10
Table 4.1 : Number of Items, Scales and Sources of Factors Measured by the Survey.	60
Table 5.1 : Frequency Distribution of the Respondents with respect to their Age Group.	63
Table 5.2 : Frequency distribution of the Respondents with respect to their Education Levels.....	63
Table 5.3 : Frequency Distribution of the Respondents with respect to their Monthly Income.	64
Table 5.4 : Frequency Distribution of the Respondents with respect to their job status.	64
Table 5.5 : Frequency of the Consumption Items Owned by the Respondents.	64
Table 5.6 : Frequency of the Product Value of latest product which Respondents purchased.	65
Table 5.7 : Factor Analysis Results.....	65
Table 5.8 : Correlation Matrix.....	68
Table 5.9 : Regression Analysis for Brand Trust.	69
Table 5.10 : Regression Analysis for Brand Affect.	69
Table 5.11 : Regression Analysis for Attitudinal Loyalty.	70
Table 5.12 : Regression Analysis for Behavioral Loyalty.	70
Table 5.13 : Regression Analysis for Peceived Quality.....	71
Table 5.14 : Regression Analysis for Brand Associations.....	71
Table 5.15 : Regression Analysis for Brand Awareness.....	71
Table 5.16 : Regression Analysis for Risk Aversion.	72
Table 5.17 : One way Anova for Product Value and Brand Trust – Brand Affect. ..	73
Table 5.18 : Independence T test for Product Value and Brand Trust – Brand Affect.	74
Table 5.19 : Multiple Regression Analysis for moderating effect of Involvement on relation between Hedonic Value and Brand Trust.....	75
Table 5.20 : Multiple Regression Analysis for moderating effect of Involvement on relation between Hedonic Value and Brand Affect.....	75
Table 5.21 : Multiple Regression Analysis for moderating effect of Involvement on relation between Utilitarian Value and Brand Trust.....	76
Table 5.22 : Multiple Regression Analysis for moderating effect of Involvement on relation between Utilitarian Value and Brand Affect.....	77
Table 5.23 : Multiple Regression Analysis for moderating effect of Involvement on relation between Brand Trust and Attitudinal Loyalty.....	77
Table 5.24 : Multiple Regression Analysis for moderating effect of Involvement on relation between Brand Trust and Behavioral Loyalty.....	78

Table 5.25 : Multiple Regression Analysis for moderating effect of Involvement on relation between Brand Affect and Attitudinal Loyalty. 78

Table 5.26 : Multiple Regression Analysis for moderating effect of Involvement on relation between Brand Affect and Behavirol Loyalty. 79

Table 5.27 : Summary of the Hypothesis Tests..... 79

LIST OF FIGURES

	<u>Page</u>
Figure 2.1 : Brand Equity Dimensions (Aaker, 1991).....	16
Figure 2.2 : Brand awareness pyramid model (Aaker, 1991).....	17
Figure 2.3 : Brand awareness pyramid model (Aaker, 1991).....	20
Figure 2.4 : Brand awareness pyramid model (Aaker, 1991).....	23
Figure 2.5 : The four types customer loyalty (Dick and Basu, 1994).....	27
Figure 3.1 : The relationships among product value, risk aversion, brand trust, brand affect, country of origin and brand equity dimensions Moderator; involvement	50
Figure 5.1 : Significant Relationships Found in the Tested Customer Based Brand Equity Model	80

DETERMINANTS OF BRAND EQUITY DIMENSIONS: A CONSUMER BASED MODEL INCORPORATING PRODUCT VALUE, BRAND TRUST- AFFECT, RISK AVERSION, COUNTRY IMAGE AND INVOLVEMENT

SUMMARY

In recent days, the concept of brand equity is paid so much attention in marketing researches. Because of high number of firm in both in domestic and international market, companies are compelled to differ product and advantages competition. Technological developments have taken functionality and tangible characteristics away from being the main differentiation strategy for both product brands and service brands. In today's changing and developing global environment, firm's success has become identical with the brand's success; and branding has become the most important differentiation and competitive strategy. When the strong brand is considered as the most valuable asset of a successful firm, it should not be surprising that brand equity is the focal point of most of the firms' strategies, researches, and applications. Today brand equity is not just a financial value but it should also be considered within brand management strategies to create a stronger brand and it is a sum of efforts providing the success of the brand within the market. Brand equity includes the value of the brand in the eyes of the customers and in the meaning of globalization the institutional prestige of the firm and it is important in determining the future potential of the brand. From these standpoints, the present study proposes a comprehensive customer based brand equity model with brand equity's dimensions and factors effecting brand equity's dimensions. This thesis aims to understand the importance of consumer based brand equity concepts, identify factors effecting brand equity dimensions, analyze relationships among factors effecting brand equity and brand equity dimensions and analyze moderators of relationships factors effecting brand equity and brand equity dimensions.

The analyses drawn on 200 web based questionnaires reveal that when products have more hedonic value than utilitarian value, consumers feel more trust and affect towards brands. Interestingly, no impact of utilitarian value has been found on these two latter concepts. Moreover, the results suggest that while brand trust and brand affect are important antecedents of attitudinal loyalty, behavioral loyalty is only facilitated by brand affect. Additionally, it is found that risk averse consumers may refrain from buying products with unknown brands but rather they prefer the ones that they have developed brand affect for. However, risk aversiveness contributes to attitudinal loyalty both directly and through brand affect and brand trust. It is found that country of origin image is an important antecedent of brand awareness, perceived quality, brand associations and behavioral loyalty. Lastly, these relationships have been retested under the moderation of product involvement. However, moderator effect of product involvement on the relationships is not found.

MARKA DEĞERİ BOYUTLARINI ETKİLEYEN FAKTÖRLER; ÜRÜN DEĞERİ, MARKA GÜVENİ-ETKİSİ, RİSKTEN KAÇINMA, ÜLKE İMAJI VE ÜRÜN KATILIMINI KAPSAYAN TÜKETİCİ TEMELLİ BİR MODEL

ÖZET

Marka değeri kavramı son zamanlarda pazarlama literatüründe çok fazla dikkat çekmekte ve araştırılmaktadır. Gerek ulusal gerekse uluslararası pazarda çok fazla sayıda firma olması, işletmeleri ürünlerini farklılaştırmak ve rekabet avantajı sağlamak zorunda bırakmaktadır. Teknolojik ilerlemelerin katkısıyla hem mal sunan işletmeler hem de hizmet sunan işletmeler açısından, işlevsellik ve somut özellikler, temel bir farklılık stratejisi olmaktan uzaklaşmıştır. Bugünün değişen ve gelişen küresel ortamında, firma başarısı, marka başarısı ile özdeş hale gelmiş; markalaşma en önemli farklılık ve rekabet yolu olarak görülmüştür. Birçok başarılı firmanın arkasındaki en değerli varlığın sürekli ve güçlü bir markanın olduğu düşünüldüğünde, marka değeri kavramının birçok işletme stratejisine, araştırmalara ve uygulamalara konu olması hiç şaşırtıcı olmamalıdır. Marka değerinin bu derece kabul edilen önemine rağmen, birçok sektör ve firma için, marka değeri ölçümleri sadece finansal hesaplamalarla sınırlı kalmıştır. Markaların oluşturulmasında ve yönetilmesinde, çoğu yöneticinin temel ilgisi ise marka değerinin ölçümündedir. Bir markaya ya da birden fazla markaya veya pazara sahip firmalar, kavramsal markalama modellerinin niceliksel göstergelerinden faydalanmak isterler. Nitekim bir markanın firmaya sunduğu finansal değeri belirlemeye yönelik ölçüm yöntemleri, marka performansının sonucuna odaklı iken, bu sonucu doğrudan belirleyen ve etkileyen, marka değerinin temelinde yatan belirleyiciler ancak müşteri temelli ölçüm yöntemleri ile saptanabilmektedir. Tüketici algılarını ön planda tutan bu yaklaşımla markanın parasal değerinden çok, tüketicilere sunulan katma değerler, tüketicinin bilgisi ve tepkisi, marka tercihi, markaya karşı tutumu ve marka sadakati gibi kavramlar öncelikli noktalardır.

Günümüzde marka değeri kavramı sadece finansal bir değer olmayıp, başarılı bir marka olabilmek için marka yönetim stratejileri içerisinde değerlendirilen ve markanın içerisinde bulunduğu pazardaki başarısını kanıtlayan tüm çabalar bütünü olarak nitelendirilmektedir. Markanın tüketici gözündeki değeri ve firmanın küresel anlamda kurumsal itibarını da içeren marka değeri, firmanın pazardaki konumunu ortaya koyduğu gibi gelecekteki potansiyelinin de belirlenmesinde önemli rol oynar. Tüketicilere ulaşabilen markalar, tüketiciler açısından yararlanabilecekleri pek çok fayda anlamına gelmektedir. Markalar, tüketicilerin satın alma karar sürecinde kolaylık sağladıkları gibi, alıcıya ürünün kalitesi hakkında fikir ve güvence verirler. Tekrar satın alma durumunun gerçekleşmesi halinde ise tüketiciler, markalı ürünler hakkında bilgi sahibi olduklarından sürekli yeniden değerlendirme işlemi ile uğraşmamaktadırlar.

Marka değerine tüketici perspektifi ile yaklaşılması, müşterilerin markayla ilgili tutum ve davranışları hakkında detaylı bilgiler sağlayacağından, hem pazarlama strateji ve taktiklerinin geliştirilmesinde spesifik bir rehber olması, hem de

yönetimsel karar almayı destekleyebilmesi açısından önemlidir. Bu noktalardan hareketle, bu çalışma, marka değeri boyutları ve bu boyutlara etki eden faktörler ile tüketici temelli marka değeri üzerine kapsayıcı bir model sunmaktadır.

Bu tez çalışmasının amacı; tüketici temelli marka değeri kavramının önemini anlamak, tüketici temelli marka değeri boyutlarını tespit etmek, marka değerine etki eden faktörler ile marka değeri boyutları arasındaki ilişkileri analiz etmek ve marka değerine etki eden faktörler ile marka değeri boyutları arasındaki ilişkilere ürün katılımının moderatör etkisini analiz etmektir.

Bu tez çalışması beş ana bölümden oluşmaktadır. İlk bölüm olan giriş bölümünde marka kavramına değinilmekte olup çalışmanın amacı, kullanılan method ve yöntemler ile çalışmanın literatüre katkısı anlatılmaktadır. İkinci bölümde ise kapsamlı bir şekilde literatür taramasına yer verilmiş olup, marka, marka değeri ve marka değeri boyutları kavramları detaylı şekilde incelenmiştir. Aaker (1991) ve Keller (1993) tarafından önerilen marka değerinin boyutları literatürün kavramsal yapı taşlarını oluşturmuş, birçok yazar ve uygulamacı tarafından temel alınmıştır. Her ne kadar bu iki yazarın marka değeri belirleyicileri birbirinden farklı kavramlar altında toplanmış gibi görünmekteyse de, içerik açısından birçok yönlerinin ve benzerliklerinin bulunduğu görülür. Bu kesişimlerin, farklı yazarlar tarafından önerilen boyutlar içerisinde de görüldüğü, boyutların sayı ya da isim olarak farklılık gösterebilir de genel içerik ve kavramsal alt yapı içerisindeki bütünlüğün korunmuşluğu doğal bir sonuç olarak göze çarpar. Tüketici temelli marka değeri boyutları olarak Aaker (1991) modeli benimsenmiş olup, bu modelde yer alan marka değerinin beş boyutu; marka farkındalığı, marka çağrışımları, algılanan kalite, marka sadakati detaylı olarak araştırılmıştır. Marka farkındalığı, farklı koşullardaki tüketicilerin çeşitli marka unsurlarını (marka ismi, logo, sembol, karakter, ambalaj ve slogan) değerlendirme yeteneklerinin etkilediği, hafızadaki markanın gücü ile ilişkilidir. Marka sadakati ise, bir ürün kategorisinde belli bir markayı satın almak için oluşan tüketici tercihidir. Sadık müşterilerin yaratılması ve firmaya kazandırılması yıllarca pazarlama uzmanlarının temel amacı olmuş, bir markanın uzun dönemdeki başarısının markanın sadık müşterilerine bağlı olduğu düşünülmektedir. Marka çağrışımları, hafızada markayla ilişkilendirilen ve tüketici açısından markayla ilgili bir anlam ifade eden bilgiler olup, günümüzde bir markanın rakiplerinden ayrılmasında önemli bir rol oynamaktadır. Algılanan kalite ise marka tutumunu belirleyen inançlardan biridir. İş dünyasında hedef pazarı ele geçirmek, burada pazar payını artırmak, rakiplere göre ilk isim olmak önemlidir. Yöneticiler açısından bu hedeflerin avantajları, farklı olmayı sağlamakta, fiyat indirimi ayrıcalığını, marka genişlemelerini ve tutundurma faaliyetlerini çok daha rahat kullanmayı sağlamaktadır. İşte bu noktada yüksek derecede algılanan kaliteyi elde etmenin yolu; markayla ilgili işaretlerde kaliteyle ilgili mesajları inandırıcı şekilde tüketiciye iletmektir.

İkinci bölümde ek olarak, literatürde yer alan marka değeri boyutlarına etki eden faktörler araştırılmış; menşei ülke etkisi, riskten kaçınma seviyesi, marka güveni, marka hissi ve ürün değeri (hazcıl değer ve faydacıl değer) kavramları incelenmiştir. Markalama stratejilerinin etkinliğinin ve başarısının göstergesi olan marka değerinin belirlenmesinde, küresel ortamda kıyasıya rekabet gösteren çok sayıdaki marka, tüketicilerin farklı belirleyicilere ihtiyaç duymasını gerektirmiştir; ülke menşei bu role hizmet eden dışsal bir belirleyicidir. Ülke menşei kavramının, pazarlama literatüründe yoğun olarak incelenmesinin en önemli nedeni, tüketicilerin ürün değerlendirmelerinde ve satın alma kararlarında oynadığı belirleyici roldür.

Tüketiciler verdikleri kararın önceden tahmin edemeyecekleri olumsuz sonuçlara yol açabileceğini düşünüp, tedirginlik duyarlar. Yapılan araştırmalara göre, tüketicilerin riskten kaçınma seviyesinin satınalma davranışına etki ettiği savunulmaktadır. Ayrıca, bir markaya yönelik duyulan güven ile o markaya yönelik duyguların da marka değeri boyutları üzerine etkisinin tüketicilerin satın alma kararındaki rolüne her geçen gün daha çok önem atfedilmektedir. Bir markanın yer aldığı ürün grubunun ürün değerinin faydacıl ya da hazcıl olması, tüketicilerin marka değeri algılarında farklılaşmaya neden olduğu idaa edilmektedir. Buralardan hareketle marka değerine etki eden faktörlerin marka değeri boyutlarına etkilerinin araştırılması bu çalışmanın ana amaçlarındanır.

Üçüncü bölümde ise, marka değerine etki eden faktörler ile marka değer boyutları arasındaki literatürde yer alan ilişkiler tartışılmıştır. İncelemeler sonucunda hipotezler kurulmuştur. Dördüncü bölüm olan araştırma tasarımı bölümünde hipotezlerin test edilebilmesi için gerekli verilerin elde edilmesinde kullanılacak anket düzenlemesine yer verilmiştir. Çalışmadaki kavramların ölçüleceği ifadeler ve ölçekleri literatür çalışması ile belirlenmiştir. Tasarlanan anket, sosyal ağlar yardımı ile dağıtılıp cevaplanması sağlanmıştır. En son bölüm ise, anket verilerinin analiz edilmesi ve yorumlanmasını içermektedir.

200 adet internet tabanlı anketin analiz sonucuna göre, bir ürünün haz değeri faydacıl değerine göre daha yüksek ise, tüketiciler bu ürünün markasına daha fazla güven duymakta ve bu markadan daha fazla etkilenmektedirler. İğincidir ki, ürünün faydacıl değerinin, marka değeri ve marka etkisi kavramlarına etkisi bulunmamıştır. Ayrıca, analiz sonuçları tutumsal sadakatin marka etkisi ve marka güveninden etkilendiğini gösterirken, davranışsal sadakatin ise yalnızca marka etkisinden etkilendiğini göstermektedir. Ek olarak, riskten kaçınan tüketicilerin markasını bilmedikleri yeni ürünleri kullanmaktan çekindikleri, fakat, o markaya karşı marka etkisi geliştirdiklerinde o markayı tercih edebilecekleri tespit edilmiştir. Riskten kaçınma, tutumsal sadakate gerek direkt olarak gerekse marka etkisi ve marka güveni sayesinde olumlu katkıda bulunmaktadır. Ayrıca, menşe ülke imajının marka bilinirliği, algılanan kalite, marka çağrışımları ve davranışsal sadakate direkt etkisi olduğu tespit edilmiştir. Son olarak bu ilişkiler üzerinde ürün katılımının modetör etkisi olup olmadığı test edilmiş olup, ürün katılımının moderatör etkisi bulunamamıştır.

1. INTRODUCTION

Building a strong brand in the market is the goal of many organizations because it provides a host of benefits to a firm, including less vulnerability to competitive marketing actions, larger margins, greater intermediary cooperation and support and brand extension opportunities (Delgado-Ballester and Munuera-Aleman, 2005).

Brand is the primary source of a firm's competitive advantage. It has the ability to create value that add emotion and trust to the products and services that provide clues that simplify consumers' choice. One of the main benefits of branding is its ability to build purchase confidence and improve customer loyalty.

Building brand equity is considered an important part of brand building (Keller, 1998). Firms with high brand equity levels are known to lead to higher consumer preferences and purchase intentions (Cobb-Walgren et al., 1995).

Developing further insights into the measurement of consumer based brand equity is important in the face of the prominence of branding. Branding is a powerful means of differentiation. Differentiation is one of the key competitive positioning strategies suggested by Porter (1990). Brands might develop sustainable competitive advantage for firms. That is, if consumers perceive a particular brand favorably, then the firm may have a competitive advantage. Hence, it becomes vital for brand managers to have access to valid and reliable consumer based brand equity instruments.

Brand building is considered the best way of doing business because of the constant changes in the marketing environment. Successful brand building could strengthen a producer's competitive position to withstand the increasing power of retailers. The high costs associated with the launching of new brands and the high failure rates of new products as well as increasing costs of advertising and distribution are some of the reasons for building strong brand. Brand building can also bring advantages such as defending against competitors and building market share. Hence, a better understanding of brand equity measurement is essential for an enriched practice of brand management (Pappu et al, 2005).

1.1 Purpose of the Thesis

One of the most popular and potentially important marketing concepts which has been extensively discussed both academicians and practitioners over the past decade is brand equity. One of the reasons for its popularity is its strategic role and importance in gaining competitive advantage and in strategic management decisions. Brand equity, when correctly and objectively measured, is appropriate metric for evaluating the long run impact of marketing decisions (Simon and Sullivan, 1993). Building strong brand equity has been shown to provide numerous financial rewards to firms and has become a top of priority for many organizations.

Starting from this standpoint, the present study proposes a comprehensive brand equity model with brand equity's dimensions and factors effecting brand equity.

This thesis aims to:

- understand the importance of consumer based brand equity concepts
- identify factors effecting brand equity dimensions
- analyze relationships among factors effecting brand equity and brand equity dimensions
- analyze moderators of relationships factors effecting brand equity and brand equity dimensions
- produce effective managerial and theoretical insights
- develop foresights for the future of the business model and its followers.

1.2 Methodology and Methods Used

In order to realize targeted study and its purposes, a comprehensive literature review of relevant subjects is performed. Relevant literature about brand equity, consumer based brand equity dimensions, risk aversion, product value, country of origin image, product involvement, brand trust and brand affect are presented by benefiting from previous academic studies and magazine articles.

For customer based brand equity study; while constituting the hypothesized model, previous literature studies on dimensions of customer based brand equity are examined carefully and new dimensions are considered by benefiting from brand equity literature.

In order to test the hypothesized model, required data are obtained from custom designed consumer survey. Participants from social networks and online consumer platforms have been directed to online questionnaire's link with collective e-mails and messages. Two hundred usable records have been collected.

Collected data are subjected to frequency tests, factor analysis, correlation test, regression analysis, independence T test, the one-way analysis of variance in order to produce meaningful results.

1.3 Contribution of the Study

Although many studies are presented on dimensions of customer based brand equity over years, this study has extended consumer based brand equity research by conceptualizing numbers of factor that affect brand equity dimensions and finally brand equity.

Therefore, this thesis stands as a useful theoretical and managerial resource by presenting an extensive literature review, developing a comprehensive brand equity model, producing beneficial results for both researchers and business world.

Results of the study indicate that with respect to data analyzed; when products have more hedonic value than utilitarian value, consumers feel more trust and affect towards brands. Interestingly, no impact of utilitarian value has been found on these two latter concepts. Moreover, the results suggest that while brand trust and brand affect are important antecedents of attitudinal loyalty, behavioral loyalty is only facilitated by brand affect. Additionally, it is found that risk averse consumers may refrain from buying products with unknown brands but rather they prefer the ones that they have developed brand affect for. However, risk aversiveness contributes to attitudinal loyalty both directly and through brand affect and brand trust. It is found that country of origin image is an important antecedent of brand awareness, perceived quality, brand associations and behavioral loyalty. Lastly, these relationships have been retested under the moderation of product involvement. It is

found that whether highly involved or not, consumers become attitudinally or behaviorally loyal to brands when they perceive hedonic value but not utilitarian value. Managerially, it could be interpreted that utilitarian value is regarded as point of parity, whereas hedonic value is the source of point of difference.

1.4 Outline of the Thesis

The study here is presented in five major sections. After this introduction part, literature review section comes next, which contains comprehensive review of brand equity dimensions (brand awareness, brand associations, perceived quality and brand loyalty), product value (hedonic and utilitarian value), brand trust, brand affect, risk aversion, country of origin image, product involvement. Later on, conceptual framework section explains how the hypothesized model was constructed.

Research design section discusses how to test the hypothesized model and presents conducted survey's design stages. Survey results, produced statistics and hypothesis tests' results are summarized in analysis and results. At last, conclusion of the study, its managerial and theoretical implications, limitations and directions for future research are presented.

2. LITERATURE REVIEW

The historical evolution of brands has shown that brands initially have served the roles of differentiating between competing items, representing consistency of quality and providing legal protection from copying. Apart from providing the offering with the badge of its maker, thereby indicating legal ownership of all the special technical and other relevant features that the offering may possess, the brand can have a powerful symbolic significance. The brand can in itself imply status, improve image and project or affect lifestyle so that the ownership of the brand becomes of value in its own right. Its accepted qualities can simplify the decision making process by reducing perceived risk while from the supplier's perspective, it can not only assist in differentiating the offering, but also lead to brand loyalty, prevent market entry and, enable its owners to command higher prices and profit margins (scribd.com).

Brand equity is one of the most valuable assets that a firm can have, and brand equity measurement and management continue to be important areas of research in both academia and industry.

In that manner, this part of the thesis consists of the required background in order to conduct targeted study. First relevant literature regarding branding is presented. Secondly, customer based brand equity and its dimensions are investigated. At last, factors affecting customer based brand equity are reviewed and discussed.

2.1 Brand Concept

The recent studies and researches had focused that brand is one of the most valuable assets of the firms. As the importance of brand concept increased in the last decade, so many numbers of articles related with brand and the importance of brand increased as well.

In this part, brand definitions from different perspectives and importance of brand are discussed; and consumer-brand relationship is mentioned.

Definitions of Brand

In literature there have been lots of definitions of brand. A brand can be defined as "a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors (Keller, 1998). These individual brand components are called "brand identities" and their totality "the brand." Some basic memory principles can be used to understand knowledge about the brand and how it relates to brand equity. Understanding the content and structure of brand knowledge is important because they influence what comes to mind when a consumer thinks about a brand, for example, in response to marketing activity for that brand (Keller, 1998).

Brands are often thought of as a single message, logo, or slogan; however, a brand can be much more. A brand encompasses these tangible attributes, along with consumer interactions, and public relations. In short, a brand is the sum total of every experience people, consumers, clients, and target populations have with a company/organization, their products and services (Thompson, 2007).

A brand is a perceptual entity that is rooted in reality, but it is also more than that, reflecting the perceptions and perhaps even the idiosyncrasies of consumers. To brand a product it is necessary to teach consumers 'who' the product is (by giving it a name and using other brand elements to help identify it) as well as what the product does and why consumers should care. In other words, to brand a product or service, it is necessary to give consumers a label for the product (how you can identify the product) and to provide meaning for the brand to consumers (what this particular product can do for you and why it is special and different from other brand name products) (Pitsaki, 2011).

A brand identifies the suppliers' implicit values, ideas, and even personality. It serves to create impressions that can be associated with a product or service, as well as expectations of certain qualities or characteristics that make it unique. Branding combines elements of marketing and advertising. Marketing and advertising demonstrate what the brand owner is able to offer to the marketplace, consumers and target populations. For consumers, branding provides the means through which they can make choices and judgments about products or services. For example, when shopping, consumers are more likely to select a more expensive, popular brand on

the basis of the perceived quality of the brand and the reputation of the brand owner. Therefore, to successfully brand a product or service, it is important to remember that branding is not what we do to the product or service, it is how it is perceived by the mind of the consumer.

Importance and Benefits of Branding

Branding is a powerful means of differentiation. Differentiation is one of the key competitive positioning strategies suggested by Porter (1990). The strategic impact of branding is duly recognized in the marketing literature. Brands might develop sustainable competitive advantage for firms. That is, if consumers perceive a particular brand favorably, then the firm may have a competitive advantage. Hence, it becomes vital for brand managers to have access to valid and reliable consumer based brand equity instruments.

In order to gain competitive advantage in the sector, it is important for the firms to create strong, powerful and successful brands. If they achieve to create strong, well-known brands, they are able to chance to gain competitive advantages in their sectors. Because, successful brand delivers sustainable competitive advantage and invariably results in superior profitability and market performance (De Chernatony, 2003). In the area of marketing, while creating strong brands, marketers gain the advantages seen in following:

- Improved perceptions of product performance
- Greater loyalty
- Less vulnerability to competitive marketing actions
- Less vulnerability to marketing crises
- Larger margins
- More inelastic consumer response to price decreases
- Greater trade cooperation and support
- Increased marketing communication effectiveness
- Possible licensing opportunities
- Additional brand extension opportunities (Keller, 2003).

Further, brand management is considered useful in fully exploiting the assets of an organization and in generating additional value from the investments already made into brands. The high costs associated with the launching of new brands and the high failure rates of new products as well as increasing costs of advertising and distribution are some of the reasons for the growing interest in brand management (Pappu et al, 2005).

Brands deliver a variety of benefits that can be classified as satisfying buyers' emotional and rational needs. Successful brands are those that have the correct balance in terms of their ability to satisfy these rational and emotional needs. For example, cigarette smokers have a variety of rational needs such as seeking the best value, or best taste, or best quality, or a certain aroma, or achieving relaxation, etc. The extent to which different brands satisfy particular rational needs will be assessed by the consumer trying different brands, examining the packaging; slogan, looking at the shape of the cigarette, considering price, etc. Besides these rational needs they will also be seeking or satisfy emotional needs, such as prestige, or distinctiveness, or style, or social reassurance, etc. (De Chernatony, 2003).

Human Service organizations are recognizing brands as tangible assets that can benefit them, just as brands have been successful for many private sector businesses. The benefits of branding include (Thompson, 2007):

- Creating a consistent impression, image, and trigger in the minds of consumers. Branding serves as a convenient and strategic way for suppliers to imprint their product or service reputation, with a goal of creating memorability, trust, familiarity, a premium image and value for consumers.
- Branding makes it easier to attract and retain consumers. Consumers prefer to buy products or seek services from companies they feel they know and can trust, and brands put forth that assurance.
- Branding can help suppliers' segment markets by offering different brands with different features for distinct consumer groups and target populations.
- Branding builds a company's image and makes a product or service acceptable. When people are aware of your brand, they are aware of the positive characteristics you represent. Long before they get ready to make a

purchase, they feel they know who you are and what unique value they can count on you to deliver.

In summary, the importance of brand can be analyzed from two perspectives that are from customers' perspective and from manufacturers' perspective. According to manufacturers perspective; brand is viewed as mostly related with financial statement of the firms such as market share and value of the brand in the financial reports of the firms. On the other hand, the relationship between brands and consumers can be seen as a type of bond and pact. In this study, the analysis will be made based on consumers' perspective.

Consumer – Brand Relationships

Brands have existed in the meaning of distinguishing one product from another, but; brands and their meaning have not only evolved to encompass a broader perspective in the market place, but have also adopted a more central role for the competition in terms of the consumer brand relationship. According to marketers, brand is a distinct product, service or business, and the act of impressing a product, service, or business on the mind of a consumer or set of consumers.

A brand is more than just the sum of its component parts. It embodies, for the purchaser or user, additional attributes, which considered being 'intangible', are still very real (De Chernatony, 2003).

The added values sought, however, were not just those provided through the presence of a brand name as differentiating device, nor through the use of brand names to call powerful advertising. Instead, the perception of total entity, the brand, which is the result of a coherent organizational and marketing approach, uses all elements of the marketing mix (De Chernatony, 2003).

According to Keller (1993) the major purpose of branding is to develop strong, unique and favorable brand associations that create a differential effect on consumer response to the marketing actions of the brand. Examining the process of branding from this perspective has various implications for the definition of brand, or the product of branding. If branding encompasses the creation of brand associations as well as the process of creating added value in the mind of the consumer, a brand should be perceived as a function in the mind of the consumer.

Core Elements of Branding

Branding is an element of an overall marketing and outreach strategy. Developing and building a brand depends on multiple variables, such as type of services, products, type of industry, target population, competitive or similar services, and private or public sector, among others. Effective brands are composed of core elements and have unique aspects that make them successful. Table 2.1 outlines a few qualities of a successful brand, adapted from “10 Cs of Branding” (Thompson, 2007).

Table 2.1 : Qualities of a Successful Brand.

Core Elements	Description	Example
Competent	A product or service must fulfill its promise and ensure the delivery of high-quality services are aligned with the company/organizations vision, and delivered with genuine commitment to customer satisfaction.	Dell Inc. provides consumers with the most effective computing solutions to meet their needs. As a result, Dell has become an industry-leader.
Clear	A strong brand is clear about what it is and what it is not	Volvo is clear about its commitment to safety. Their brand is not about speedy sports cars, small economy cars, or luxury cars, but about safety and the people you care to keep safe. BMW is focused on providing the ultimate driving experience for its luxury-performance automobile consumers
Compelling	A brand is appropriate for and interesting to its target audience. If not, it is ineffective and useless.	Wal-Mart has been consistent branding itself as a low-cost retailer with a pledge to customer service, and satisfaction.
Consistent	Brands are always what they say and who they are to bolster their brand attributes.	

Table 2.2 : Qualities of a Successful Brand (Contd).

Core Elements	Description	Example
Constant	Brands are always visible to their customers and prospects.	Coca-Cola is the world's most recognized brand with its trademark bottle shape and dynamic ribbon below the Coca-Cola
Connected	A brand connects to appropriate communities, affiliations, and partnerships. Establishing and maintaining a network of partners, intermediaries, and customers is important. Organizations should develop relationships that can reinforce their brand.	The United Way of America has established and built partnerships with government, schools, 211's, National Football League, and other organizations that have reinforced their focus on community building.
Committed	Brands are not a one-time event; it is not about fads, but built over time and requires steadfast commitment to ensure long lasting success. Brands build value over time through consistently living the brand promise	The strongest brands in the market have either been around for a long time, such as Coke and IBM. Or they have set the stage to be here for a long time, such as Amazon and Microsoft).
Current	A brand is based on current needs with room to meet new and/or different needs in the future.	

In summary, the appeal and attraction of brands can permit higher price margins, increased sales volumes, and greater profits. Therefore, it is very important for the firms to build strong brand and manage, strategically. Strategic brand management involves the design and implementation of marketing programs and activities to

build, measure, and manage brand equity. Brand equity is one of the hottest topics in management today.

2.2 Brand Equity

As mentioned before, it is important issue to build strong, successful brands, that enable organizations to build stable, long term demand and enable them to build and hold better margins than commodities or unsuccessful brands. Successful brand building helps profitability by adding value that entices consumers to buy. They provide the firms base for expansion into product improvements, variants, added services, new countries, and so on. They protect the organizations against the growing power of intermediaries, and help transform the organizations from being faceless bureaucracies to ones that are attractive to work for and deal with (De Chernatony, 2003, p18). It is important to understand the issues of what makes a brand strong and how strong brand has been built. In order to be able to develop and sustain powerful brands, managers have to succeed in using the resources for branding purposes. Moreover, they need to monitor the health of their brands. Concerning to sustain the brands' strengths, managers particularly take the equity into consideration that has been built up by their brands.

Regarding as the literature survey, it can be said that brand equity has been variously conceptualized as a measure of consumers' behavior (e.g., willingness to pay a price premium, brand loyalty) (Aaker 1991), or a measure of consumers' beliefs (Keller 1993; 2003).

The brand - consumer relationship, mentioned in previous section with important aspects if it is properly maintained, can be a major strength. A bond of trust between a brand and its customers can create greater brand equity, differentiating the company from the competition. Strong brand equity allows companies to retain consumers, service their needs more effectively, and increase profits. To understand of customers' individual requirements and reflect this in the look and feel of the brand design is the most important way of fulfilling that. Therefore, it will be important for us to understand the consumer's attitudes and effective factor relating with brand on the purchase intention.

To create a strong brand and maximize brand equity, some strategies must be followed. According to Keller (1998) marketing managers must do the following:

- Understand brand meaning and market appropriate products in an appropriate manner.
- Properly position the brand.
- Provide superior delivery of desired benefits.
- Employ a full range of complementary brand elements and supporting marketing activities.
- Embrace integrated marketing communications and communicate with a consistent voice.
- Measure consumer perceptions of value and develop pricing strategy accordingly.
- Establish credibility and appropriate brand personality and imagery.
- Maintain innovation and relevance for the brand.
- Strategically design and implement a brand hierarchy and brand portfolio.
- Implement a brand equity management system to ensure that marketing actions properly reflect the brand equity concept.

And they must;

- Fully understand the meaning of the brand and complexity of brand equity measurement and management
- Live up the brand promise
- Adequately support and control the brand
- Properly balance consistency and change with the brand
- Be patient with the brand (Keller, 1998).

Definitions of Brand Equity

The definitions of brand equity can be broadly classified into two categories. Some definitions are based on the financial perspective and other definitions are based on

the consumer perspective, which define brand equity as the value of a brand to the consumer (Pappu et al, 2005).

Among the financially oriented studies, Simon and Sullivan (1993) emphasized macro and micro approaches, as an estimation technique extracting the value of brand equity from the value of the firm's other assets. They first assign an objective value to a company's brands and relate this value to the determinants of brand equity according to the macro approach. Then, the micro approach isolates changes in brand equity at the individual brand level. In a similar manner to Simon and Sullivan's study, Motameni and Shahrokhi (1998) proposed a global brand equity valuation model quantifying all the components and applying the generally accepted financial techniques. Among other valuation studies, Interbrand Group has used a subjective multiplier of brand profits based on the brand's performance along seven dimensions (leadership, stability, market stability, internationality, trend, support, and protection); Grand Metropolitan has valued newly acquired brands by determining the difference between the acquisition price and fixed assets (Keller, 1993).

Although Aaker (1991) and Keller (1993) conceptualized brand equity differently, both defined brand equity from a consumer perspective based on consumers' memory based brand associations. Keller (1993) referred to brand equity as customer based brand equity and defined it as "the differential effect of brand knowledge on consumer response to the marketing of a brand". According to Keller, customer based brand equity consisted of two dimensions; brand knowledge and brand image. Aaker (1991) provided the most comprehensive definition of brand equity available in the literature, defining brand equity as: "a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers". In effect, Aaker conceptualized brand equity as a set of assets (or liabilities). Brand awareness, brand associations, perceived quality, brand loyalty and other proprietary assets were the five assets of brand equity he proposed. From the consumer perspective, brand awareness, brand associations, perceived quality and brand loyalty are the four most important dimensions.

Silverman et al. (1999) explored the relationship between customer based and financial/market based brand equity measurements. The overall implication of customer based research suggests that measures of customer-based brand perceptions

are accurate reflections of brand performance in the marketplace. Customer based brand equity, in this respect, is the driving force for incremental financial gains to the firm.

According to Lassar et al (1995), there are five important considerations to defining brand equity;

- Brand equity refers to consumer perceptions rather than any objective indicators.
- Brand equity refers to a global value associated with a brand.
- The global value associated with the brand stems from the brand name and not only from physical aspects of the brand.
- Brand equity is not absolute but relative to competition.
- Brand equity positively influences financial performance.

These customer based definitions show that the point of views about brand equity, in general, is that brand equity adds value to brand. This value gives importance the brand in the side of consumer in terms of making buying decision and in the side of firm in terms of profitability.

2.2.1 Consumer Based Brand Equity

In the marketing literature, brand equity is referred to the intangible brand properties. Brand equity arose from customer brand name awareness, brand loyalty, perceived brand quality and favorable brand symbolisms and associations that provide a platform for a competitive advantage and future earning streams (Yasin et al, 2007).

Regardless of its definitions, brand equity actually represents a product's position in the minds of consumers in the marketplace. It is precisely the well-established representation and meaningfulness of the brand in the minds of consumers that provides equity for the brand name. Therefore, what the consumers think of a particular brand determines the value it has to its owner (Yasin et al, 2007).

Brand equity, a behaviorally oriented construct influenced by a consumer's image and attitude of the behavior's object, is also influenced by other constructs, such as those proposed by Aaker (1991). The brand assets and liabilities on which brand equity is based will differ from context to context, and according to Aaker (1991),

they can be usefully grouped into five categories as shown in Figure 2.1: brand loyalty, brand awareness, perceived quality, brand associations, other proprietary brand assets.

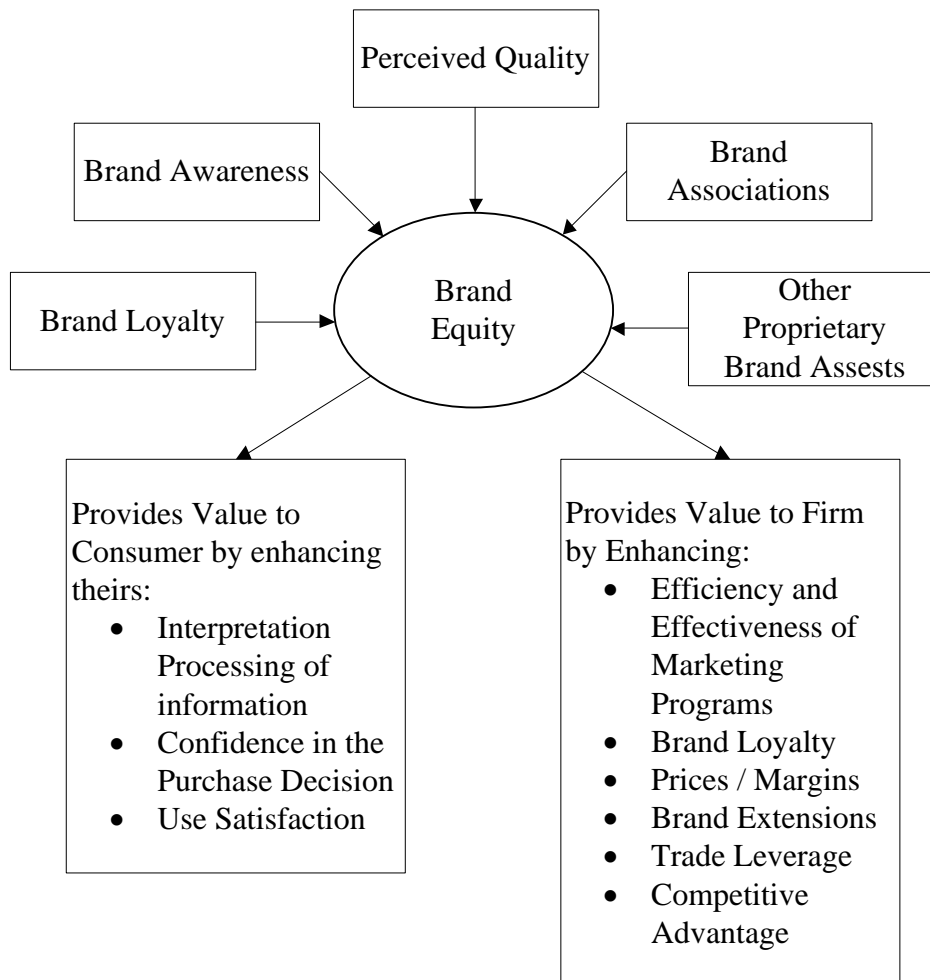


Figure 2.1 : Brand Equity Dimensions (Aaker, 1991).

According to Aaker (1991), brand equity assets generally add or subtract value for consumers and firms. In his point of view, brand equity suggests to consist of brand associations, brand loyalty, brand awareness, perceived quality and other brand assets. These dimensions of brand equity help consumers to interpret process and store huge quantities of information about brand and products; also affect consumers' confidence in the purchase decision. On the other hand, brand equity adds the value for the firm by generating marginal cash flow. It can enhance programs to attract new consumers or recapture old ones. The brand equity dimensions can also enhance brand loyalty. The perceived quality, the associations and well-known name can provide reasons to buy and can affect use satisfaction.

Aaker (1991) defined brand equity as a set of assets (or liabilities), and found brand awareness, brand associations, perceived quality and brand loyalty to be its four most important dimensions from a consumer perspective. Some empirical evidence supports the notion that these four are distinct dimensions of consumer based brand equity.

According to Keller (1993) who is the other biggest thinker in the area, brand knowledge is the key dimension of brand equity in order to create in memory. Brand knowledge includes a composite of both brand awareness and brand image/brand associations, which is created by marketing programs that link to strong, favorable and unique associations.

The reason why brand equity occurs and how marketers can create this is captured in Keller's definition: "Customer-based brand equity occurs when the consumer has a high level of awareness and familiarity with the brand and holds strong, favorable, and unique brand associations in memory." Keller (2001) labeled this as customer based brand equity and developed a customer based brand equity pyramid model as shown in Figure 2.2, also known as the "brand resonance pyramid".

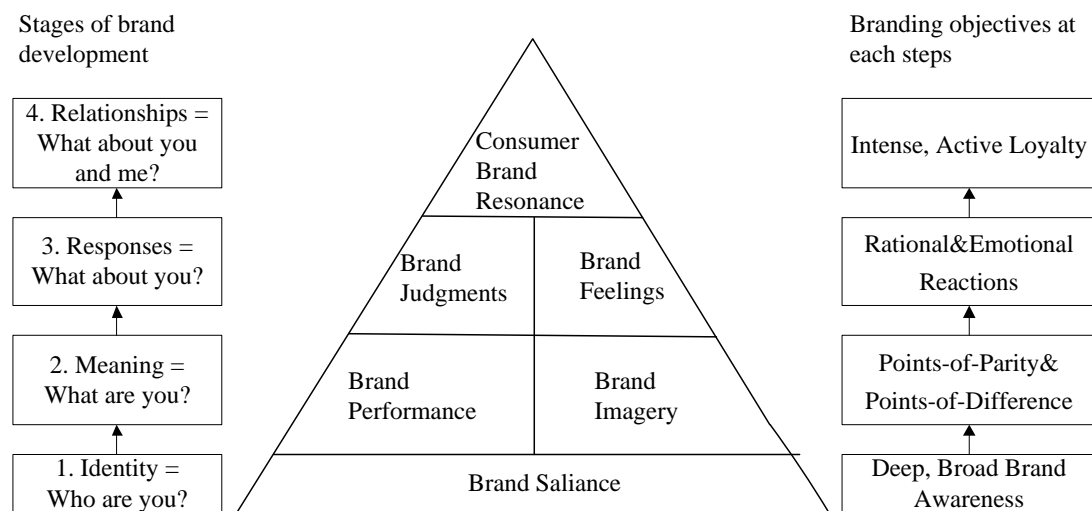


Figure 2.2 : Brand awareness pyramid model (Aaker, 1991).

The model is built around four sequential steps from bottom to top, where each next step is conditional to the success of achieving the objectives of the previous step, situated on the right side of Figure 2.2. Parallel to the four steps Keller defined four questions customers ask themselves about the brand, situated on the left side of Figure 2.2. The four steps of customer based brand equity pyramid are structured in

six core building blocks with a rational route on the left side: performance and judgement, and an emotional route on the right side: imagery and feeling.

Cobb-Walgren et al. (1995) measured consumer based brand equity based on the conceptualization of Aaker (1991) and Keller (1993). In their study, they treated consumer-based brand equity as a set of four dimensions, namely brand awareness, brand associations, perceived quality and brand loyalty. Yoo et al. (2000) used confirmatory factor analytic methods to measure consumer-based brand equity. However, Yoo et al. (2000) treated consumer-based brand equity as a three-dimensional construct, combining brand awareness and brand associations into one dimension. Washburn and Plank (2002) have highlighted the need to refine the dimensionality of consumer based brand equity. They also advocated that researchers focus on the distinction between the dimensions of brand awareness and brand associations. While these two dimensions are conceptually different (e.g. Aaker, 1991), some empirical evidence (Yoo et al., 2000; Washburn and Plank, 2002) suggests that they should be combined into one. There is also empirical evidence to say that these are distinctive dimensions of brand equity.

This research aims to examine the factors effecting of brand equity, in terms of customer point of view. Especially, based on the models of Keller (1993) and Aaker (1991), summarized above, some of the dimensions of brand equity will be studied in the next section.

In sum, the principal research objective is to develop and test a model including brand equity dimensions and factors affecting these dimensions that allow theoretical and managerial insights into the complex word of consumer brand choice behavior.

2.3 Dimensions of Consumer Based Brand Equity

The present study conceptualizes brand equity in accordance with Aaker (1991) and Keller (1993) based on consumer perceptions. The following sections provide a description of the four dimensions of consumer based brand equity examined in the study: brand awareness, brand associations, perceived quality and brand loyalty.

2.3.1 Brand Awareness

Brand awareness is an important component of brand equity (Aaker, 1991; Keller, 1993). Aaker (1991) mentioned several levels of brand awareness, ranging from mere recognition of the brand to dominance, which refers to the condition where the brand involved is the only brand recalled by a consumer. Keller (1993) conceptualized brand awareness as consisting of both brand recognition and brand recall. According to Keller (1993), brand recognition requires that consumers correctly discriminate the brand as having been seen or heard previously. Keller (1993) defined brand recall as consumers' ability to retrieve the brand from memory when the product category or the needs fulfilled by the category are mentioned. Keller (1993) argued that "brand recognition may be more important to the extent that product decisions are made in the store".

The first step toward loyalty begins with the customer's becoming aware of the product (Aaker, 1991). At the awareness stage, a potential customer knows that the brand exists, but the bond between a customer and the product is low. At this point, a brand name may provide the awareness of the product because brand names offer value to the consumers by helping them interpret, process, store, and retrieve large quantities of information about products (Aaker, 1991).

Aaker (1991) analyzed the brand awareness in the awareness pyramid. The lowest level, brand recognition, is based upon an aided recall test. Respondents are given a set of brand names from a given product class and asked to identify those they had heard before. Therefore, although there needs to be link between the brand and the product class, it needs to be strong. The next level is brand recall that is based upon asking a person a name the brand in a product class, named unaided recall. It is more difficult task than recognition and is associated with a stronger brand position. Lastly, the first-named brand in an unaided recall task has achieved top-of-mind awareness, being special position, which is the main aim of the firms (Aaker, 1991).

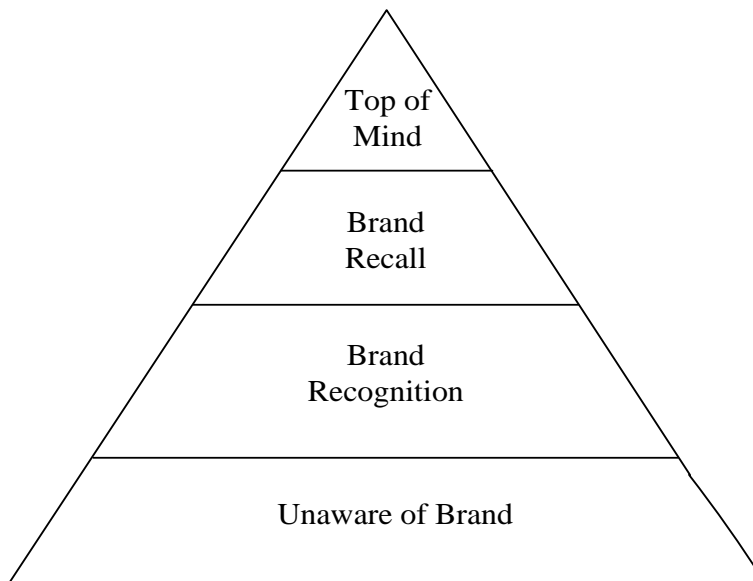


Figure 2.3 : Brand awareness pyramid model (Aaker, 1991).

Awareness can be enhanced in a variety of ways such as advertising, direct mail, trade press, word-of-mouth communication, and promotion activities. The more the customer is aware of the product, the greater the possibility that she/he will purchase the product.

The Importance of Brand Awareness

The role of brand awareness in brand equity depends on the level of awareness that is achieved. The higher the level of awareness the more dominant is the brand, which will increase the probability of the brand being considered in many purchase situations. Therefore, raising the level of awareness increases the likelihood that the brand will be in the consideration set which will influence consumers' decision making. Studies show that consumers who recognize a brand name are more likely to buy that brand because familiar products are normally preferred to those that are less familiar. Purchase decisions that are in favor of the brand helps in building brand equity (Yasin et al, 2007).

The benefits of having a high level of brand awareness are the followings (van-haafden.nl);

- The learning advantage; the higher the level of awareness the easier people learn about the brand and the better the brand is registered in the mind.
- The brand as part of the consideration set.

- The choice advantage within low-involvement purchase decisions in case of a lack of purchase motivation and/or ability.

Brand awareness affects consumer decision making, especially for low involvement packaged goods. Brands that consumers know are more likely to be included in the consumers' consideration set. Consumers may use brand awareness as a purchase decision heuristic (MacDonald and Sharp, 2000). Therefore, brand awareness increases brand market performance.

2.3.2 Perceived Quality

This is another important dimension of brand equity (Aaker, 1991). Perceived quality is not the actual quality of the product but the consumer's subjective evaluation of the product. Similar to brand associations, perceived quality also provides value to consumers by providing them with a reason to buy and by differentiating the brand from competing brands.

Perceived quality is defined as the consumer's subjective judgment about a product's overall excellence or superiority (Yoo et al., 2000). Personal product experiences, unique needs, and consumption situations may influence the consumer's subjective judgment of quality. High perceived quality means that, through the long term experience related to the brand, consumers recognize the differentiation and superiority of the brand. Perceived quality is identified as a component of brand value; therefore, high perceived quality would drive a consumer to choose the brand rather than other competing brands. Therefore, to the degree that brand quality is perceived by consumers, brand equity will increase (Yoo et al., 2000).

Perceived quality is determined by a number of factors. To be more specific, perceived quality can further be classified into product quality and service quality. Regarding product quality, there are seven dimensions, which affect the consumers' perception, namely performance, features, conformance with specifications, reliability, durability, serviceability as well as fit and finish. Service quality, on the other hand, is judged by its corresponding tangibles, reliability, competence, responsiveness and empathy (scribd.com).

In addition to the aforementioned dimensions, the country of origin of a product is found to affect its perceived quality. Consumers are inclined to develop stereotypical beliefs about the products from particular countries. Hence, consumers could have

their preferences for products made from one country over another. Moreover, price is one of the important cues to evaluate perceived quality. It is found that price is more relevant in judging the perceived quality of a product given that a person lacks the ability to evaluate the quality of a product (scribd.com).

Perceived quality of strong brands adds value to consumers' purchase evaluations (Low and Lamb, 2000). Perceived quality can be called as a perpetual outcome generated from processing the product attributes that lead the consumers to make decisions about the quality of the product. It is also known as an embedded benefit. The perceived quality approach analyzes product quality from consumers' viewpoint, making quality a subjective assessment dependent on their perceptions and need fulfillment (Sanyal and Datta, 2011).

Aaker and Keller (1990) proposed a relation between perceived quality of parent brand and consumers' attitude toward the extensions. The perceived brand quality provides the reasons to buy and it affects the user's attitude toward brand extension.

As Aaker (1991) also suggested higher perceived quality, lower information costs, and lower risks associated with credible brands can increase consumer evaluations of brands. Using structural equation models, Erdem et al. (1998) showed that expected utility increases with perceived quality and decreases with perceived risk and information costs; in turn, these are anteceded by brand credibility.

2.3.3 Brand Loyalty

The success of a firm depends on its capability to attract consumers towards its brands. In particular, it is critical for the survival of a company to retain its current customers, and to make them loyal to the brand. Indeed, the costs of attracting a new customer have been found to be up to six times higher than the costs of retaining old ones (Dekimpe et al., 1997). The concerns of consumers to different products and brands are increasing in the recent environment. This may appear as a problem for creating brand loyalty. To cope with this problem companies should make their customers loyal to their brands and hinder them choosing any other brands.

Many researchers have discussed and written about brand loyalty over the past decade. They were aware of the importance of loyalty concept on consumer buying process. Brand loyalty can be defined as non-random behavioral response expressed over time by some decision making unit with respect to one or more alternative

brands out of a set of such brands and is a function of psychological process (Knox and Walker, 2001). Brand loyalty also identified as “a function of psychological (decision making, evaluative) processes exhibited over time” (Fournier and Yao, 1997). Brand loyalty generally implies a strong commitment to a particular brand on the part of the consumer. Moreover, brand loyalty is a major component of brand equity.

The brand loyalty of the customer base is often the core of a brand’s equity. It reflects how likely a customer will be ready to switch to another brand, especially when that brand makes a change, either in price or in product features. As brand loyalty increases, the vulnerability of the customer base to competitive action is reduced. There are at least five potential levels of loyalty as shown in Figure 2.4. These levels are stylized, and they do not always appear in the pure form. These five levels do, however, provide a feeling for the variety of forms that loyalty can take and how it impacts upon brand equity (Aaker, 1991).

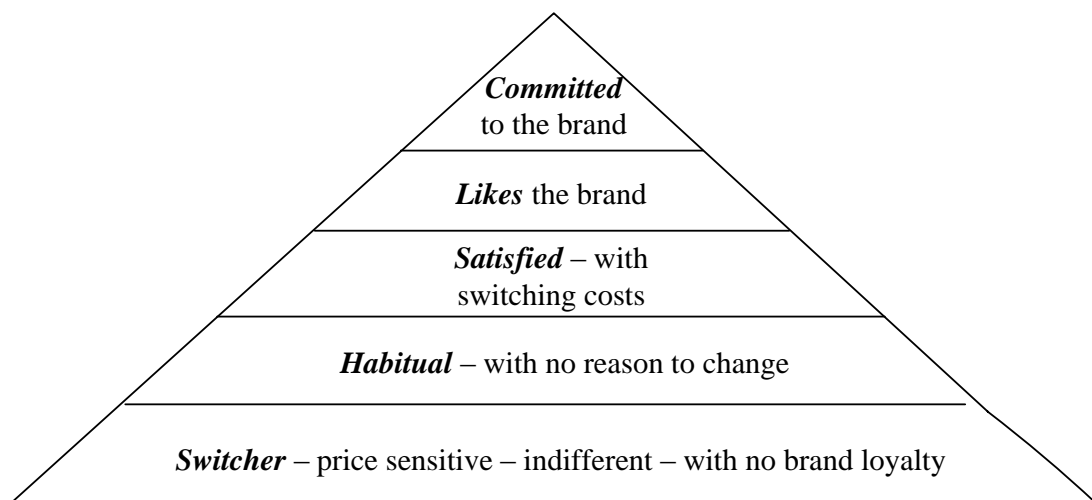


Figure 2.4 : Brand awareness pyramid model (Aaker, 1991).

- The bottom loyalty level is the nonloyal buyer who is completely indifferent to the brand. Each brand is perceived to be adequate, and the brand name plays only a small role in the purchase decision. This buyer might be termed a switcher.
- The second level includes buyers who are satisfied with the product or at least not dissatisfied. These buyers might be termed habitual buyers.

- The third level consists of those who are also satisfied and, in addition, have switching costs, e.g., costs in time or money associated with switching. This group might be called switching-cost loyal.
- On the fourth level we find those that truly like the brand. Their preference may be based upon a symbol, a set of use experiences or a perceived high quality. Segments at this fourth level might be termed friends of the brand, because there is an emotional/feeling attachment.
- At the top level are committed customers. They feel pride in being users of a brand. The brand is very important to them either functionally or as an expression of who they are. Their confidence in the brand is such that they will recommend it to others (Aaker, 1991).

The Importance of Brand Loyalty

Building a strong brand with loyal customers is of strategic importance for marketing managers. Because it provides substantial competitive and economic benefits to a firm, such as less vulnerability to competitive marketing actions, reduced marketing costs, higher rates of return on investment through increases in market shares, better cooperation with intermediaries, favorable word of mouth and greater extension opportunities (Matzler et al., 2006; Delgado-Ballester and Munuera-Aleman, 2005; Chaudhuri and Holbrook, 2001). Hence, there is great interest in how brand loyalty is built and which factors drive brand loyalty and brand performance.

In marketing, brand loyalty consists of a consumer's commitment to repurchase the brand and can be demonstrated by repeat buying of a product or service (Dick and Basu, 1994). True brand loyalty implies that the consumers are willing, at least on occasion, to put aside their own desires in the interest of the brand (Oliver, 1999). However, brand loyalty is more than simple repurchasing. Customers may repurchase a brand due to situational constraints, a lack viable alternative or out of convenience. Such loyalty is referred to as spurious loyalty. True brand loyalty exists when customers have a high relative attitude toward the brand, which is then exhibited through repurchase behavior (Dick and Basu, 1994). This type of loyalty can be a great asset to the firm such that customers are willing to pay higher prices, they may cost less to serve, and can bring new customers to the firm.

In conclusion, loyalty to the firm's brands represents a strategic asset, which has been identified as a major source of the brands' equity.

Types of Brand Loyalty

Oliver (1999) defines brand loyalty as a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. This definition emphasizes the two different aspects of brand loyalty that have been described in previous work on the concept behavioral and attitudinal (Aaker 1991; Oliver 1999). Behavioral (or purchase) loyalty consists of repeated purchases of the brand, whereas attitudinal brand loyalty includes a degree of dispositional commitment in terms of some unique value associated with the brand (Chaudhuri and Holbrook, 2001).

Attitudinal Loyalty

Attitudinal loyalty represents a higher order, or long term, commitment of a customer to the organization that cannot be inferred by merely observing customer repeat purchase behavior. Attitudinal loyalty is important because it indicates propensity to display certain behaviors, such as the likelihood of future purchases (Hong and Cho, 2011).

Hong and Cho (2011) define attitudinal loyalty as the extent of the customer's psychological attachments and attitudinal advocacy towards the e-marketplace. Accordingly, attitudinal loyalty encompasses positive word of mouth intentions, willingness to recommend to others and encouraging others to use the products and services of a company.

According to Shih-I and Cheng (2011), behavioral loyalty ensures that customer loyalty can be converted into actual purchase behaviors. While attitudinal loyalty will not ensure that customers will purchase merchandise themselves, they will through word-of-mouth, help to create a positive image of a business to others. This may not directly bring profit, but will indirectly create a positive result.

While the definitions of brand loyalty based on the behavioral perspective emphasized the consumer's actual loyalty to the brand as reflected in purchase choices, the definitions based on an attitudinal perspective accentuated consumer

intentions to be loyal to the brand. Pappu et al. (2005) conceptualized brand loyalty based on an attitudinal perspective and consumer perceptions not on the basis of their behavior.

Shih-I and Cheng (2011) determined that satisfaction, corporate image and switching cost all show significant and positive influences on attitudinal loyalty. To improve consumer attitudinal loyalty (that is, creating positive word-of-mouth or persuading consumers to recommend to others), improving customer satisfaction, holding events that build corporate image and raising customer switching costs are all feasible solutions.

Behavioral Loyalty

In general, behavioral loyalty has been defined in terms of repeat buying behavior (Chaudhuri and Holbrook, 2001; Dick and Basu, 1994). Loyal consumers only repurchase the same brand over time even there is an alternative brand in the market. This means the ability to make a consumer repeatedly seek out and buy one brand over another even when others offer coupons or lower prices, is brand loyalty.

While the definitions of brand loyalty established on the behavioral perspective underlined the consumer's actual loyalty to the brand as reflected in purchase choices, the definitions based on an attitudinal perspective emphasized consumer intentions to be loyal to the brand. Chaudhuri and Holbrook (2001) suggested a model of brand loyalty that declares that purchase loyalty tends to conduct to greater market share.

According to Schultz (2000), a satisfied customer tends to be more loyal to a brand/store over time than a customer whose purchase is caused by other reasons such as time restrictions and information deficits.

Dick and Basu (1994) measured relative attitude by comparing a consumer's evaluation of one brand to their evaluation of competing brands. The advantage of relative attitude is that it takes into consideration attitudinal differentiation and attitudinal strength. Because of this, Dick and Basu (1994) felt that relative attitudinal loyalty is superior to the traditional attitudinal form of loyalty. When combined with repeat patronage, they identified four conditions of customer loyalty. Figure 2.5 depicts these conditions.

		Repeat Patronage:	
		High	Low
Relative Attitude:	High	Loyalty	Latent Loyalty
	Low	Spurious Loyalty	No Loyalty

Figure 2.5 : The four types customer loyalty (Dick and Basu, 1994).

Dick and Basu (1994) indicated that even a relatively important repeat purchase may not reflect true loyalty to a product but may merely result from situational conditions such as brands stocked by the retailer. Therefore, repeat purchasing without a favorable attitude is called spurious loyalty. Loyalty is placed under high repeat patronage in combination with high relative attitude.

Loyal customers cost a company less to serve than their non-loyal counterparts. Due to the fact that they are loyal to the brand, they also tend to be less price sensitive, therefore increasing the profit margin on a product. Lastly, loyal customers practice favorable word-of-mouth, where as non loyal customers practice none or even negative word of mouth (Dick and Basu, 1994). This positive word of mouth helps in the acquiring and retaining of new and existing customers. Overall, it has become apparent that increasing customer loyalty will have favorable outcomes for a company, brand, product, or service.

2.3.4 Brand Associations

Brand associations are another important component of brand equity (Aaker, 1991; Keller, 1993). Brand associations are believed to contain “the meaning of the brand for consumers” (Keller, 1993). Aaker (1991) defined brand associations as “anything linked in memory to a brand”.

While a brand may derive associations from a range of sources, brand personality and organizational associations are the two most important types of brand associations, which influence the brand’s equity (Aaker, 1991). Brand personality is a key component of brand equity, and is defined in terms of the various traits or characteristics that brands can assume from the perception of consumers (Aaker, 1991; Keller, 1993).

Brand associations are complicated and connected to one another, and consist of multiple ideas, episodes, instances, and facts that establish a solid network of brand knowledge. The associations are stronger when they are based on many experiences or exposures to communications, rather than a few. Brand associations, which result in high brand awareness, are positively related to brand equity because they can be a signal of quality and commitment and they help a buyer consider the brand at the point of purchase, which leads to a favorable behavior for the brand (Yoo and Donthu, 2000).

Further, Aaker (1991) suggested that brand associations could provide value to the consumer by providing a reason for consumers to buy the brand, and by creating positive attitudes/feelings among consumers.

Dimensions of Brand Associations

One way to distinguish between brand associations is by their level of abstraction, that is, by how much information is summarized or subsumed in the association. In line with this criterion, Keller (1993) classifies brand associations into three major categories: attributes, benefits and attitudes. Attributes are those descriptive features that characterize a brand, such as what a consumer thinks the brand is or has and what is involved with its purchase or consumption. Attributes can be further categorized into product-related attributes as well as non-product related attributes. For product-related attributes, the overall features of the product or service are concerned. As for non-product related attributes, price information, packaging, user imagery as well as usage imagery are to be considered. Benefits are the personal value consumers attach to the brand attributes, that is, what consumers think the brand can do for them. They can be classified into functional, experimental and symbolic. Function benefits signify the physical or basic advantages a brand may have. For experimental benefits, they are related to consumers' emotional feelings. Symbolic benefits, on the other hand, refer to the signal effect that a brand may impose on the consumers. Signal effect is determined by the image of consumers and also the personality of the brand. Brand attitudes are consumers' overall evaluations of a brand (Rio et al., 2001).

According to Rio et al. (2001), the associations related to the functions represent a greater degree of abstraction than those referring to the attributes, and so are more

accessible and remain longer in the consumer's memory. Therefore, Rio et al. (2001) proposed measuring brand associations concerning brand functions through the dimensions of guarantee, personal identification, social identification and status.

Low and Lamb (2000) conceptualized brand image (functional and symbolic perceptions), brand attitude (overall evaluation of a brand), and perceived quality (judgments of overall superiority) as possible dimensions of brand associations. Brand image is defined as the reasoned or emotional perceptions consumers attach to specific brands and is the first consumer brand perception that was identified in the marketing literature. Brand attitude is defined as consumers' overall evaluation of a brand whether good or bad whereas perceived quality is defined as the consumer's judgment about a product's overall excellence or superiority.

Aaker (1991) classified brand associations with his typology, distinguishing between 11 dimensions: product attributes, intangibles, customer benefits, price, application, user, celebrity, life style, product class, competitors, and country of origin.

Cheng and Chen (2001) categorized two types of brand associations; product associations and organizational associations. Product associations include functional attribute associations and non-functional associations. Functional attributes are the tangible features of a product. While evaluating a brand, consumers link the performance of the functional attributes to the brand. If a brand does not perform the functions for which it is designed, the brand will have a low level of brand equity. Performance is defined as a consumer's judgment about a brand's fault free and long lasting physical operation and flawless in the product's physical construction. Non functional attributes include symbolic attributes which are the intangible features that meet consumers' needs for social approval, personal expression or self-esteem. Consumers linked social image of a brand, trustworthiness, perceived value, differentiation and country of origin to a brand (Aaker 1991, Keller 1993, Cheng and Chen 2001).

The Importance of Brand Associations

Brand associations may be seen in all forms and reflect characteristics of the product or aspects independent of the product itself. Associations represent basis for purchase decisions for brand loyalty and also create value to the firm and its customers. Aaker (1991) listed these benefits as follows:

- Helping to process/retrieve information,
- Differentiating the brand, generating a reason to buy,
- Creating positive attitudes/feelings
- Providing a basis for extensions.

Associations towards a brand can create value for the firm and so its customers in a number of ways. First of all, they help the customers to process or retrieve information. Associations towards a brand serve as a brief summary for the customers to make their purchasing decision. Associations can also be used to trigger the customers to recall their past experiences, making the customers remember the brand by heart. Second, brand associations can differentiate one brand from another. Third, brand associations may include some product attributes or consumer benefits which encourage the consumers to purchase the brand. Forth, some associations can provide positive feelings about the products.

Brand associations are a key element in brand equity formation and management. In this respect, high brand equity implies that consumers have strong positive associations with respect to the brand (Rio et al., 2001).

Once brand associations are constructed in a meaningful way, a vivid brand image is established. Brand image possibly affects how consumers perceive the brand and hence their purchasing behaviour. There may be products on the market with similar quality and design, however, the specific brand image attached on a product may differentiate itself from the others, contributing to its higher premium price (scribd.com).

2.4 Factors Affecting Brand Equity

To create high brand equity, it is essential to understand the major factors that influence brand equity dimensions. In this study we explained the five factors that affect brand equity dimensions; image of country of origin, brand trust, brand affect, risk aversion and product values.

2.4.1 Image of Country of Origin

Information-processing theory posits that consumers use product cues to form beliefs and evaluations about a product, which in turn influence their purchase behaviors

(Yasin et al, 2007). The country of origin of a product is an extrinsic cue, which, similar to brand name, is known to influence consumers' perceptions and to lead consumers to cognitive elaboration (Pappu et al, 2005).

Consumers are known to develop stereotypical beliefs about products from particular countries and the attributes of those products. Therefore the country of- origin image has the power to arouse importers' and consumers' belief about product attributes, and to influence evaluations of products and brands. The country of origin denotes the home country for a company or the country that consumers infer from brand name (Yasin et al, 2007).

It has been demonstrated that country images can have significant impact on consumers' product evaluation. Country image is viewed in two ways. The first interpretation indicates that country image is viewed as consumers' overall perceptions of products e.g. quality of products made in a given country (Agarwal and Sikri, 1996). This implies that the products made in a country have similar quality. In this case country image is assumed to be a halo construct. The second interpretation, which is more frequently met, suggests that country image comprises a set of beliefs about certain products from a given country. Consumers have some knowledge about specific products originating from a country, so consequently the attitudes they have for products from that country vary by product category (Agarwal and Sikri, 1996).

Product Category - Country Associations

Many consumers use country-of-origin stereotypes to evaluate products for example, "Japanese electronics are reliable", "German cars are excellent", "Italian pizza are superb". Many consumers believe that a "Made in . . ." label means a product is "superior" or "inferior" depending on their perception of the country. Brands from countries that have a favorable image generally find that their brands are readily accepted than those from countries with less favorable image (Yasin et al, 2007). For brands offered in the international arena, such as Japanese brands available to consumers in Australia, consumer-based equity should be influenced by the very fact that the brand's country of origin is Japan. Consumer perceptions of Japanese brands have improved over the years. Furthermore, brand names such as Sony or Toyota

clearly signal their country of origin to consumers. Such origin cues are similarly entrenched within many well-known brand names (Pappu et al, 2005).

Consumers have associations toward entities such as products, places, brands and countries of origin. These associations can have direction and strength. For example, product category-brand associations can be bi-directional. That is, consumers may recall a product category when they think of a brand name and they may recall a brand name when they think of a product category. Product category-country associations, which refer to consumers' ability to evoke a country when the product category is mentioned, are of interest when examining the relationships between country of origin and consumer-based brand equity. Since consumers are known to associate countries with certain product categories and vice versa, consumers' product category-country associations appear to be bi-directional (Pappu et al, 2005).

In a review of past research noted that product country image and its potential effects are the most researched issue in international buyer behavior (Gavrilita, 2009). Basing their finding on research it was made several significant conclusions on the meaning and role of product country image (Gavrilita, 2009):

- Country images are powerful stereotypes that influence behavior of consumers, tourists, industrial and retail buyers and foreign investors.
- The effects of country image vary depending on the numbers and strength of cues in the research study.
- Country image influences consumers' price expectations. There is a positive relationship between country image and price expectation; the lower the image of a country, less price consumers expect to pay for a product from that country.
- Product country image contains seven basic elements comprising three country constructs (country level of development, feelings about its people, and respondent's openness for contact with the country) and four product constructs (assessment of the product, price, market presence and consumer satisfaction).

- Buyers know what hybrid products are and can make the difference between country of manufacture, country of design, country of assembly, country of origin.
- Some countries are associated with specific products, for instance French fashion and Japanese electronics.
- Consumers can differentiate between country's and product's images and understand that these are not same things.
- Although it is a lengthy process product country images may change over time. Olympic Games and marketing strategies can be major events after which a country's image may change in a better way.
- "Buy domestic" campaigns are not always effective in increasing the purchase intentions of domestic products if superior foreign products are available.

Importance of Country of Origin

Some researchers view country image as consumers' general perceptions about the quality of products made in a particular country (Yasin et al, 2007). Consumers might use country of origin because quality cannot be determined until a product is actually consumed; that is, country of origin is used in place of missing product information. Consumers may use a country's reputation to predict the quality of products. The multidimensional effect of country of origin image influences product beliefs and attitudes for brands with different levels of equity (Sanyal and Datta, 2011).

In their study, Sanyal and Datta (2011) indicates that country of origin image had a positive and significant effect on components of brand equity; brand strength and brand awareness, derived from factor analysis conducted on brand equity components. The study result also showed that country of origin image of branded generics significantly, but indirectly, affected brand equity through the mediating variables, brand strength and brand awareness.

Ahmed and d'Astous (2004) observe that consumers' perceptions of product quality and their purchase decisions are impacted by their level of involvement evoked by the category of the product being considered. According to Ahmed and d'Astous

(2004), different product categories present varying extents of purchase risks and invariably motivate different levels of purchase involvement. According to Ahmed and d'Astous (2004), country of origin does matter when consumers evaluate low-involvement products but, in the presence of another extrinsic cue of brand name, the impact of country of origin is weak and brand becomes the determinant factor.

A hypothesis that has been proposed by several studies is the mediation of perceived risk to explain the influence of the country of origin on consumer evaluations. Either normally consumers tend to take less risk when purchasing, so they choose national products where they perceive a lesser risk, or they prefer products of certain countries with favorable images (Gavrilita, 2009).

Country image as a halo occurs when consumers are not able to detect the quality of a product usually because they are not familiar with the product, they use country image in product evaluation. In this situation, country image serves as a halo from which consumer infers the product attributes. Country image has greater effects on purchase intentions when consumers are not familiar with the country's products than when they are. This view is similar to using price information and seller reputation in product evaluation. Consumers use price when they are not familiar with the product and when information about product and purchase context is lacking (Gavrilita, 2009).

2.4.2 Risk Aversion

Risk aversion has been defined as a decision maker's "preference for a guaranteed outcome over a probabilistic one having an equal expected value". Thus, it has been conceived as an individual difference or predisposition, an attitude toward taking risks that is relatively invariant across situations (Mandrik and Bao, 2005).

According to Mandrik and Bao (2005), consumers' level of risk aversion (i.e., attitude toward risk) has been measured in one of three ways. In the first method, subjects' risk aversion is inferred from their responses to various choice dilemmas. The second way is to infer subjects' risk aversion from their choice outcomes on lotteries or gambles. The third way is to use a self-report scale that measures risk aversion specific to the domain in question, e.g., buying a new car.

Consumers differ with respect to the amount of risk they are willing to incur in a given situation. As an individual difference variable, this basic attitude toward risk is

called risk aversion, a concept that has received much research attention not only in marketing, but also in economics and finance. There is a close, but frequently not explicitly stated relationship between risk aversion and perceived risk. In general, the notion of risk comprises two components: the uncertainty of an outcome and the importance of negative consequences associated with the outcome of a choice. The concept of perceived risk involves both the perceived uncertainty of outcomes and the perceived severity of negative consequences. Individuals may vary with respect to both components. However, it would seem more likely that a basic attitude toward risk primarily reveals itself in the first component, i.e. attitude toward uncertainty. Moreover, the level of consequences may differ by situation, rendering it difficult to capture a predisposition for that dimension. Conceiving risk aversion as attitude toward uncertainty is in line with definitions of risk aversion in the literature (Matzler et al, 2008; Mandrik and Bao, 2005).

The question whether people are generally averse to all types of risk, regardless of domain, is controversially discussed (Mandrik and Bao, 2005). Both the perceived uncertainty of outcomes and the level of negative consequences may differ from situation to situation. Risk aversion as a cross-situational variable may be very difficult to detect, because it is masked by a number of situational factors. Studies have divided risk into sub-components, or facets. Five facets (performance, financial, physical, social, and psychological risk) explained a large amount of variance in overall perceived risk measures for 12 product categories. Further, different facets (e.g., performance and social risk) have different implications for consumer behavior, such as the sources consulted in acquiring information. It is conceivable that different facets of risk may vary independently of one another, and therefore, a general risk aversion may not exert influence on situations that are dominated by say, either high social risk or high functional risk (Mandrik and Bao, 2005).

Consumers incur costs when gathering and processing information to reduce uncertainty and perceived risk. Information-gathering costs include expenditure of time, money, psychological costs, and the like. Similarly, information processing costs (e.g., thinking costs) include time and psychological costs. The level of perceived risk and information costs accrued depends on the informational structure of the market. The level of information costs also will depend on perceived risk, in

that when all else seems equal, high perceived risk may motivate consumers to gather and process a large amount of information (Erdem and Swait, 1998).

Risk aversion affects consumers' decision making in various ways. Risk-averse consumers feel threatened by ambiguous and uncertain purchasing situations. They tend to search for more information regarding quality from information sources before making a decision (Zhou et al, 2002). If such information is easy to get, risk-averse consumers can rely on the information to decrease their perceived risk. If such information is not available or not credible, risk-averse consumers have to rely more on extrinsic cues such as price, brand, or store image to infer product quality (Zhou et al, 2002). Hence, risk-averse consumers may refrain from trying new products and brands and they tend to stay with the well-established brands to avoid possible losses of trying unknown brands. It has also been found that risk averse consumers reduce risk by choosing higher-priced brands, especially in markets where objective quality information is lacking and where intrinsic product information is less credible. Instead of searching for new information and/or taking risks by trying new products when new purchases are made, consumers with high levels of risk aversion will rather use a simplifying strategy and stay loyal to a brand (Matzler et al, 2008).

In the information economics view, the reduction in perceived risk and information costs attributable to brands are antecedents of brand equity, whereas in the cognitive psychology view these reductions are the consequences of brand equity. Thus, in the psychological account, brand equity must exist before perceived risk and information costs are reduced; the information economics account holds that these reductions drive brand equity (Erdem and Swait, 1998).

In the context of e-commerce, the increased perceived risk of online transactions heightens the risk reducing effect of a well-known brand. Hence, highly risk-averse consumers might react stronger to brands, brands will give them more pleasure and risk-averse consumers will generally feel better when they use brands (Matzler et al, 2008).

2.4.3 Brand Trust

Trust is a key variable in the development of an enduring desire to maintain a relationship in the long term. Trust is defined as the confidence that one will find what is desired from another, rather than what is feared (Jahangir et al, 2009). It

represents the confidence that the relational party in an exchange will not exploit another's vulnerability. Accordingly, to trust a brand implicitly means that there is a high probability or expectancy that the brand will result in positive outcomes for the consumer (Delgado-Ballester and Munuera-Aleman, 2005). Rousseau et al (1998) defined trust as a "psychological state comprising the intention to accept vulnerability based on positive expectations of the intentions or behaviors of another".

Trust has been studied primarily in the context of relationship marketing. Morgan and Hunt (1994) conceptualized trust as "existing when one part has confidence in an exchange partner's reliability and integrity".

According to Delgado-Ballester and Munuera-Aleman (2005), the first dimension of brand trust (reliability) has a technical or competence-based nature, involving the ability and willingness to keep promises and satisfy consumers' needs. The second dimension (intentions) comprises the attribution of good intentions to the brand in relation to the consumers' interests and welfare, for example, when unexpected problems with the product arise. Consequently, a trustworthy brand is one that consistently keeps its promise of value to consumers through the way the product is developed, produced, sold, serviced and advertised. Even in bad times when some kind of brand crisis arises.

Drawing on conceptualizations of trust in the social psychology literature, many researchers differentiate cognitive and affective/emotional trust (Matzler et al., 2006). Cognitive trust is based on "good rational reasons why the object of trust merits trust". It is thus based on evaluating the competence, reliability, and predictability of the trusted object and reflects the economic understanding of trust as a rational choice. Affective trust, on the other hand, is the emotion-driven form of trust that is based on immediate affective reactions, on attractiveness, aesthetics, and signals of benevolence. Frequently trust-based behavior results from a mix of affective and cognitive trust (Matzler et al., 2006).

Rousseau et al (1998) discussed in their study whether there are common elements underlying trust as it is viewed across disciplines. Risk is one condition considered essential in psychological, sociological, and economic conceptualizations of trust. Risk is the perceived probability of loss, as interpreted by a decision maker. The path

dependent connection between trust and risk taking arises from a reciprocal relationship: risk creates an opportunity for trust, which leads to risk taking. Moreover, risk taking buttresses a sense of trust when the expected behavior materializes. Trust would not be needed if actions could be undertaken with complete certainty and no risk. Uncertainty regarding whether the other intends to and will act appropriately is the source of risk. The second necessary condition of trust is interdependence, where the interests of one party cannot be achieved without reliance upon another. Although both risk and interdependence are required for trust to emerge, the nature of risk and trust changes as interdependence increases.

Chaudhuri and Holbrook (2001) defined brand trust as “the willingness of the average consumer to rely on the ability of the brand to perform its stated function”. Across disciplines there is also agreement that trust only exists in an uncertain and risky environment. In other words, trust is only relevant in situations of uncertainty. Having only limited cognitive resources available, consumers seek to reduce the uncertainty and complexity of buying processes by applying mental shortcuts. One effective mental shortcut is trust, which can serve as a mechanism to reduce the complexity of human conduct in situations where people have to cope with uncertainty.

Brand trust evolves from past experience and prior interaction because its development is portrayed most often as an individual’s experiential process of learning over time. Therefore, it summarizes the consumers’ knowledge and experiences with the brand. As an experience attribute, it is influenced by the consumer’s evaluation of any direct (e.g. trial, usage) and indirect contact (e.g. advertising, word of mouth) with the brand. Among all these different contacts, the consumption experience is the most relevant and important source of brand trust, because it generates associations, thoughts and inferences that are more self-relevant and held with more certainty (Delgado-Ballester and Munuera-Aleman, 2005).

Consumers are more motivated to look for a trustworthy brand in order to avoid the risk inherent to buying a product. In this perspective risk reduction can be seen as a basic function of a brand in the buying decision process and brand trust as one of its most important sub functions. It can be assumed that risk reduction of brands respective of brand trust is even more important if the perceived risk of a buying decision is high (Matzler et al., 2008). Empirical evidence for this assumption is also

provided by Erdem et al.'s (2006) study on cross-cultural differences of brands as signals, who found that in high-uncertainty avoidance countries, credible brands provide more value as they have lower perceived risk and information costs.

Traditionally customer loyalty has been studied as a key construct in consumer behavior research. Hong and Cho (2011) proposed attitudinal loyalty and purchase intentions as key constructs directly affected by trust. Chaudhuri and Holbrook (2001) suggested that brand trust and brand affect are separate constructs that combine to determine two different types of brand loyalty; purchase loyalty and attitudinal loyalty which in turn influence such outcome related aspects of brand equity as market share and relative price, respectively.

2.4.4 Brand Affect

In branding, brand affect can be seen as consumers' overall favorable or unfavorable evaluation of the brand (Keller, 1993; Matzler et al., 2006). Chaudhuri and Holbrook (2001) define brand affect as a brand's potential to elicit a positive emotional response in the average consumer as a result of its use. Both concepts of brand affect and hedonic value refer to subjective, emotional aspects of consumer behavior. Concerning their relationship, it can be expected that the higher the pleasure potential of a product the greater it's potential to elicit positive emotional response in a consumer.

Dick and Basu (1994) defined affect as evoke feelings related to the object under consideration. Under this characterization, they discussed four specific types of affect, each of which could act as an antecedent to loyalty as conceptualized in their study. These are emotions, moods, primary affect, and satisfaction. Emotions are associated with intense states of arousal. They lead to focused attention on specific targets and are capable of disrupting ongoing behavior. Moods or feeling states are less intense than emotions, less disruptive of ongoing behavior, and less permanent. Their impact on behavior is presumed to occur through rendering mood-congruent knowledge more accessible in memory. Affect has also been conceptualized as being physiological in nature. It is suggested that such physiological participation seems much more likely when direct sensory experience (e.g., taste)" is involved in the attitude-behavior relationship and consequently could influence the strength of the association. A consumer's postpurchase response to a brand is believed to occur

through a matching of expectations and perceived performance. The resulting satisfaction/dissatisfaction is considered to act as an antecedent to loyalty (Dick and Basu, 1994).

Chaudhuri and Holbrook (2001) argued that commitment is associated with positive affect and that though this may prevent the exploration of other alternatives in the short run, affective bonding or attachment may result in steady customer benefits in the long run.

Chaudhuri and Holbrook (2001) suggested that brand trust as involving a process that is well thought out and carefully considered whereas the development of brand affect is more spontaneous, more immediate, and less deliberately reasoned in nature.

In addition, Dick and Basu (1994) suggested that brand loyalty should be higher under conditions of more positive emotional mood and affect. Thus, brands that make consumers "happy" or "joyful" or "affectionate" should prompt greater purchase and attitudinal loyalty. People may not always purchase the brands they "love" for reasons of high price and so forth. In general, however, brands that are higher in brand affect should be purchased more often and should encourage greater attitudinal commitment (Chaudhuri and Holbrook, 2001). Drawing on the emerging theory of brand commitment in relationship marketing, Chaudhuri and Holbrook (2001) proposed a strong impact of brand affect on attitudinal and purchase loyalty.

2.4.5 Hedonic – Utilitarian Value

Researchers have found that consumer value is a primary motivation for using a certain service. Consumer value is generally considered to be the relativistic preference characterizing a consumer experience for interacting with specific objects (i.e. any good, service, thing, place, event, or idea). Therefore, the concept of value is relativistic (i.e. personal) or context (i.e. situation) dependent and consumers' motivations to use a service will differ in the way consumers perceive the value of the services (Hirshman and Holbrook, 1982). Consumer value derived from using a certain service can often be distinguished as hedonic or utilitarian value. In other words, individual consumers' service usages differ to the extent in which their behaviors are derived from hedonic or utilitarian values.

In the consumer research literature, it has been suggested that consumer evaluation of a consumption object is placed on both a utilitarian dimension of instrumentality

(e.g. how useful and beneficial the product is), and on a hedonic dimension measuring the experiential affect associated with the product (e.g. how pleasant and agreeable these associated feelings are) (Chaudhuri and Holbrook, 2001; Matzler et al , 2006).

Utilitarian value is defined as an overall assessment (i.e., judgment) of functional benefits and sacrifices while hedonic value is defined as an overall assessment of experiential benefits and sacrifices, such as entertainment and escapism. It is important to further differentiate utilitarian value as something distinct and different from hedonic value. Utilitarian value incorporates more cognitive aspects of attitude, such as economic “value for the money” and judgments of convenience and time savings (Overby and Lee, 2006). Consumer behavior driven by utilitarian value is typically satisfying a functional or economic need and is weighted on task completion. Consumers’ utilitarian value for a service will be driven by a sense of accomplishment through the use of services. Hedonic value is more subjective and personal than utilitarian value. It is the experiential and emotional motivations of consumer behavior that can be derived from the multisensory, emotive, and entertainment aspect of experience in the consumption process (Holbrook and Hirschman, 1982).

Categorization and schema theory both suggest that product-category cognitions are likely to precede thoughts and feelings about brands within the product category. According to categorization theory, people form categories of the stimuli around them, and new stimuli (e.g., brands) are understood according to how they fit into these existing categories. Thus, prior knowledge of the product category determines the type of evaluation that a brand stimulus will evoke. Similarly, schema theory suggests that people form abstract schemata from prior knowledge and experience and then use these schemata (say, product categories) to evaluate new information (say, on brands). Hedonic and utilitarian values can thus be conceived of as abstractly representing two types of knowledge gathered from prior experience with the product category for use in evaluating individual brands within that product category (Chaudhuri and Holbrook, 2001).

Chaudhuri and Holbrook (2001) suggested in their study that the product-category characteristics (hedonic and utilitarian value) influence brand-level effects such as brand trust, brand affect, brand loyalty, or brand performance.

Hedonic value and utilitarian value reflect two contrasting paradigms in consumer behavior theory. The information-processing paradigm regards consumer behavior as largely objective and rational and as oriented toward problem solving. Thus, brand trust which involves a calculative process toward a particular favored brand may be greater when the utilitarian value in the product category is high in terms of tangible product attributes, such as quality. On the other hand, in the experiential paradigm, consumer behavior pursues the more subjective, emotional, and symbolic aspects of consumption. More hedonic products have nontangible, symbolic benefits and are likely to encourage a greater potential for positive brand affect. When the emotional elements of pleasure are high and positive for a product category, consumers should experience more favorable affect toward the brand consumed. Allowing for these kinds of relationships helps control for that part of the trusting or affective response to a brand that depends on the product category itself rather than the brand alone (Hirschman and Holbrook 1982; Chaudhuri and Holbrook, 2001).

Both concepts of brand affect and hedonic value refer to subjective, emotional aspects of consumer behavior. Concerning their relationship it can be expected that the higher the pleasure potential of a product the greater its potential to elicit positive emotional response in a consumer (Matzler et al, 2006). In their study, Matzler et al (2006) suggested that hedonic and utilitarian value of products as drivers of brand trust.

2.4.6 Involvement

Involvement has been the subject interest by both practitioners and researchers mainly in the area of marketing since many decades. This helps in understanding involvement of consumers towards various products, services, product categories, brands etc. Understanding consumers' involvement aids a company to communicate to consumers in an efficient manner by creating the right stimulus. Involvement involves rational thought process and evaluation of cost benefit ratio. Thus consumer involvement with products is a major concern with the marketers as involvement is a very subjective matter differing from person to person.

Although researchers agree that the study of low versus high involvement states is interesting and important, there is little agreement about how to best define, and hence measure, the construct of involvement. The reasons for the diverse definitions

and measures of involvement are perhaps due to the different applications of the term "involvement" (Zaichkowsky, 1985; Matzler et al., 2006).

The literature suggests that a person can be involved with advertisements, with products, or with purchase decisions. Involvement with these different objects leads to different responses. For example, involvement with ads leads one to give more counter arguments to the ad. Involvement with products has been hypothesized to lead to greater perception of attribute differences, perception of greater product importance, and greater commitment to brand choice. Involvement with purchases leads one to search for more information and spend more time searching for the right selection (Zaichkowsky, 1985).

Involvement of an individual is a result of its antecedents, which consists of five facets; products pleasure value, sign or symbolic value, risk importance and probability of purchase error. Dynamics of involvement can be described completely only when these facets are integrated together to form a profile (Kapferer and Laurent, 1985; Kapferer and Laurent, 1993). Each facet talks about one's involvement (high – low) individually, and hence the integrated results of all these facets also talk about the same high – low involvement of a consumer.

Involvement with Products

The involvement construct has played an increasingly important role in analyzing and explaining consumer behavior. The level of consumer involvement is a crucial factor influencing buying decisions and is discussed by both attitudinal and behavioral theorists when addressing the issue of brand loyalty (Matzler et al., 2006).

Product involvement is a person's perceived relevance of the object based on inherent needs, values and interest (Zaichkowsky, 1985). According to prior literature product involvement is seen into two different ways; first as product importance and second as enduring involvement. Involvement with a product which lasts for long time can be said as enduring involvement. Products, which give pleasure, arouse enduring involvement. On the other hand, a functional product may or may not have enduring involvement but these products could be of high importance. A printer is important to consumer but he may not have enduring involvement for it. Moreover, situations also affect the involvement level of a

consumer which is activated by a stimulus and involvement reflects an individual's self identity.

Moreover, one of the most important factors affecting enduring persuasion is whether an individual is motivated to elaborate on, or think about, a potentially persuasive message. One of the greatest determinants of elaboration motivation is involvement. If a message is irrelevant to an individual, then that individual is typically not motivated to devote a great deal of attention or consideration to the message. Researchers have shown that product involvement significantly affects consumer decision making and have typically analyzed the influence of involvement on consumer attitude, brand preference and perceptions (Xue, 2008).

Zaichkowsky (1985) adopted a semantic differential method and develops a set of inventory, which is known as personal involvement inventory. This questionnaire contains complete base of the involvement construction and bring into personal factor, product factor and scenario factors to all measure involvement of factor in. Kapferer and Laurent (1985, 1993) integrated antecedents of involvement and developed a scale to measure Consumer Involvement Profiles to give a better understanding of the dynamics of consumer involvement. The antecedents of involvement mentioned are;

- The personal interest a person has in a product category, its personal meaning or importance.
- The hedonic value of the product, its ability to provide pleasure and enjoyment.
- The sign value of the product, the degree to which it expresses the person's self.
- The perceived importance of the potential negative consequences associated with a poor choice of the product (risk importance).
- The perceived probability of making such a poor choice (risk probability).

The level of involvement indicates how important a product and the consequences of its purchase are for the individual. There is general agreement that in situations with high customer involvement the decision-making process is more complex. Individuals with higher levels of involvement in a certain product or brand are more

involved in elaborate information processing and have more product-related thoughts and make more inferences from their consumption experience (Matzler et al, 2008).

Hence, Matzler et al. (2006) suggested that involvement moderate the relationships between product value, brand trust - brand affect, and brand loyalty. According to their study, individuals with high product or enduring involvement might perceive a greater pleasure potential of the product, and therefore the influence of hedonic value on brand trust might be more dominant than for lowly involved persons. Similarly, the influence of hedonic value on brand affect might be more dominant than for lowly involved persons.

3. CONCEPTUAL FRAMEWORK

The purpose of brand equity models is to attempt to give a simplified version of the relationship of the various factors that influence the brand equity and its dimensions. Various models have been developed in order to describe brand equity dimensions.

Starting from this standpoint, this part of the thesis includes the proposed comprehensive brand equity model with its dimensions and factors effecting brand equity dimensions and developed hypotheses. The model is trying to identify the relationships among product value (hedonic – utilitarian value), brand trust, brand affect, risk aversion, country of origin image, involvement and brand equity dimensions which are covered in previous sections in detail.

3.1 Definition of Components

Hedonic – Utilitarian Value

In this study it is focused on the hedonic and utilitarian value of products as drivers of brand trust and brand affect. In the consumer research literature, it has been suggested that consumer evaluation of a consumption object is placed on both a utilitarian dimension of instrumentality and on a hedonic dimension measuring the experiential affect associated with the product (Matzler et al, 2006).

Brand Trust

Chaudhuri and Holbrook (2001) define brand trust as the willingness of the average consumer to rely on the ability of the brand to perform its stated function. It is important that the notion of trust is only relevant in situations of uncertainty and trust reduces the uncertainty in an environment in which consumers feel especially vulnerable because they know they can rely on the trusted brand.

Brand Affect

In the study, brand affect is defined as a brand's potential to elicit a positive emotional response in the average consumer as a result of its use (Chaudhuri & Holbrook, 2001; Morgan and Hunt 1994).

Risk Aversion

Risk aversion has been defined as a decision maker's "preference for a guaranteed outcome over a probabilistic one having an equal expected value" (Mandrik and Bao, 2005). It has been also defined as an individual difference or predisposition, an attitude toward taking risks that is relatively in variant across situations.

Country of Origin Image

Country of origin image can be defined as consumers' general perceptions about the quality of products made in a particular country. The multidimensional effect of country of origin image influences product beliefs and attitudes for brands with different levels of equity.

Brand Awareness

Brand awareness is defined as "the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category (Pappu et al, 2005).

Brand Associations

Brand association is defined as "anything linked to the memory of a brand" (Aaker, 1991). In the definition of Vazquez et al (2002), consumer-based brand equity is "the overall utility that consumer associates to the use and consumption of the brand; including associations expressing both functional and symbolic utilities". In the model brand associations is composed based on symbolic utility perspective using Koçak, Abimbola and Özer's study (2007) and Vázquez et al's (2002) study.

Perceived Quality

Perceived quality is defined as the consumer's subjective judgment about a product's overall excellence or superiority (Yoo et al, 2000). It is, therefore, based on consumers' subjective evaluations of product quality and not on managers' or experts'.

Attitudinal Loyalty

In the study, attitudinal loyalty is defined as the level of commitment of the average consumer toward the brand. Attitudinal brand loyalty includes a degree of dispositional commitment in terms of some unique value associated with the brand (Chaudhuri and Holbrook, 2001).

Behavioral Loyalty

In the study, behavioral loyalty is defined as the willingness of the average consumer to repurchase the brand (Chaudhuri and Holbrook, 2001).

3.2 Hypothesis

After defining the dimensions included in the model, this section presents the hypothesized relationships in order to determine factors effecting brand equity dimensions. The comprehensive brand equity model and hypothesized relationships are shown in Figure 3.1 below.

3.2.1 Relationships among Product Value, Brand Trust and Brand Affect

Chaudhuri and Holbrook (2001) define hedonic value as the pleasure potential of a product, whereas utilitarian value is conceptualized as the ability of a product to perform functions in the everyday life of a consumer. Both aspects of utilitarian and hedonic value contribute, in different degrees, to the overall evaluation of a consumer good or behavior. Concerning the relationship between product value and brand trust it can be assumed that cognitive trust toward a specific brand is greater when the utilitarian value of the product in terms of e.g. quality or convenience is high. On the other hand, products with a high pleasure potential provide nontangible, symbolic benefits and are likely to hold a greater potential for evoking positive emotions and affect based brand trust in a consumer (Chaudhuri and Holbrook, 2001; Matzler et al, 2006).

Following the above discussion, and assuming that brand trust is based both on cognitive and affective reasons and reactions, the below hypothesis were developed.

H1: Hedonic value positively influences to brand trust.

H2: Utilitarian value positively influences to brand trust.

Consumer behavior pursues the more subjective, emotional, and symbolic aspects of consumption. More hedonic products have nontangible, symbolic benefits and are likely to encourage a greater potential for positive brand affect. When the emotional elements of pleasure are high and positive for a product category, consumers should experience more favorable affect toward the brand consumed (Chaudhuri and Holbrook, 2001).

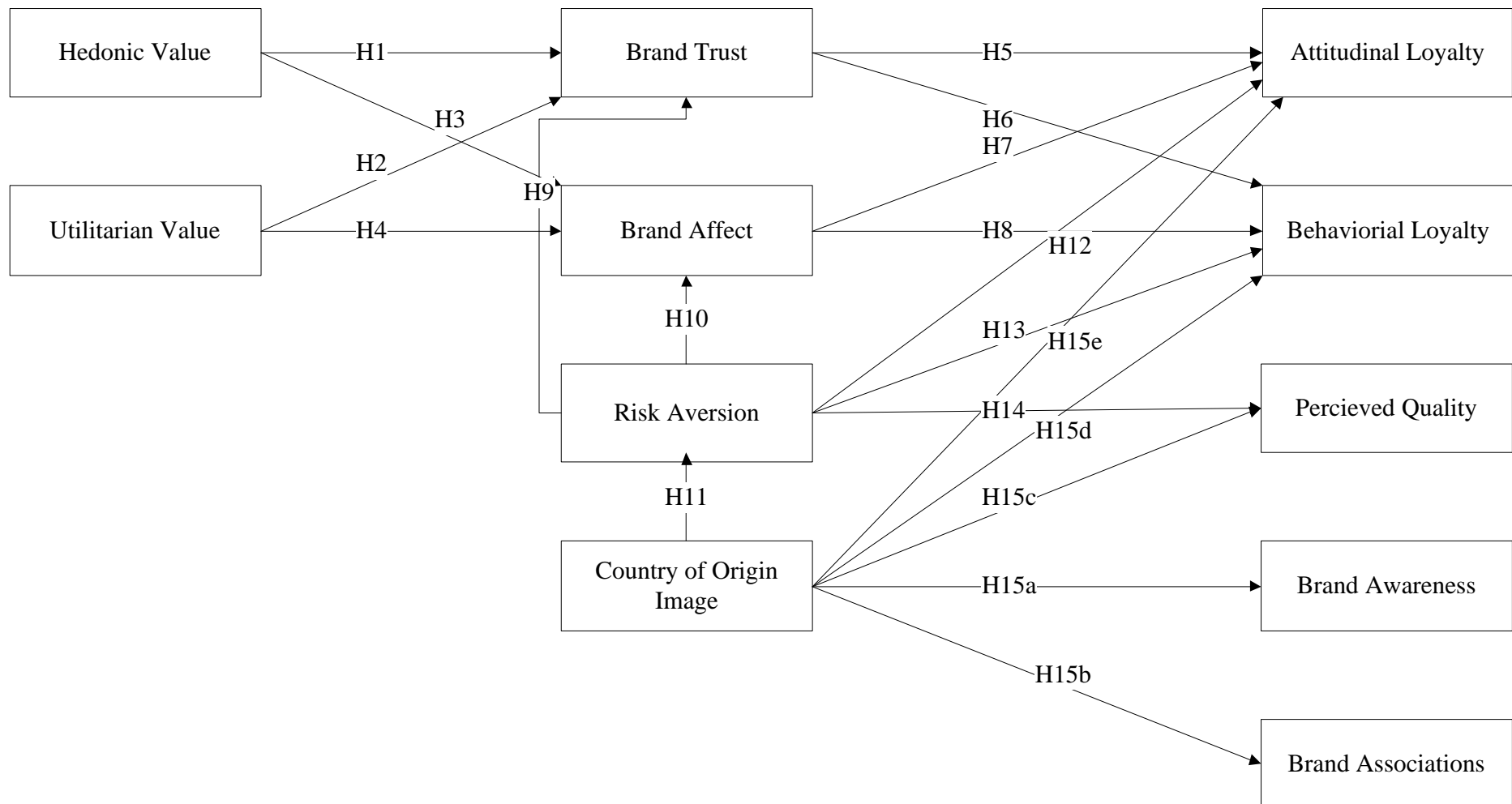


Figure 3.1 : The relationships among product value, risk aversion, brand trust, brand affect, country of origin and brand equity dimensions
Moderator; involvement

The results of Chaudhuri and Holbrook's (2001) study showed that different product category characteristics (utilitarian and hedonic value) influence brand trust and brand affect differently. According to the results, hedonic value in the product category was significantly and positively related to brand affect. Conversely, the utilitarian value of the product category was significantly but negatively related to brand affect.

Following the above discussion, the below hypothesis were developed.

H3: Hedonic value positively influences to brand affect.

H4: Utilitarian value negatively influences to brand affect.

3.2.2 Relationships between Brand Equity Dimensions and Their Antecedents

Brand Trust – Brand Loyalty

Concerning the consequences of trust, Morgan and Hunt (1994) consider trust as key factor of any long-term relationship. Brand loyalty as an important consequence of brand trust has been conceptualized either as a behavioral intention towards the brand or as actual pattern of purchase behavior, or as both. Drawing on the commitment-trust theory of relationship marketing and brand commitment, Chaudhuri and Holbrook (2001), propose a strong impact of brand trust on attitudinal and repurchase loyalty. Brand trust leads to higher levels of loyalty as trust creates exchange relationships that are highly valued.

Hence, based on the theory of brand commitment and brand loyalty in the relationship marketing literature, the below hypothesis were developed.

H5: Brand trust is positively influences to attitudinal loyalty.

H6: Brand trust is positively influences to behavioral loyalty.

Brand Affect – Brand Loyalty

Chaudhuri and Holbrook (2001) propose positive relationship between brand affect and brand commitment or loyalty is further predicated on the ties between positive emotional feelings and close interpersonal relationships. They suggest that the close relationship of a brand with its consumers also tends to reflect the level of positive affect generated by that brand. Strong and positive affective responses will be

associated with high levels of brand commitment. Dick and Basu (1994) propose that brand loyalty should be greater under conditions of more positive emotional mood or affect. Thus, brands that make consumers happy, joyful, or affectionate should prompt greater purchase and attitudinal loyalty. People may not always purchase the brands they love for reasons of high price and so forth. In general, however, brands that are higher in brand affect should be purchased more often and should encourage greater attitudinal commitment.

Following the above discussion, the below hypothesis were developed.

H7: Brand affect is positively influences to attitudinal loyalty.

H8: Brand affect is positively influences to behavioral loyalty.

Risk Aversion – Brand Trust and Brand Affect

Having only limited resources available, consumers seek to reduce the uncertainty and complexity of buying processes by applying mental shortcuts. One effective mental shortcut is trust, which can serve as a mechanism to reduce the complexity of human conduct in situations where people have to cope with uncertainty. Thus, in such situations trust reduces uncertainty (Chaudhuri and Holbrook, 2001).

Consumers are more motivated to look for a trustworthy brand in order to avoid the risk inherent to buying a product (Delgado Ballester and Munuera Alema'n, 1999). In this perspective risk reduction can be seen as a basic function of a brand in the buying decision process and brand trust as one of its most important sub-functions. It can be assumed that risk reduction of brands respective of brand trust is even more important if the perceived risk of a buying decision is high.

Following the above discussion, the below hypothesis was developed.

H9: Risk aversion positively influences to brand trust.

Chaudhuri and Holbrook (2001) define brand affect as “a brand’s potential to elicit a positive emotional response from the average consumer as a result of its use.” Brands, as has been stated above, can serve as a means to reduce risk. Matzler et al (2008) suggest that risk averse consumers might react stronger to brands, brands will give them more pleasure and risk averse consumers will generally feel better when they use brands.

Following the above discussion, the below hypothesis was developed.

H10: Risk aversion positively influences to brand affect.

Risk Aversion – Country of Origin Image

A hypothesis that has been proposed by Gavrilita (2009) is the mediation of perceived risk to explain the influence of the country of origin on consumer evaluations. Normally, consumers tend to take less risk when purchasing, so they either choose national products where they perceive a lesser risk, or they prefer products of certain countries with favorable images. It can be assumed that risk averse consumers might react stronger to brands, brand's country of origin image is high.

Following the above discussion, the below hypothesis was developed.

H11: Risk aversion positively influences to country of origin image.

Risk Aversion – Brand Equity Dimensions

Risk averse consumers feel threatened by ambiguous and novel situations and are reluctant to try new products. They perceive them as risky because the performance of these products is rather uncertain and unknown compared to established products and brands (Matzler et al, 2008). Hence, risk averse consumers may refrain from trying new products and brands and they tend to stay with the well established brands to avoid possible losses of trying unknown brands.

Following the above discussion, the below hypothesis were developed.

H12. Risk aversion positively influences to attitudinal loyalty.

H13. Risk aversion positively influences to behavioral loyalty.

As Aaker (1991) suggested higher perceived quality, lower information costs, and lower risks associated with credible brands can increase consumer evaluations of brands. Existing literature suggests that brands can reduce perceived risk as they can become consistent and credible symbols of product quality (Erdem and Swait, 1998; Erdem et al., 2006).

It has been found that risk averse consumers reduce risk by choosing higher priced brands, especially in markets where objective quality information is lacking and where intrinsic product information is less credible (Matzler et al, 2008). Price is more relevant in judging the perceived quality of a product given that a person lacks

the ability to evaluate the quality of a product. Hence, risk averse consumers might react stronger to brands, brands will give them more quality perception.

Following the above discussion, the below hypothesis was developed.

H14. Risk aversion positively influences to perceived quality.

Country of Origin Image – Brand Equity Dimensions

The country of origin of a product is an extrinsic, which similar to brand name, is known to influence consumers' perceptions and to lead consumers to cognitive elaboration. Researchers have argued that country of origin effects may be part of the brand equity of certain names. For brands offered in the international arena, consumer based equity should be influenced by the very fact that the brand's country of origin (Pappu et al, 2005).

H15. Country of origin image positively influences brand equity

The equity of a brand is partly measured in terms of the awareness it evokes. The higher the level of awareness the more dominant is the brand, which will increase the probability of the brand being considered in many purchase situations. Sanyal and Datta (2011) suggest that the country of origin image has a positive influence on the brand strength and brand awareness. Their study's result indicates that the brands originated from a country maintaining a high level of quality are already in the awareness levels of consumers. Another plausible explanation for this result is that consumers perceive countries with brands that originate from those countries are reliable.

H15a. Country of origin image positively influences to brand awareness.

Moreover, a brand could generate and leverage secondary associations from an array of entities. For example, people, places and events could be linked to a brand (Keller, 1993) and generate secondary associations. According to Aaker (1991), country of origin associations are one such type of consumers' brand associations. Similarly, Keller (1993) argued that consumers' country of origin associations serve as secondary associations to their brand associations. Brand associations are supposed to contribute to brand equity when consumers are aware of the brand and hold strong, favorable and unique brand associations in their minds (Keller, 1999, p. 2). If consumers' country of origin associations serves as secondary associations, they

should influence brand associations, and therefore brand equity, leading to the following hypothesis:

H15b. Country of origin image positively influences to brand associations.

Pappu et al (2005) suggest that country of origin information affects the perceived quality of products. Consumers may use a country's reputation to predict the quality of products. The multidimensional effect of country of origin image influences product beliefs and attitudes for brands with different levels of equity. Moreover, consumers are likely to hold favorable perceptions of the quality of a brand when the brand is known to originate from countries with a strong association with the product category compared to when the brand is known to originate from countries with weaker association with the product category.

Following the above discussion, the below hypothesis was developed.

H15c. Country of origin image positively influences to perceived quality.

Consumers may prefer a brand based partly on its country of origin. This might be because consumers have experienced, or are convinced about, either the features or attributes or benefits offered by the brand originating from the particular country. Hence, similar to brand loyalty, consumers may exhibit country loyalty. Moreover, country of origin effects in one product category are known to transfer to new product categories offered from the same country.

Following the above discussion, the below hypothesis was developed.

H15d. Country of origin image positively influences to attitudinal loyalty.

H15e. Country of origin image positively influences to behavioral loyalty.

3.2.3 Moderating Effects of Involvement on the relationships

Drawing on the marketing literature related to personal determinants of consumer behavior, personal characteristics are supposed to have a moderating effect on the link between product value (hedonic and utilitarian value) and brand trust, product value and brand affect as well as on the link between brand trust and brand loyalty and brand affect and brand loyalty. Involvement was chosen as a potential moderator.

Involvement

The involvement construct has played an increasingly important role in analyzing and explaining consumer behavior. The level of consumer involvement is a crucial factor influencing buying decisions and is discussed by both attitudinal and behavioral theorists when addressing the issue of brand loyalty (Matzler et al, 2006).

Researchers have shown that product involvement significantly affects consumer decision making and have typically analyzed the influence of involvement on consumer attitude, brand preference and perceptions (Xue, 2008).

Matzler et al (2006) suggested that involvement moderate the relationships between product value (hedonic and utilitarian value) and brand trust, product value and brand affect as well as moderate between brand trust and brand loyalty and brand affect and brand loyalty. Matzler et al (2006) proposed that individuals with high product or enduring involvement might perceive a greater pleasure potential of the product, and therefore the influence of hedonic value on brand trust might be more dominant than for lowly involved persons. Similarly, the influence of hedonic value on brand affect might be more dominant than for lowly involved persons.

Drawing on the marketing literature, a psychographic characteristic (involvement) was chosen as potential moderator. In this study, the moderating effect of involvement on the value, brand trust – brand affect, brand loyalty chain will be investigated.

4. RESEARCH DESIGN

The hypothesized model is proposed to be tested by the data obtained from a predesigned consumer survey. This section includes the design stages, sample and the data collection method of the questionnaire.

4.1 Questionnaire Design and Measurement

The questionnaire is designed in seven main sections. First section of the questionnaire begins with asking respondents that what the latest product they purchased was. The rest of questionnaire, the questions were replied according to this product category and its brand. First section of the questionnaire includes four questions to measure hedonic and utilitarian value using the items developed by Chaudhuri and Holbrook (2001) and used by Matzler et al (2006). For hedonic value, the two items were "I love this product" and "I feel good when I use this product." For utilitarian value, the two items were "I rely on this product" and "This product is a necessity for me" (See Appendix A).

Second section of the questionnaire includes five questions to measure product involvement level using six-item revised PII scale of Zaichowsky (1994) with the following statements: "To me, selecting this product is:" "very important", "very interesting", "means a lot", "very valuable", "very involving", "very needed". The designed questionnaire was evaluated by two experts for pretesting. At the evaluation stage, one item of involvement (very involving) was eliminated due to fact that Turkish meaning of this item is nonsense (See Appendix A).

Third section of the questionnaire includes seventeen questions to measure brand awareness, brand associations and brand quality. Brand awareness was measured using the items in brand equity literature with the following statements: "This brand can be recognized easily by everyone", "This brand can be recalled easily", "This brand is the first named brand in its product category", "and "The symbol and logo of this brand come to mind quickly". The statements of brand associations was composed based on symbolic utility perspective in this study using Koçak, Abimbola

and Özer's study (2007) and Vázquez et al's (2002) study. The statements are the followings: "This brand is fashionable", "This brand is used by my friends", "This brand has a good reputation", "This brand is one of the leading brands", "Using this brand is symbol of prestige", "This brand is recommended by famous people", "I find this brand attractive", "This brand is suitable with my lifestyle" and "This brand reflect my personality". Brand quality was measured using the items in brand equity literature with the following statements: "This brand offers products of very good quality", "This brand offers very durable products", "This brand offers high quality products according to the price" and "This brand offers products with excellent features" (See Appendix A).

Fourth section of the questionnaire includes seventeen questions to measure behavioral loyalty, attitudinal loyalty, brand trust and brand affect. Behavioral loyalty was measured using the items developed by Lau and Lee (1999) with the following statements: "I intend to keep purchasing this brand", "This brand is not available in the store when I need it, I will buy it another time", "This brand is not available in the store when I need it, I will buy somewhere else" and "If another brand is having sale, I will generally buy the another brand instead of this one". Attitudinal loyalty was measured using the items developed by Lau and Lee (1999) with the following statements: "If someone makes a negative comment about this brand, I defend it", "I often tell my friends how good this brand is" and "I would not recommend this brand to someone who cannot decide which brand to buy in this product class". Besides Lau and Lee (1999), two items were added to attitudinal loyalty, these are: "I love this brand" and "Whenever I want to buy the product in that category, I imagine this brand". Brand trust and brand affect were measured using the items developed by Chaudhuri and Holbrook (2001) used by Matzler et al (2006). The designed questionnaire was evaluated by two experts for pretesting. At this stage one item of brand trust (This brand is safe) was eliminated due to fact that Turkish meaning of this item is very similar with the others'. Brand trust was measured with the following statements: "I trust this brand", "I rely on this brand", "This is an honest brand" while brand affect was measured with the items "I feel good when I use this brand", "This brand makes me happy", and "This brand gives me pleasure" (See Appendix A).

Fifth section of the questionnaire includes six questions to measure country of origin image using the Yasin et al's (2007) country of origin image scale with the following statements: "The country from which brand X originates is a country that is innovative in manufacturing", "The country from which brand X originates is a country that has high level of technological advance", "The country from which this brand originates is a country that is good in designing", "The country from which this brand originates is a country that is creative in its workmanship", "The country from which this brand originates is a country that has high quality in its workmanship", "The country from which this brand originates is a country that is prestigious" and "This brand originates from a country that has an image of advanced country". At the evaluation stage one item of country of origin image (The country from which this brand originates is a country that is creative in its workmanship) was eliminated (See Appendix A).

Sixth section of the questionnaire includes six questions to measure risk aversion. It was measured using the Matzler et al's (2008) risk taking scale with the following statements: "When I buy a mobile phone I feel it is safer to buy a brand I am familiar with", "I would rather stick with a brand I usually buy than try something I am not very sure of" and "If I buy a mobile phone, I will buy only well-established brands" (See Appendix A).

Seventh, the last section of the survey asks respondents about their demographics. In eight questions, respondents were asked about their gender, age group that they belong (16-24, 25-40, 41-55, and 55-..), their marital status, if they work or do not (housewife, student, employed, unemployed or retired), their education level (primary, high school, bachelor's degree, master's degree, and doctorate), their household size, their monthly income (in intervals) and the consumption products that they own in order to have an opinion about their living standards (See Appendix A).

Table 4.1 presents the factors, number of items measured for these factors, scale that they have measured with, the sources that they are obtained from and the factors' abbreviations.

Table 4.1 : Number of Items, Scales and Sources of Factors Measured by the Survey.

Factor	Number of Items	Scale	Source	Abbreviation
Hedonic Value	2	5 point likert	Chaudhuri and Holbrook, 2001; Matzler et al, 2006	HV
Utilitarian Value	2	5 point likert	Chaudhuri and Holbrook, 2001; Matzler et al, 2006	UV
Brand Trust	3	5 point likert	Chaudhuri and Holbrook, 2001; Matzler et al, 2008	BT
Brand Affect	3	5 point likert	Chaudhuri and Holbrook, 2001; Matzler et al, 2008	BAF
Brand Awareness	4	5 point likert	-	BAW
Brand Associations	9	5 point likert	Koçak, Abimbola and Özer, 2007; Vázquez et al, 2002	BAS
Perceived Quality	4	5 point likert	-	PQ
Attitudinal Loyalty	5	5 point likert	Lau and Lee, 1999	AL
Behavioral Loyalty	4	5 point likert	Lau and Lee, 1999	BL
Involvement	5	5 point likert	Zaichowsky, 1994	I
Risk Aversion	3	5 point likert	Matzler, Bidmon and Krauter, 2008	RA
Country of Origin Image	6	5 point likert	Yasin et all, 2007	COI

4.2 Sample and Data Collection

Designed survey was distributed by e-mails and messages over social networks (facebook, linkedin) with an introductory text that explains the purpose and the content of the study. Participants were directed to an URL that contains the survey.

Survey was designed on docs.google.com and was on air between dates 10 October and 11 November 2012. As proposed by many researchers, Internet offers rich survey design and effective data collection opportunities, online data collection methods are preferred.

200 usable records are obtained, with 100% completion rate due the fact that participants cannot continue next page without completing whole questions in that page.

5. ANALYSIS AND RESULTS

This section presents the descriptive information and statistical analyses produced by the collected survey data in order to test the hypothesized model (See Figure 3.1). 200 usable records are statistically analyzed with SPSS 20.0 program.

5.1 Frequency Distribution

Demographic Variables

Frequency distribution presents the basic characteristics of the respondents. 52,5% (105) of the respondents were female and 47,5% (95) of the respondents was male. Age distributions of the respondents are shown in Table 5.1. 90,5% of the respondents are young adults and middle-aged individuals.

Table 5.1 : Frequency Distribution of the Respondents with respect to their Age Group.

Age Group	Number	Percentage
16-24	33	16,5%
25-40	148	74,0%
41-55	17	8,5%
56-..	2	1%
TOTAL	200	100%

Majority of the respondents (90,5%) are well-educated, have at least a bachelor's degree (See Table 5.2). Respondents' monthly income is more equally distributed and closer to normal distribution (See Table 5.3).

Table 5.2 : Frequency distribution of the Respondents with respect to their Education Levels.

Education Level	Number	Percentage
Primary	5	2,5%
High School	14	7%
Bachelor's Degree	102	51%
Master's Degree	73	36,5%
Doctorate	6	3%
TOTAL	200	100%

Table 5.3 : Frequency Distribution of the Respondents with respect to their Monthly Income.

Monthly Income	Number	Percentage
0-1.000TL	4	2
1.001-2.000TL	27	13,5
2.001-3.000TL	51	25,5
3.001-5.000TL	60	30
5.001-8.000TL	36	18
8.000-.....TL	22	11
TOTAL	200	100

Majority of the respondents (91,5%) consist of nonstudent sampling which mostly (84,5%) are having a job (See Table 5.4).

Table 5.4 : Frequency Distribution of the Respondents with respect to their job status.

Monthly Income	Number	Percentage
Housewife	3	1,5%
Student	17	8,5%
Unemployed	5	2,5%
Retired	6	3%
Employed	169	84,5%
TOTAL	200	100%

Every respondent has a mobile phone and majority of the respondent has a laptop. As can be understood from the results in Table 5.5, majority of the respondents have middle/high living standards with respect to general society.

Table 5.5 : Frequency of the Consumption Items Owned by the Respondents.

Monthly Income	Number	Percentage
House	124	62,0%
Summer House	21	10,5%
Car	116	58,0%
Refrigerator	195	97,5%
Washing Machine	172	86,0%
Dishwasher	156	78,0%
LCD TV	130	65,0%
Home Theatre	25	12,5%
Desktop Computer	83	42,5%
Laptop	168	84,0%
Mobile Phone	200	100%

Almost half of the respondents (45%) purchased latest product with more hedonic value according to their perceptions. The classification of the product value in Table

5.6 is made according to the greatness of the averages hedonic value's or utilitarian value's items.

Table 5.6 : Frequency of the Product Value of latest product which Respondents purchased.

Monthly Income	Number	Percentage
Both Utilitarian and Hedonic Product	58	29,0%
Utilitarian Product	52	26,0%
Hedonic Product	90	45,0%
TOTAL	200	100%

5.2 Factor Analysis

Factor analysis is performed in order determine unreliable items within categories and omit them from further analysis. In total, factor analysis is performed for 12 dimensions. Factor analyses for 12 dimensions, performed by for distinct analysis, are presented in Table 5.7 below.

Table 5.7 : Factor Analysis Results.

Constructs/Items	Factor Loadings	Reliability
Brand Awareness	Row A	0,934
BAW1	0,899	
BAW2	0,881	
BAW3	0,700	
BAW4	0,642	
BAS6	0,756	
BAS8	0,737	
BAS7	0,724	
BAS5	0,668	
Percieved Quality		0,863
PQ15	0,787	
PQ16	0,768	
PQ17	0,712	
PQ14	0,618	
Brand Associations		0,876
BAS12	0,884	
BAS13	0,841	
BAS9	0,675	
BAS10 and BAS11 are deleted		
Attitudinal Loyalty		0,838
AL5	0,793	
AL6	0,753	
AL9	0,655	
AL7 and AL8 are deleted		

Table 5.7 : Factor Analysis Results (Contd).

Constructs/Items	Factor Loadings	Reliability
Behavirol Loyalty		0,735
BL4	0,857	
BL2	0,649	
BL3	0,634	
BL1 is deleted		
Explained Variance: 74,48%, KMO: 0,922, Bartlett Significance: 0,000		
Country of Origin Image		0,929
COI4	0,847	
COI6	0,844	
COI2	0,837	
COI3	0,836	
COI5	0,799	
COI1	0,792	
Brand Affect		0,962
BAF14	0,865	
BAF15	0,850	
BAF13	0,772	
Brand Trust		0,916
BT12	0,793	
BT11	0,759	
BT10	0,757	
Involvement		0,882
I3	0,915	
I4	0,862	
I2	0,852	
Risk Aversion		0,746
RA2	0,821	
RA3	0,793	
RA1	0,722	
Explained Variance: 80,541%, KMO: 0,876, Bartlett Significance: 0,000		
Utilitarian Value		0,849
UV1	0,795	
I5	0,922	
I1	0,815	
Hedonic Value		0,828
HV3	0,916	
HV4	0,896	
UV2	0,759	
Explained Variance: 76,398%, KMO: 0,712, Bartlett Significance: 0,000		

Factor analysis results have presented two distinct groups for brand associations. Four items of brand associations group together with the items of brand awareness while three items of brand associations separated another distinct group, which is renamed as brand self-associations. Therefore, brand awareness and brand associations combined into one dimension as discussed in the literature (Pappu et al,

2005; Washburn and Plank, 2002). As a result factor analysis; it is proposed that consumer-based brand equity dimensions can be revised as brand awareness/associations, perceived quality, brand loyalty and brand self- associations.

Moreover, factor analysis results have presented two distinct groups for product involvement. Two items (“To me, selecting this product is very important”, “To me, selecting this product is very needed”) of product involvement group together with the items of product utilitarian value while three items of product involvement separated another distinct group. An item of utilitarian value and items of hedonic value grouped together.

Items that have less factor loadings than 0,5 were omitted. All dimensions’ reliabilities are over 70%. All dimensions have KMO greater than 0,70 and Bartlett’s Test of Sphericity significance values greater than 0,05.

5.3 Correlation Analysis

Before conducting regression analysis to test the relationships between dimensions, first, correlation analysis is performed in order to see the dual relationships between them. Correlation matrix is presented in Table 5.8 below.

Table 5.8 : Correlation Matrix.

	BAW	PQ	BAS	AL	BL	COI	BAF	BT	I	RA	UV	HV
BAW	0,934											
PQ	0,634**	0,863										
BAS	0,573**	0,517**	0,876									
AL	0,550**	0,605**	0,628**	0,838								
BL	0,412**	0,489**	0,459**	0,509**	0,735							
COI	0,471**	0,478**	0,456**	0,427**	0,469**	0,929						
BAF	0,518**	0,593**	0,627**	0,703**	0,516**	0,456**	0,962					
BT	0,588**	0,728**	0,503**	0,682**	0,450**	0,474**	0,745**	0,916				
I	0,254**	0,252**	0,492**	0,369**	0,285**	0,290**	0,347**	0,236**	0,882			
RA	0,580**	0,429**	0,347**	0,410**	0,298**	0,359**	0,378**	0,419**	,240**	0,746		
UV	0,299**	0,383**	0,335**	0,272**	0,278**	0,238**	0,253**	0,324**	,371**	0,350**	0,849	
HV	0,376**	0,466**	0,373**	0,464**	0,291**	0,303**	0,507**	0,509**	,436**	0,181*	0,396**	0,828

Notes: *p<0,1; **p<0,05; diagonals are Cronbach's Alfa values

5.4 Regression Analysis

Regression analysis is conducted in order to test developed hypotheses. It is a powerful, flexible and a useful technique, which analyses associative relationships between dependant and independent variables and helps understanding the strength of the relationships (Acar, 2009).

Brand Trust

Hedonic value, utilitarian value and risk aversion are defined as independent variables to test their effects on the brand trust dependent variable. After regression analysis, hedonic value and risk aversion are found to be significantly affecting brand trust, having significance values less than 0,05 (See Table 5.9). All variables' VIF values are found to be smaller than 2.

Table 5.9 : Regression Analysis for Brand Trust.

Model	<u>Unstandardized</u>		<u>Standardized</u>	T	Sig.
	<u>Coefficients</u>		<u>Coefficients</u>		
	B	Std. Error	Beta		
(Constant)	0,115	0,347		0,331	0,741
Utilitarian Value	0,033	0,059	0,036	0,560	0,576
Hedonic Value	0,530	0,075	0,436	7,059	0,000
Risk Aversion	0,341	0,063	0,328	5,418	0,000

Note: Adjusted R Square: 0,362

Brand Affect

Hedonic value, utilitarian value and risk aversion are defined as independent variables to test their effects on the brand affect dependent variable. After regression analysis, hedonic value and risk aversion are found to be significantly affecting brand affect, having significance values less than 0,05 (See Table 5.10). All variables' VIF values are found to be smaller than 2.

Table 5.10 : Regression Analysis for Brand Affect.

Model	<u>Unstandardized</u>		<u>Standardized</u>	T	Sig.
	<u>Coefficients</u>		<u>Coefficients</u>		
	B	Std. Error	Beta		
(Constant)	-0,241	0,403		-0,599	0,550
Utilitarian Value	-0,042	0,068	-0,041	0,612	0,541
Hedonic Value	0,646	0,087	0,467	7,408	0,000
Risk Aversion	0,364	0,073	0,308	4,979	0,000

Note: Adjusted R Square: 0,333

Attitudinal Loyalty

Brand affect, brand trust, country of origin image and risk aversion are defined as independent variables to test their effects on the attitudinal loyalty dependent variable. After regression analysis, brand affect, brand trust and risk aversion are found to be significantly affecting attitudinal loyalty, having significance values less than 0,05 (See Table 5.11). All variables' VIF values are found to be smaller than 2.

Table 5.11 : Regression Analysis for Attitudinal Loyalty.

Model	<u>Unstandardized</u>		<u>Standardized</u>	T	Sig.
	<u>Coefficients</u>		<u>Coefficients</u>		
	B	Std. Error	Beta		
(Constant)	-0,516	0,276		-1,867	0,063
Brand Affect	-0,428	0,075	0,410	5,672	0,000
Brand Trust	0,360	0,088	0,304	4,103	0,000
Country of Orijin I.	0,065	0,062	0,058	1,051	0,294
Risk Aversion	0,131	0,066	0,106	1,991	0,048

Note: Adjusted R Square: 0,555

Behavioral Loyalty

Brand affect, brand trust, country of origin image and risk aversion are defined as independent variables to test their effects on the behavioral loyalty dependent variable. After regression analysis, brand affect and country of orijin image are found to be significantly affecting behavioral loyalty, having significance values less than 0,05 (See Table 5.12). All variables' VIF values are found to be smaller than 2.

Table 5.12 : Regression Analysis for Behavioral Loyalty.

Model	<u>Unstandardized</u>		<u>Standardized</u>	T	Sig.
	<u>Coefficients</u>		<u>Coefficients</u>		
	B	Std. Error	Beta		
(Constant)	1,289	0,237		5,435	0,000
Brand Affect	0,244	0,065	0,335	3,770	0,000
Brand Trust	0,039	0,075	0,047	0,515	0,607
Country of Orijin I.	0,214	0,053	0,275	4,030	0,000
Risk Aversion	0,045	0,056	0,053	0,802	0,423

Note: Adjusted R Square: 0,325

Peceived Quality

Country of origin image and risk aversion are defined as independent variables to test their effects on the peceived quality dependent variable. After regression analysis, country of orijin image and risk aversion are found to be significantly affecting

perceived quality, having significance values less than 0,05 (See Table 5.13). All variables' VIF values are found to be smaller than 2.

Table 5.13 : Regression Analysis for Peceived Quality.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,200	0,276		4,342	0,000
Country of Orijin I.	0,351	0,060	0,372	5,845	0,000
Risk Aversion	0,308	0,066	0,295	4,640	0,000

Note: Adjusted R Square: 0,298

Brand Associations

Country of origin image is defined as independent variables to test their effects on brand associations dependent variable. After regression analysis, country of orijin image is found to be significantly affecting brand associations, having significance values less than 0,05 (See Table 5.14). All variables' VIF values are found to be smaller than 2.

Table 5.14 : Regression Analysis for Brand Associations.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0,883	0,291		3,033	0,003
Country of Orijin I.	0,563	0,078	0,456	7,214	0,000

Note: Adjusted R Square: 0,456

Brand Awareness

Country of origin image is defined as independent variables to test their effects on brand awareness dependent variable. After regression analysis, country of orijin image is found to be significantly affecting brand awareness, having significance values less than 0,05 (See Table 5.15). All variables' VIF values are found to be smaller than 2.

Table 5.15 : Regression Analysis for Brand Awareness.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,927	0,248		7,784	0,000
Country of Orijin I.	0,499	0,066	0,471	7,520	0,000

Note: Adjusted R Square: 0,222

Risk Aversion

Country of origin image is defined as independent variables to test their effects on risk aversion dependent variable. After regression analysis, country of origin image is found to be significantly affecting risk aversion, having significance values less than 0,05 (See Table 5.13). All variables' VIF values are found to be smaller than 2.

Table 5.16 : Regression Analysis for Risk Aversion.

Model	<u>Unstandardized</u>		<u>Standardized</u>	t	Sig.
	<u>Coefficients</u>		<u>Coefficients</u>		
	B	Std. Error	Beta		
(Constant)	2,726	0,224		12,171	0,000
Country of Orijin I.	0,325	0,060	0,359	5,418	0,000

Note: Adjusted R Square: 0,129

5.5 One way analysis of variance (Anova) and Independence T test

Hedonic and utilitarian values of products on brand trust and brand affect are more carefully analyzed since they are the two of the major factors in the model.

The one-way analysis of variance (ANOVA) is used to determine whether there are any significant differences between product value groups according to brand trust and brand affect.

Product value groups are determined as three groups, which are defined as products having more hedonic value, products having more utilitarian value and products having equal hedonic and utilitarian value to determine whether there is a statistically significant difference among the means in three groups. If average of the utilitarian value's items is higher than average of the hedonic value's items for each respondent, it is defined as product having more utilitarian value. On the other hand, if it is lower than average of the hedonic value's items for each respondent, it is defined as product having more utilitarian value. If they are equal, it is defined as product having equal hedonic and utilitarian value.

With respect to analysis, since significance is smaller than 0,05, there has found a significant difference in brand trust and brand effect between groups (See Table 5.17).

Table 5.17 : One way Anova for Product Value and Brand Trust – Brand Affect.

ANOVA	Product Value	Sum of Squares	df.	Mean Square	F	Sig.
Brand Trust	Between Groups	8,277	2	4,139	6,280	0,02
	Within Groups	129,827	197	0,659		
	Total	138,097	199			
Brand Affect	Between Groups	14,049	2	7,025	8,444	0,00
	Within Groups	163,884	197	0,832		
	Total	177,933	199			

Dependent Variable	(I)Product Value	(J)Product Value	Mean Difference (I-J)	Std. Error	Sig.
Brand Trust	Equal	Utilitarian	0,54907	0,15507	0,002
		Hedonic	0,27471	0,13669	0,135
	Utilitarian	Equal	-0,54907	0,15503	0,002
		Hedonic	-0,27436	0,14140	0,155
	Hedonic	Equal	-0,27471	0,13669	0,135
		Utilitarian	0,27436	0,14140	0,155
Brand Affect	Equal	Utilitarian	0,71264	0,17419	0,000
		Hedonic	0,28672	0,15358	0,178
	Utilitarian	Equal	-0,71264	0,17419	0,000
		Hedonic	-0,42593	0,15888	0,029
	Hedonic	Equal	-0,28672	0,15358	0,178
		Utilitarian	0,42593	0,15888	0,029

Post Hoc Tests

According to multiple comparison results, there has not found a significant difference in brand trust and brand effect between products having equal value and products having more hedonic value. Due to the fact that, it has observed having similar characteristics, products having equal value and products having more hedonic value are grouped together. Independence t test is conducted in order to determine whether there is a statistically significant difference between them.

Independence T test is conducted in order to test developed hypotheses about brand associations, brand awareness and country of origin image. The independent t-test, also called the two sample t-test or student's t-test is an inferential statistical test that determines whether there is a statistically significant difference between the means in two unrelated groups.

With respect to analysis, equal variances are assumed since its significance is smaller than 0,05, there has found a significant difference in brand trust and brand effect between groups (See Table 5.18).

Table 5.18 : Independence T test for Product Value and Brand Trust – Brand Affect.

	Product Value	N	Mean	Std. Deviation	Std. Error Mean	
Brand Trust	Utilitarian Value	52	3,5256	0,91071	0,12629	
	Hedonic Value	148	3,9077	1,78325	0,06438	
Brand Affect	Utilitarian Value	52	3,3333	0,97239	0,13485	
	Hedonic Value	148	3,8716	0,89807	0,07382	
		<u>Levene's Test for Equality of Variances</u>		<u>t-test for Equality of Means</u>		
		F	Sigma	T	df.	Sig.(2-tailed)
Brand Trust	Equal Variances Assumed	1,897	0,170	-2,897	198	0,004
	Not Assumed Equal Variances			-2,695	79,100	0,009
Brand Affect	Equal Variances Assumed	1,963	0,163	-3,638	198	0,000
	Not Assumed Equal Variances			-3,502	83,547	0,001

5.6 Moderating Effects of Involvement

Drawing on the marketing literature related to personal determinants of consumer behavior, personal characteristics are supposed to have a moderating effect on the link between product value (hedonic and utilitarian value) and brand trust, product value and brand affect as well as on the link between brand trust and brand loyalty and brand affect and brand loyalty (e.g. Matzler et al, 2006b). Involvement was chosen as potential moderator.

Researchers use hierarchical multiple regression to examine moderator effects whether the predictor or moderator variables are categorical (e.g., sex or race) or continuous (e.g., age) (Fratzier et al., 2004). In that manner, potential moderators are tested by hierarchical multiple regression.

Involvement

According to hierarchical multiple regression, hedonic value (predictor variable) and involvement (moderator variable) are defined as independent variables while brand trust (outcome variable) is defined as dependent variable. After hierarchical multiple analysis, involvement is not found to be significantly affecting on relation between hedonic value and brand trust, having significance value 0,432 (See Table 5.19).

Table 5.19 : Multiple Regression Analysis for moderating effect of Involvement on relation between Hedonic Value and Brand Trust.

	Model	Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	1,196	0,318		3,758	0,000
	Hedonic Value	0,611	0,083	0,502	7,374	0,000
	Involvement	0,013	0,053	0,016	0,241	0,810
2	(Constant)	1,301	0,345		3,768	0,000
	Hedonic Value	0,580	0,092	0,476	6,290	0,000
	Involvement	0,027	0,056	0,034	0,479	0,633
	IntHVI	-0,038	0,048	-0,054	-0,787	0,432

In order to determine moderating effect of involvement on relation between hedonic value and brand affect, hedonic value (predictor variable) and involvement (moderator variable) are defined as independent variables while brand affect (outcome variable) is defined as dependent variable. After hierarchical multiple analysis, involvement is not found to be significantly affecting on relation between hedonic value and brand affect, having significance value 0,179 (See Table 5.20).

Table 5.20 : Multiple Regression Analysis for moderating effect of Involvement on relation between Hedonic Value and Brand Affect.

	Model	Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	0,745	0,357		2,087	0,038
	Hedonic Value	0,607	0,093	0,439	6,526	0,000
	Involvement	0,137	0,059	0,155	2,301	0,022

Table 5.20 : Multiple Regression Analysis for moderating effect of Involvement on relation between Hedonic Value and Brand Affect (Contd).

	Model	<u>Unstandardized</u>		<u>Standardized</u>	t	Sig.
		<u>Coefficients</u>		<u>Coefficients</u>		
		B	Std. Error	Beta		
2	(Constant)	0,946	0,386		2,449	0,015
	Hedonic Value	0,547	0,103	0,396	5,301	0,000
	Involvement	0,163	0,063	0,185	2,615	0,000
	IntHVI	-0,073	0,054	-0,091	-1,348	0,179

In order to determine moderating effect of involvement on relation between utilitarian value and brand trust, utilitarian value (predictor variable) and involvement (moderator variable) are defined as independent variables while brand trust (outcome variable) is defined as dependent variable. After hierarchical multiple analysis, involvement is not found to be significantly affecting on relation between utilitarian value and brand trust, having significance value 0,711 (See Table 5.21).

Table 5.21 : Multiple Regression Analysis for moderating effect of Involvement on relation between Utilitarian Value and Brand Trust.

	Model	<u>Unstandardized</u>		<u>Standardized</u>	t	Sig.
		<u>Coefficients</u>		<u>Coefficients</u>		
		B	Std. Error	Beta		
1	(Constant)	2,501	0,258		9,687	0,000
	Utilitarian Value	0,104	0,056	0,134	1,858	0,065
	Involvement	0,248	0,065	0,274	3,810	0,000
2	(Constant)	2,465	0,276		8,941	0,000
	Utilitarian Value	0,101	0,056	0,130	1,791	0,075
	Involvement	0,257	0,070	0,285	3,680	0,000
	IntUVI	0,019	0,051	0,027	0,371	0,711

In order to determine moderating effect of involvement on relation between utilitarian value and brand affect, utilitarian value (predictor variable) and involvement (moderator variable) are defined as independent variables while brand affect (outcome variable) is defined as dependent variable. After hierarchical multiple analysis, involvement is not found to be significantly affecting on relation between utilitarian value and brand affect, having significance value 0,599 (See Table 5.22).

Table 5.22 : Multiple Regression Analysis for moderating effect of Involvement on relation between Utilitarian Value and Brand Affect.

	Model	<u>Unstandardized</u>		<u>Standardized</u>	t	Sig.
		<u>Coefficients</u>		<u>Coefficients</u>		
		B	Std.Error	Beta		
1	(Constant)	2,331	0,290		8,037	0,000
	Utilitarian Value	0,259	0,063	0,293	4,117	0,000
	Involvement	0,147	0,073	0,144	2,015	0,045
2	(Constant)	2,275	0,310		7,345	0,000
	Utilitarian Value	0,254	0,063	0,288	4,008	0,000
	Involvement	0,162	0,079	0,158	2,066	0,040
	IntUVI	0,030	0,058	0,037	0,527	0,599

In order to determine moderating effect of involvement on relation between brand trust and attitudinal loyalty, brand trust (predictor variable) and involvement (moderator variable) are defined as independent variables while attitudinal loyalty (outcome variable) is defined as dependent variable. After hierarchical multiple analysis, involvement is not found to be significantly affecting on relation between brand trust and attitudinal loyalty, having significance value 0,156 (See Table 5.23).

Table 5.23 : Multiple Regression Analysis for moderating effect of Involvement on relation between Brand Trust and Attitudinal Loyalty.

	Model	<u>Unstandardized</u>		<u>Standardized</u>	t	Sig.
		<u>Coefficients</u>		<u>Coefficients</u>		
		B	Std.Error	Beta		
1	(Constant)	-2,285	0,249		-1,142	0,255
	Brand Trust	0,746	0,061	0,630	12,274	0,000
	Involvement	0,203	0,047	0,221	4,300	0,000
2	(Constant)	0,323	0,250		-1,293	0,197
	Brand Trust	0,762	0,062	0,643	12,365	0,000
	Involvement	0,192	0,048	0,208	4,020	0,000
	IntBTI	0,066	0,046	0,072	1,423	0,156

In order to determine moderating effect of involvement on relation between brand trust and behavioral loyalty, brand trust (predictor variable) and involvement (moderator variable) are defined as independent variables while behavioral loyalty (outcome variable) is defined as dependent variable. After hierarchical multiple analysis, involvement is not found to be significantly affecting on relation between brand trust and behavioral loyalty, having significance value 0,682 (See Table 5.24).

Table 5.24 : Multiple Regression Analysis for moderating effect of Involvement on relation between Brand Trust and Behavioral Loyalty.

	Model	<u>Unstandardized</u>		<u>Standardized</u>	t	Sig.
		<u>Coefficients</u>		<u>Coefficients</u>		
		B	Std.Error	Beta		
1	(Constant)	1,641	0,217		7,568	0,000
	Brand Trust	0,334	0,053	0,405	6,318	0,000
	Involvement	0,122	0,041	0,190	2,962	0,003
2	(Constant)	1,631	0,219		7,462	0,00
	Brand Trust	0,338	0,054	0,410	6,279	0,000
	Involvement	0,119	0,042	0,185	2,849	0,005
	IntBTI	0,017	0,041	0,026	0,410	0,682

In order to determine moderating effect of involvement on relation between brand affect and attitudinal loyalty, brand affect (predictor variable) and involvement (moderator variable) are defined as independent variables while attitudinal loyalty (outcome variable) is defined as dependent variable. After hierarchical multiple analysis, involvement is not found to be significantly affecting on relation between brand affect and attitudinal loyalty, having significance value 0,589 (See Table 5.25).

Table 5.25 : Multiple Regression Analysis for moderating effect of Involvement on relation between Brand Affect and Attitudinal Loyalty.

	Model	<u>Unstandardized</u>		<u>Standardized</u>	t	Sig.
		<u>Coefficients</u>		<u>Coefficients</u>		
		B	Std.Error	Beta		
1	(Constant)	0,238	0,217		1,100	0,273
	Brand Affect	0,131	0,049	0,142	2,681	0,008
	Involvement	0,683	0,055	0,654	12,321	0,000
2	(Constant)	0,230	0,217		1,058	0,291
	Brand Affect	0,127	0,049	0,138	2,580	0,011
	Involvement	0,686	0,056	0,657	12,291	0,000
	IntBAFI	0,023	0,043	0,027	0,541	0,589

In order to determine moderating effect of involvement on relation between brand affect and behavior loyalty, brand affect (predictor variable) and involvement (moderator variable) are defined as independent variables while behavior loyalty (outcome variable) is defined as dependent variable. After hierarchical multiple analysis, involvement is not found to be significantly affecting on relation between brand affect and behavior loyalty, having significance value 0,437 (See Table 5.25).

Table 5.26 : Multiple Regression Analysis for moderating effect of Involvement on relation between Brand Affect and Behavioral Loyalty.

	Model	<u>Unstandardized</u>		<u>Standardized</u>	t	Sig.
		Coefficients		Coefficients		
		B	Std.Error	Beta		
1	(Constant)	1,768	0,183		9,637	0,000
	Brand Affect	0,078	0,041	0,121	1,875	0,062
	Involvement	0,345	0,047	0,474	7,344	0,000
2	(Constant)	1,778	0,184		9,658	0,000
	Brand Affect	0,082	0,042	0,128	1,960	0,051
	Involvement	0,341	0,047	0,469	7,221	0,000
	IntBAFI	-0,029	0,037	-0,048	-0,779	0,437

In total nineteen hypotheses were developed, fourteen of these hypotheses are supported. Summary of the all hypotheses developed/revised and corresponding test results are presented in Table 5.27. Significant relationships that has been found in the tested model is shown in the Figure 5.1.

Table 5.27 : Summary of the Hypothesis Tests.

H1: Hedonic value positively influences to brand trust.	Supported
H2: Utilitarian value positively influences to brand trust.	Not Supported
H3: Hedonic value positively influences to brand affect.	Supported
H4: Utilitarian value negatively influences to brand affect.	Not Supported
H5: Brand trust is positively influences to attitudinal loyalty.	Supported
H6: Brand trust is positively influences to behavioral loyalty.	Not Supported
H7: Brand affect is positively influences to attitudinal loyalty.	Supported
H8: Brand affect is positively influences to behavioral loyalty.	Supported
H9: Risk aversion positively influences to brand trust.	Supported
H10: Risk aversion positively influences to brand affect.	Supported
H11: Risk aversion positively influences to country of origin image.	Supported
H12: Risk aversion positively influences to attitudinal loyalty.	Supported
H13: Risk aversion positively influences to behavioral loyalty.	Not Supported
H14: Risk aversion positively influences to perceived quality.	Supported
H15a. Country of origin image positively influences to brand awareness.	Supported
H15b. Country of origin image positively influences to brand associations.	Supported
H15c. Country of origin image positively influences to perceived quality.	Supported
H15d. Country of origin image positively influences to attitudinal loyalty.	Not Supported
H15e. Country of origin image positively influences to behavioral loyalty.	Supported

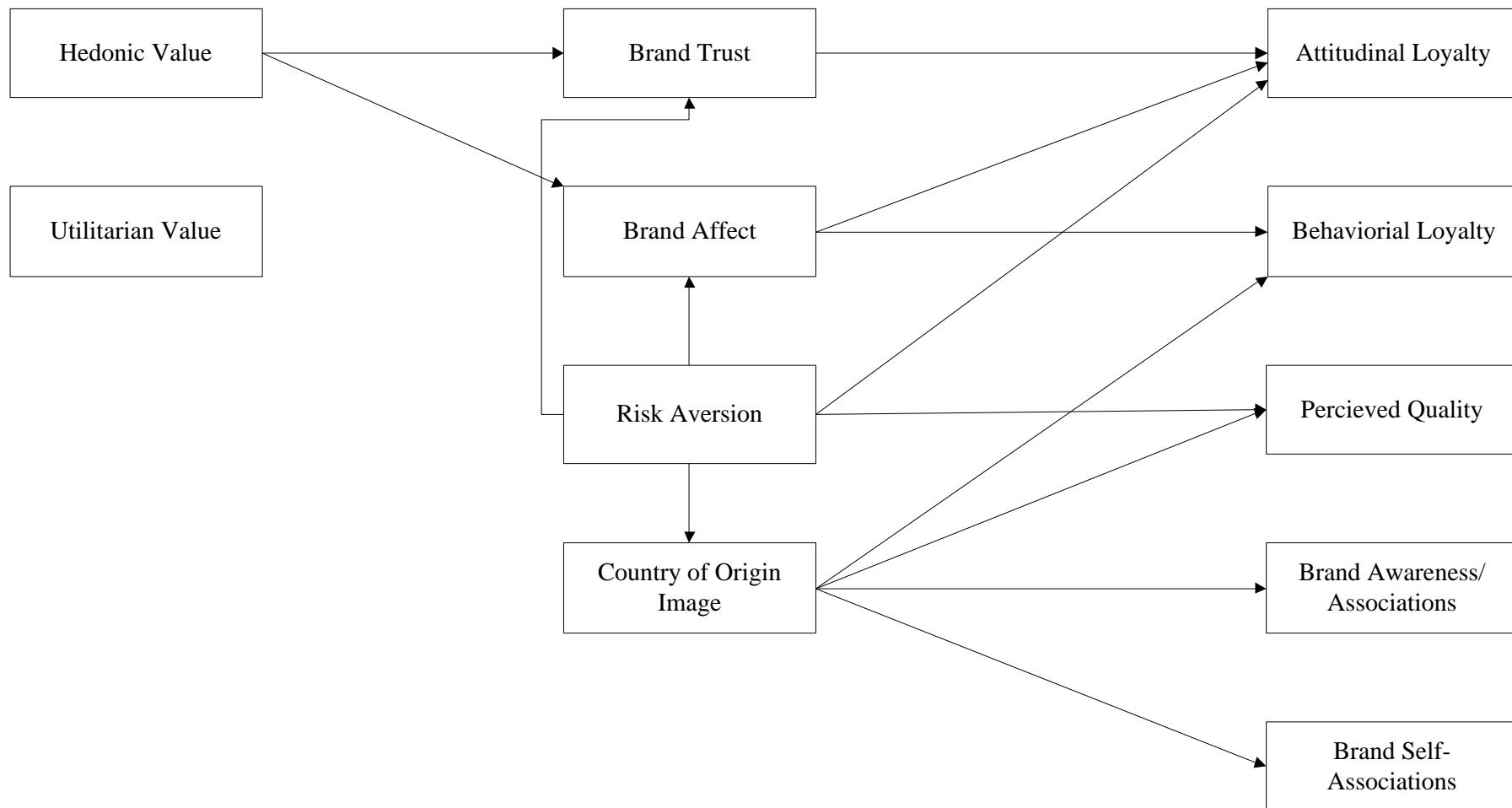


Figure 5.1 : Significant Relationships Found in the Tested Customer Based Brand Equity Model

6. CONCLUSIONS AND RECOMMENDATIONS

This study examines brand equity concept and the relationship of the various factors that influence dimensions of brand equity. It provides a detailed literature review of the relevant topics and tests a comprehensive consumer based brand equity model. This last section of the thesis includes interpretation of the results obtained by statistical analyses, its theoretical and managerial implications, limitations and suggestions for future research.

The results of the present study established the multidimensionality of consumer-based brand equity, consistent with the conceptualisation of Aaker (1991). The four-dimensional construct has been found in this research was similar to Cobb-Walgren et al. (1995). However, the present study has presented two distinct groups for brand associations differently these researches. According to the factor analysis results, four items of brand associations group together with the items of brand awareness while three items of brand associations separated another distinct group, which is renamed as brand self-associations. Therefore, brand awareness and some items of brand associations combined into one dimension as discussed in the literature. While these two dimensions are conceptually different (e.g. Aaker, 1991), some empirical evidence (e.g. Yoo et al., 2000; Washburn and Plank, 2002) suggests that they should be combined into one. According to the results of the present study, it is proposed that consumer based brand equity dimensions can be revised as brand awareness/associations, perceived quality, brand loyalty and brand self- associations.

Brand trust, brand affect, and brand loyalty are also relevant constructs in the relationship marketing literature, which considers trust and commitment or loyalty to be key mediating variables in relational exchanges (Morgan and Hunt, 1994; Chaudhuri and Holbrook, 2001). As contributors to brand loyalty, brand trust and brand affect have distinct antecedents. In this connection, the results of the study show that different product category characteristics (product value) influence brand trust and brand affect differently. According to the results of the study, when products having more hedonic value than utilitarian value, consumers trust more to

these brands in that product category. In other words, when products with a high pleasure potential provide nontangible, symbolic benefits and are likely to hold a greater potential for evoking positive emotions and affect based brand trust in a consumer. Moreover when products having more hedonic value than utilitarian value, consumers perceive more brand affect in that product category. In other words, when the emotional elements of pleasure are high and positive for a product category, consumers should experience more favorable affect toward the brand consumed.

In large and growing brand equity literature, the role that brand trust and brand affect play in the creation of brand loyalty as a determinant of brand equity outcomes has been considered important (e.g. Chaudhuri and Holbrook, 2001; Matzler et al, 2006b). Therefore, it has been investigated that the influence of product value on brand trust and the impact of brand trust on brand loyalty for the product with high brand relevance which was chosen by the respondents in the study. Similarly, it has been also investigated that the influence of product value on brand affect and the impact of brand affect on brand loyalty for the product with high brand relevance which was chosen by the respondents in the study. The results support the view that hedonic product value contributes to brand trust and brand affect. On the other hand, the results do not support the view that utilitarian product value contributes to brand trust positively and brand affect negatively. Confirming Chaudhuri's and Holbrook's (2001) findings, the results of the present study also suggest that brand affect is an important antecedent of both attitudinal and purchase loyalty as two different types of brand loyalty. However, the results of the present study only suggest that brand trust is an important antecedent of attitudinal loyalty. The results do not support the view that brand trust contributes to behavioral loyalty.

Risk has been regarded as a powerful and extensive variable to explain consumer behavior, because, for consumers it is often more important to avoid mistakes than to maximize utility in purchase decisions (Matzler et al, 2008). Therefore, it has been focused on individual differences in brand trust and brand affect, identifying the individual's risk aversion as an important antecedent of brand trust and brand affect in the study. The results support the view that risk aversion contributes to brand trust and brand affect. It has been also investigated the influence of risk aversion on attitudinal loyalty and behavioral loyalty. The results of the present study only

suggest that risk aversion is an important antecedent of attitudinal loyalty. The results do not support the view that risk aversion contributes to behavioral loyalty. According to the results, risk averse consumers may refrain from trying new products, however, if a new product can achieve to reduce these consumers risk via marketing activities, risk averse consumers may try this new product.

The results of the present study suggest that risk aversion is an important antecedent of perceived quality. It can be said that, risk averse consumers act stronger to brands which give them more quality perception. Normally, consumers tend to take less risk when purchasing, either choose national products where they perceive a lesser risk or they prefer products of certain countries with favorable images. Confirming that view, the results of the study support that risk aversion contributes to country of origin image.

The image of a country that consumers perceive is one of the factors that consumers consider in making their purchase decision (Yasin et al, 2007). The study has investigated the relationships between country of origin image and brand equity dimensions. Viewing the results of the study, country of origin image has a significant impact on brand equity dimensions. The results of the present study suggest that country of origin image is an important antecedent of brand awareness/associations, perceived quality, brand self associations and behavioral loyalty. The study's results suggest that the brands originated from a country maintaining a high level of quality are already in the awareness levels of consumers. Another explanation for this result can be that consumers perceive countries with brands that originate from those countries are reliable. According to Aaker (1991) and Keller (1999), consumers' country of origin associations can serve as secondary associations. Confirming their discussion, the results of the study suggest that country of origin image influences brand associations. The study also suggests that country of origin information affects the perceived quality of products. Consumers may use a country's reputation to predict the quality of products. The results do not support the view that country of origin image contributes to attitudinal loyalty. According to the study, consumers may tend to prefer a brand based partly on its country of origin but this attitude may not provide repeat purchasing.

Lastly, these relationships have been retested under the moderation of product involvement. However, moderator effect of product involvement on the relationships is not found.

The study presented includes very comprehensive literature reviews about brand equity dimensions and factors affecting these dimensions. Moreover, by being based on a comprehensive consumer based brand equity model and modifying it with factors affecting brand equity dimensions, it constitutes an interesting base for a field study. This thesis stands as the one of the few academic resources that analyses the 20-year-old consumer based brand equity concept and produces interesting insights.

6.1 Theoretical and Managerial Implications

This thesis includes a comprehensive consumer based brand equity model but the model can be revised with respect to other perspectives or theories depending on research objectives. The model here is developed based on consumer based brand equity models and modified with factors affecting brand equity dimensions; product value, risk aversion, brand trust, brand affect and country of origin image, therefore producing effective results.

The results of this study provide encouraging theoretical and managerial insights. Firstly, it has been focused on individual differences in brand trust and brand affect, identifying the individual's risk aversion as an important antecedent of brand trust and brand affect. These are interesting findings for theory and practice as well. From a theoretical point of view, they illuminate the relationship between enduring individual differences and important brand related constructs. From a practical point of view, they explain why certain customers have more trust and experience more affect than others. Hence, marketers can increase brand loyalty by targeting more risk averse customers.

Consumers' brand loyalty is strategically important for companies to obtain a sustainable competitive advantage, as it gives companies some protection from competition and increases their control in planning their marketing programmes. In the relationship marketing literature a number of different strategies and instruments are recommended in order to enhance consumer loyalty. However, the results of this study also encourage managers to pay equal or even more attention to strategies and

measures that primarily help to build brand trust, such as corporate identity strategies, personal communication, and merchandising.

Brand communication strategies might also be designed according to the product category related determinants of brand outcomes. For example, understanding that favorable brand affect may be more prevalent in certain product categories those associated with low utilitarian value and high hedonic value suggests different advertising themes and strategies for these product categories. Also, marketing managers can interpret these results as helping to justify expenditures on design, communication and merchandising strategies that create such long term effects on consumers as brand trust, brand affect, and brand loyalty in so far as these consumer level constructs contribute to profitable brand performance outcomes.

The results indicate that country of origin is an important variable, which can affect the equity of a brand. Marketing managers operating in the international context should identify the sources of brand equity, and understand the importance of incorporating country of origin into their brand equity measurement. In addition, they should estimate the influence of the country of origin of the brand, while tracking or estimating brand equity in the host country. Apart from that, producers should always try to enhance and promote the good image of their brand's original country in order to enhance the overall image of the brand in all their marketing practices particularly advertising and personal selling. Brands from well-established or good image countries generally are easier to sell than brands from countries with unfavorable image. Producers of brands from countries with favorable image can also capitalize the good image in their brand naming strategy. Besides, marketers who want to benefit from favorable country image should highlight the brands of superior quality that originate from the same country. This emphasis may help consumers to generalize product information over the country's brands.

6.2 Limitations and Future Research

The findings of the present research probably raise more questions than they answer, opening variety of future research issues. First, because of the products having more hedonic value than utilitarian value in the study, these findings should be replicated with controlling product categories to evaluate hedonic and utilitarian value of

products more carefully. To assess the generalizability of the model, it should be provided fairly consistent results for different product categories.

Secondly, data collected for this study is insufficient with respect to time and financial constraints. Although it is sufficient with respect to reliability values and non-student sampling, in order to produce more valid results, number of sampling have to be increased. However, the study presents a useful starting point.

Furthermore, additional measures of hedonic value, utilitarian value, brand trust, brand affect, purchase loyalty, and attitudinal loyalty should be developed, which would lead to a better explanation of their effects to brand equity dimensions.

Finally, the model developed in this study is limited to include brand trust, brand affect, risk aversion, country origin image, product value, product as major constructs of brand equity. In order to focus on brand equity model, the effects of other important marketing variables or situational factors can be added. Therefore, inclusion of other marketing variables or situational factors into the model; or focusing on the relationships between the dimensions of major variables may provide further information of the relationship among these constructs.

REFERENCES

- Aaker, D. A.** (1991). *Managing Brand Equity: Capitalizing on the Value of a Brand Name*, New York: The Free Press.
- Aaker, D. A. and Keller, K.** (1990). Consumer Evaluations of Brand Extensions, *Journal of Marketing*, **1**, pp. 27–41.
- Acar, O. A.** (2009). The Role of Marketing Accountability at the Marketing and Research and Development Departments' Integration and the New Product Success, *MSc. Thesis*, Istanbul Technical University
- Agarwal, S. and Sikri, S.** (1996). Country Image: Consumer Evaluation of Product Category Extensions, *International Marketing Review*, **13(4)**, pp. 23-29.
- Ahmed, S. A. and d'Astous, A.** (2004). Perceptions of countries as producers of consumer goods – a T-shirt study in China, *Journal of Fashion Marketing & Management*, **8(2)**, pp. 187-200.
- Chaudhuri, A. and Holbrook, M. B.** (2001). The Chain of Effects from Brand Trust and Brand Affect to Brand Performance: The Role of Brand Loyalty, *Journal of Marketing*, **65**, pp. 81-93.
- Cheng, A. and Chen, H.** (2001). Using free associations to examine the relationship between characterizations of brand associations and brand equity, *Journal of Product & Brand Management*, **10(7)**, pp. 439-451.
- Cheng, S.** (2011). Comparisons of Competing Models between Attitudinal Loyalty and Behavioral Loyalty, *International Journal of Business and Social Science*, **2(10)**, pp. 149-166.
- Cobb-Walgren, C. J., Ruble C. A. and Donthu N.** (1995). Brand equity, brand preference, and purchase intent, *Journal of Advertising*, **24**, pp. 25-40.
- De Chernatony, L. and McDonald, M.** (2003). Creating powerful brands: The strategic route to success in consumer, industrial and service market", <http://www.scribd.com/doc/6923468/Creating-Powerful-Brands> accessed at 11.09.2012.
- Dekimpe, M. G., Steenkamp, J. E. M., Mellens, M. and Abeele, P. V.** (1997). Decline and variability in brand loyalty, *International Journal of Research in Marketing*, **14**, pp. 405-420.
- Delgado-Ballester, E. and Munuera-Alema'n, J. L.** (2005). Does brand trust matter to brand equity?, *Journal of Product & Brand Management*, **14(3)**, pp. 187–196.
- Dick, A. S. and Basu, K.** (1994). Customer loyalty: Toward an Integrated Conceptual Framework, *Journal of the Academy of Marketing Science*, **22(2)**, pp. 99-113.

- Erdem, T., Swait, J. and Valenzuela, A.** (2006). Brands as Signals: A Cross-Country Validation Study, *Journal of Marketing*, **70**, pp. 34–49.
- Frazier, A. P., Barron, K. E. and Tix, A. P.** (2004). Testing Moderator and Mediator Effects in Counseling Psychology, *Journal of Counseling Psychology*, **51(1)**, pp. 115–134.
- Fournier, S. and Yao, J. L.** (1997). Reviving Brand Loyalty: A Reconceptualization within the Framework of Consumer-Brand Relationships, *International Journal of Research in Marketing*, **14**, pp. 451-472.
- Gavrilita, E.** (2009). The Effect of Country of Origin and Country Image: An Application on Moldovan Consumers' Perception of Turkish Textile Products, *MSc. Thesis*, Dokuz Eylul University
- Hirschman, E. C. and Holbrook, M. B.** (1982) Hedonic Consumption: Emerging Concepts, Methods and Propositions, *Journal of Marketing*, **46**, pp. 92-101.
- Hong, I. B. and Cho, H.** (2011). The impact of consumer trust on attitudinal loyalty and purchase intentions in B2C e-marketplaces: Intermediary trust vs. seller trust, *International Journal of Information Management*, **31**, pp. 469– 479.
- Jahangir, N., Parvez, N., Bhattacharjee, D. and Khaled Bin Ahamed, K.** (2009). The relationship between brand affect, brand quality, and customers' brand extension attitude: exploring the mediating role of customer loyalty, *The Cambodian Management Journal*, **1(1)**, pp. 20-34.
- Kapferer, J. N. and Laurent, G.** (1985). Measuring consumer involvement profiles. *Journal of Marketing Research*, **22**, pp.41-53.
- Kapferer, J. N. and Laurent, G.** (1993). Further Evidence on the Consumer Involvement Profile: Five Antecedents of Involvement, *Psychology and Marketing*, **10 (4)**, pp. 347-357.
- Keller, L. K.** (1993). Conceptualizing, Measuring and Managing Customer-Based Brand Equity, *Journal of Marketing*, **57**, pp. 1-22.
- Keller, L. K.** (1998). Strategic Brand Management: Building Measuring and Managing Brand Equity, Prentice-Hall, Upper Saddle River, NJ.
- Keller, L. K.** (2001). Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands, *Marketing Science Institute*, Report No:01-107, <http://mktg.univishtov.bg/ivm/resources/CustomerBasedbrandEquityModel.pdf> accessed at 11.09.2012.
- Knox, S. and Walker, D.** (2001). Measuring and Managing Brand Loyalty, *Journal of Strategic Marketing*, **9**, pp. 111–128
- Koçak, A., Abimbola, T. and Özer, A.** (2007) Consumer Brand Equity in a Cross-cultural Replication: An Evaluation of a Scale", *Journal of Marketing Management*, **23(1-2)**, pp.157-173.
- Lassar, W., Banwari M. and Arun, S.** (1995). Measuring customer-based brand equity, *Journal of Consumer Marketing*, **12**, pp. 11-19.

- Lau, G. T. and Lee, S. H.** (1999). Consumers' Trust in a Brand and the Link to Brand Loyalty, *Journal of Market-Focused Management*, **4(4)**, pp. 341-370.
- Low, G. S. and Lamb, C. W.** (2000). The measurement and dimensionality of brand associations, *Journal of Product & Brand Management*, **9(6)**, pp. 350-368.
- Mandrik, C. A. and Bao, Y.** (2005). Exploring the concept and measurement of general risk aversion, *Advances in Consumer Research*, **32**, pp. 531-9.
- Matzler, K., Grabner-Krauter, S. and Bidmon, S.** (2008) Risk aversion and brand loyalty: the mediating role of brand trust and brand affect, *Journal of Product & Brand Management*, **17(3)**, pp.154–162.
- Matzler, K., Bidmon, S. and Grabner-Krauter, S.** (2006a). Individual Determinants of Brand Affect: The Role of the Personality Traits of Extraversion and Openness to Experience, *Journal of Product & Brand Management*, **15(7)**, pp. 427-434.
- Matzler, K., Bidmon, S. and Grabner-Krauter, S.** (2006b). The Value – Brand Trust – Brand Loyalty Chain: An Analysis of Some Moderating Variables, *Innovative Marketing*, **2(2)**, pp. 76-88.
- Macdonald, E. K. and Sharp, B. M.** (2000). Brand Awareness Effects on Consumer Decision Making for a Common, Repeat Purchase Product: A Replication, *Journal of Business Research*, **48**, pp. 5–15.
- Motameni, R. and Shahrokhi, M.** (1998). Brand equity valuation: a global perspective, *Journal of Product & Brand Management*, **7(4)**, pp. 1061-0421
- Morgan, R. M. and Hunt, S. D.** (1994). The Commitment-Trust Theory of Relationship Marketing, *Journal of Marketing*, **58**, pp. 20-38.
- Oliver, R. L.** (1999). Whence Consumer Loyalty?, *Journal of Marketing*, **63**, pp. 33-44.
- Overby, J. W. and Lee, E. J.** (2006) The effects of utilitarian and hedonic online shopping value on consumer preference and intentions, *Journal of Business Research*, **59**, pp. 1160–1166.
- Pappu, R., Quester, P. G. and Cooksey, R. W.** (2005). Consumer-based brand equity: improving the measurement – empirical evidence, *Journal of Product & Brand Management*, **14(3)**, pp. 143–154.
- Pitsaki, I.** (2011). Strategic Brand Management Tools in Publishing, *International Journal of the Book*, **8 (3)**, pp.103-111.
- Porter, M. E.** (1990). The Competitive Advantage of Nations, *Macmillan*, London.
- Rio, A. B., Vazquez, R. and Iglesias, V.** (2001). The effects of brand associations on consumer response, *Journal of Consumer Marketing*, **18(5)**, pp. 410-425.
- Rousseau, D. M., Sitkin, S. B., Burt, R. S. and Camerer, C.** (1998). Not So Different After All: A Cross-Discipline View of Trust, *Academy of Management Review*, **23(3)**, pp. 393-404.

- Sanyal, S. N. and Datta, S. K.** (2011). The effect of country of origin on brand equity: an empirical study on generic drugs, *Journal of Product & Brand Management*, **20(2)**, pp. 130–140.
- Sanyal, S. N. and Datta, S. K.** (2011). The effect of perceived quality on brand equity: an empirical study on generic drugs, *Asia Pacific Journal of Marketing and Logistics*, **23(5)**, pp. 604-625.
- Schultz, D.** (2000). Customer/Brand Loyalty in an Interactive Marketplace, *Journal of Advertising Research*, **40(3)**, pp. 41-53.
- Silverman, S. N., Sprott, D. E. and Pascal, V. J.** (1999). Relating Consumer-Based Sources of Brand Equity to Market Outcomes, *Advances in Consumer Research*, **26(1)**, pp. 352-8.
- Simon, C. J. and Sullivan W. M.** (1993). The Measurement and Determinants of Brand Equity: A Financial Approach, *Marketing Science Winter*, **12**, pp. 28–52.
- Thompson, G.** (2007). Private Industry Lessons: Branding Concepts and Strategies for the Social Service Sector, *Aging and Disability Resource Center*, 1
- Url-1,** <http://www.van-haaften.nl/index.php?option=com_content&view=article&id=80%3Abrandawareness&catid=48%3Amerkbeleid&Itemid=70&lang=nl>, accessed at 25.03.2012
- Url-2,** <<http://www.scribd.com/doc/46988927/19/Brand-association>>, accessed at 25.03.2012
- Url-3,** <<http://www.scribd.com/doc/57803411/Keller-Aaker-Brand-Equity>>, accessed at 26.03.2012
- Washburn, J. H. and Plank, R. E.** (2002). Measuring Brand Equity: An Evaluation of a Consumer Based Brand Equity Scale, *Journal of Marketing Theory and Practice*, **10(1)**, pp. 46-62.
- Yasin, N. M., Noor, M. N. and Mohamad, O.** (2007). Does image of country-of-origin matter to brand equity?, *Journal of Product & Brand Management*, **16(1)**, pp. 38–48.
- Yoo, B., Donthu, N., and Lee, S.** (2000). An Examination of Selected Marketing Mix Elements and Brand Equity, *Journal of the Academy of Marketing Science*, **28 (2)**, pp. 195-212.
- Zhou, K. Z., Su, C. and Bao, Y.** (2002). A paradox of price–quality and market efficiency: a comparative study of the US and China markets, *International Journal of Research in Marketing*, **19**, pp. 349–365.
- Xue, F.** (2008). The moderating effects of product involvement on situational brand choice, *Journal of Consumer Marketing*, **25(2)**, pp. 85–94.
- Vázquez, R., Belén del Río, A. and Iglesias, V.** (2002). Consumer-based Brand Equity: Development and Validation of a Measurement Instrument, *Journal of Marketing Management*, **18**, pp. 27-48.
- Zaichkowsky, J. L.** (1985). Measuring the Involvement Construct, *Journal of Consumer Research*, **12**, pp.

Zaichkowsky, J. L. (1994). The personal involvement inventory: reduction, revision, and application to advertising, *Journal of Advertising*, **23(4)**, pp. 59-70.

APPENDICES

APPENDIX A: Conducted Survey

APPENDIX A: Conducted Survey

Tüketici tabanlı marka ederi boyutlarına etki eden faktörler

Bu anket, tüketici tabanlı marka ederi (customer based brand equity) boyutlarına etki eden faktörleri belirlemek amacı ile tasarlanmıştır.

Anketten sağlanacak olan veriler, Yrd. Doç. Dr. Elif KARAOSMANOĞLU danışmanlığında yürütülen, İstanbul Teknik Üniversitesi, Fen Bilimleri Enstitüsü, İşletme Mühendisliği Yüksek Lisans Programı Bitirme Tezi kapsamında kullanılacaktır.

Anketten sağlanacak veriler, sadece akademik çalışma kapsamında ve bilimsel amaçlı kullanılacak olup, tasarlanan anket hiç bir ticari kaygı taşımamaktadır. Katılımınız ve Bitirme Tezime sağlayacağınız katkılardan ötürü teşekkür ederim.

Zeynep Vural

İTÜ İşletme Mühendisliği YL Programı

SAYFA 1

1. En son satın aldığınız ürünü söyler misiniz?

Örnek: Televizyon, Cep Telefonu, Şampuan gibi

Ürün:

2. Lütfen aldığınız bu ürün ile ilgili olarak aşağıdaki ifadelere katılım derecenizi belirtiniz.

		<i>Kesinlikle Katılmıyorum</i>	<i>Katılmıyorum</i>	<i>Kararsızım</i>	<i>Katılıyorum</i>	<i>Kesinlikle Katılıyorum</i>
UV1.	Bu ürün benim için bir ihtiyaçtır					
UV2.	Bu ürüne güveniyorum					
HV3.	Bu ürünü seviyorum.					

		<i>Kesinlikle Katılmıyorum</i>	<i>Katılmıyorum</i>	<i>Kararsızım</i>	<i>Katılıyorum</i>	<i>Kesinlikle Katılıyorum</i>
HV4.	Bu ürünü kullanırken kendimi iyi hissediyorum.					

3. Lütfen aldığınız bu ürün ile ilgili seçim yaparken aşağıda yer alan ifadelere katılım derecenizi belirtiniz. (I)

Bir ____ satın almak benim için:

		<i>Kesinlikle Katılmıyorum</i>	<i>Katılmıyorum</i>	<i>Kararsızım</i>	<i>Katılıyorum</i>	<i>Kesinlikle Katılıyorum</i>
1	son derece önemlidir.					
2	son derece ilgi çekicidir.					
3	çok şey ifade eder.					
4	çok değerlidir.					
5	çok gereklidir.					

SAYFA2

4. En son aldığınız (birinci soruda belirttiğiniz) ürünün markasını düşünerek aşağıdaki ifadelere katılma derecenizi belirtiniz.

		<i>Kesinlikle Katılmıyorum</i>	<i>Katılmıyorum</i>	<i>Kararsızım</i>	<i>Katılıyorum</i>	<i>Kesinlikle Katılıyorum</i>
BAW1.	Bu markayı herkes tanır.					
BAW2.	Bu marka kolay hatırlanan bir markadır.					
BAW3.	Bu marka belirttiğiniz ürün grubunda akla gelen ilk markadır.					
BAW4.	Bu markanın birçok özelliği (sembolü, sloganı, rengi vs.) aklıma çabucak gelir.					
BAS 5.	Bu marka son moda ürünler sunar.					
BAS 6.	Bu markayı arkadaşlarım kullanır.					
BAS 7.	Bu marka iyi bir itibara sahiptir.					
BAS 8.	Bu marka sektöründe lider markalardan biridir.					
BAS 9.	Bu markaya kullanmak prestijimi artırır.					

		<i>Kesinlikle Katılmıyorum</i>	<i>Katılmıyorum</i>	<i>Kararsızım</i>	<i>Katılıyorum</i>	<i>Kesinlikle Katılıyorum</i>
BAS10.	Bu marka ünlü kişiler tarafından önerilir.					
BAS11.	Bu markayı etkileyici buluyorum.					
BAS12.	Bu marka kişiliğimi yansıtır.					
BAS13.	Bu marka yaşam stilimi yansıtır.					
BQ 14.	Bu marka çok kaliteli ürünler sunar.					
BQ 15.	Bu marka dayanıklı ürünler sunar.					
BQ 16.	Bu marka fiyatına göre kalitesi yüksek ürünler sunar.					
BQ 17.	Bu marka kusursuz özellikte ürünler sunar.					

SAYFA 3

5. En son aldığınız (birinci soruda belirttiğiniz) ürünün markasını düşünerek aşağıdaki ifadelere katılma derecenizi belirtiniz.

		<i>Kesinlikle Katılmıyorum</i>	<i>Katılmıyorum</i>	<i>Kararsızım</i>	<i>Katılıyorum</i>	<i>Kesinlikle Katılıyorum</i>
BL1.	Bu markayı satın almayı sürdürme niyetindeyim.					
BL2.	Bu marka gittiğim mağazada yoksa onu başka zaman alırım.					
BL3.	Bu marka gittiğim mağazada yoksa onu başka mağazada ararım.					
BL4.	Başka bir markada indirim varsa bu marka yerine indirimdeki markayı satın alırım (ters soru ®)					
AL5.	Eğer bir başkası bu markayla ilgili olumsuz bir şey söylerse markamı savunurum.					
AL6.	Genelde arkadaşlarıma bu markanın ne kadar iyi olduğunu söylerim.					
AL7.	Bu ürün kategorisinde hangi marka alacağına karar verememiş bir kişiye bu markayı tavsiye etmem (ters soru ®).					

		Kesinlikle Katılmıyorum	Katılmıyorum	Kararsızım	Katılıyorum	Kesinlikle Katılıyorum
AL8.	Bu markayı seviyorum					
AL9.	Ne zaman bu ürün grubunda bir ürün almak istesem, bu markanın hayalini kurarım.					
BT10.	Bu markaya inanıyorum.					
BT11.	Bu markaya güveniyorum.					
BT12.	Bu marka dürüst bir markadır.					
BAF13.	Bu markayı kullanırken kendimi iyi hissediyorum.					
BAF14.	Bu marka beni mutlu ediyor.					
BAF15.	Bu marka bana keyif veriyor.					

SAYFA 4

6. En son aldığınız bu markanın hangi ülkeye ait olduğunu düşünüyorsanız, lütfen bu ülke ile ilgili olarak aşağıdaki ifadelere katılma derecenizi belirtiniz. (COI)

NOT: Bu markanın hangi ülkeye ait olduğunu kesin olarak biliyor olmanız beklenmemektedir. Tahmini olarak hangi ülkeye ait olduğunu düşünmeniz yeterlidir.

	Kesinlikle Katılmıyorum	Katılmıyorum	Kararsızım	Katılıyorum	Kesinlikle Katılıyorum
1. Bu markanın ait olduğu ülke yenilikçi ürünler sunar.					
2. Bu markanın ait olduğu ülke teknolojide öncüdür.					
3. Bu markanın ait olduğu ülkenin malları tasarım konusunda başarılıdır.					
4. Bu markanın ait olduğu ülke kaliteli ürünler sunar.					
5. Bu markanın ait olduğu ülke, itibarlı bir ülkedir.					
6. Bu markanın ait olduğu ülke gelişmiş bir ülke imajına sahiptir.					

7. Alışveriş tercihlerinizi değerlendirdiğinizde aşağıdaki ifadelere katılma derecenizi belirtiniz.

		<i>Kesinlikle Katılmıyorum</i>	<i>Katılmıyorum</i>	<i>Kararsızım</i>	<i>Katılıyorum</i>	<i>Kesinlikle Katılıyorum</i>
RA1.	Bir ürün alırken bildiğim markaları tercih etmeyi daha güvenilir bulurum.					
RA2.	Çok fazla emin olmadığım bir markayı denemektense genellikle satın aldığım markayı kullanmayı tercih ederim.					
RA3.	Bir ürün alırken yalnızca tanınmış markaları tercih ederim.					

SAYFA 5

Kişisel Bilgiler

8. Cinsiyetiniz:

- Kadın Erkek

9. Medeni Durumunuz

- Evli Bekar Dul /boşanmış

10. Yaşınız?

- 16 – 24 41 - 55
 25 – 40 56 ve üzeri

11. Eğitim Durumunuz

- İlköğretim Yüksek Lisans
 Lise Doktora
 Üniversite

12. Çalışma Durumunuz

- Çalışıyorum Ev Hanımıyım
 Çalışmıyorum - İşsizim Öğrenciyim
 Emekliyim

13. Aylık Geliriniz

- 0 - 1000 TL 1001 TL - 2000 TL
 2001 TL - 3000 TL 3001 TL - 5000 TL
 5001 TL - 8000 TL 8001 TL üzeri

14. Evde kaç kiři yařıyor

(.....)

15. Ařađıdakilerin hangilerine sahipsiniz?

- | | |
|---|--|
| <input type="checkbox"/> Ev | <input type="checkbox"/> LCD TV |
| <input type="checkbox"/> Yazlık | <input type="checkbox"/> Ev Sineması |
| <input type="checkbox"/> Araba | <input type="checkbox"/> Masaüstü Bilgisayar |
| <input type="checkbox"/> Buzdolabı | <input type="checkbox"/> Dizüstü Bilgisayar |
| <input type="checkbox"/> Çamařır Makinesi | <input type="checkbox"/> Cep Telefonu |
| <input type="checkbox"/> Bulařık Makinesi | |

CURRICULUM VITAE

Zeynep Vural was born in Samsun, Turkey on October 30th, 1986. She graduated from Private İstek Atanur Oğuz High School in 2004 with first degree. She obtained a BS degree in 2008 from Industrial Engineering Department at Yıldız Technical University. She was enrolled to Management Engineering MSc Program at İstanbul Technical University in 2008.

During her bachelor study, she worked as an intern in Beldeyama Motor-Vehicles Industry, Otokoc Automotive and Turk Telekom, respectively. She carried out her “An ANP based approach for the selection of solar power plant site” titled BS graduation thesis. She has been working in Turk Telekom Corporate Marketing Department as Product Manager since February 2010.