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## Influence of Brand Equity on the Customers' Preference of Smartphones in Madurai District

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### Abstract

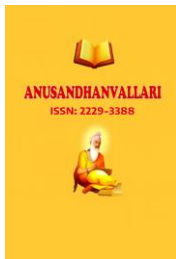
In this modern era of technology smartphone plays a crucial role in our day-to-day life. In such a case customers would like to choose a better brand for their use. Brand means an individual identity created by a company in the minds of the customers. There are four elements of branding they are 'Brand Identity, Brand Image, Brand Equity and Brand Positioning'. Brand equity generates revenue to the company by means of brand recognition. In this article, the study has been done to know how the brand equity influence the purchase behavior of the customers. Structured questionnaire has been used to collect data from 100 respondents. The study has been conducted in Madurai district. Simple percentage analysis and chi square test are used in this study.

**Key words:** Brand equity, Brand Image, Consumer behavior.

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### Introduction:

Smartphones play a major role in our day to life. It has now become the part and parcel of our life. Smartphones make our work easy. As it can be taken with us from one place to another, any work can be done very fast. Smartphones proved to be efficient for many including younger generation to age old people. For younger generation who are in academics, it is highly useful in doing their assignments, internet search for references, attending online classes etc. People who are working and age-old people can use smartphone for many purposes like doing payments, for entertainment, etc. In that view many people are very much conscious about the brand of smartphone they use. Because many brands are even cost effective in selling their products. Brand means it is a unique way to show the company distinct from its competitors. Brand is something that does not produce generic product rather it creates a brand name for its product. Brand means a company having a separate logo, name, colour, wordings, etc. to differentiate it from the rivalries. Trademark is given to protect a brand from any malpractices. There are some elements in brand they are Brand Image, Brand Identity, Brand Equity and Brand Positioning. For creating a very good brand image in the minds of customer, companies try their best in providing a quality product to them in a cost-effective manner. Once the customer gets some perception towards the product, that's the first step in creating a brand equity for that product. Brand equity have three components they are customer perception, positive and negative effects. If the customer perception is high, then the brand has positive effect. That leads to tangible and intangible benefits to the brand. Tangible benefits earn higher revenue, increase the sales volume of a company. On the other hand, intangible benefits increase the Goodwill of a company. If the customer perception is low there would be a negative effect to the company which also have the tangible and intangible results that are reverse to the positive effect.



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### Review of Literature:

*Keller (1993)* depicts when consumers completely know about the products and relates some strong association in the memory then brand equity builds.

*Chu-Mei Liu (2002)* inferred that Branding is important to manufacturers, retailers and consumers. Brands with higher brand equity have higher sales. The growth of mobile phone subscriptions is considerably faster in the Philippines. Advertising and promotion are undertaken through cooperation between the service providers and mobile phone manufacturers. The study tries to find out the effects of the different activities on consumer choice of mobile phone brands.

*Naing and Chaipoopirutana (2014)* declared positive and significant relation was found among perceived quality, product image, consumer aspiration, emotional value, attitude towards product and purchase intention. Negative relation was found between consumer uncertainty and purchase intention.

*Vinh and Huy (2016)* found that perceived quality, brand association and brand loyalty had positive effects on overall brand equity. But brand awareness had not shown significant effect on overall brand equity. Overall brand equity had positive impact on brand preference and purchase intention. Brand preference had positive influence on purchase intention.

*Naeni, Azali and Tamaddoni (2015)* found perceived quality had shown significant effect on creation of brand equity and brand equity had the highest effect on purchase intention.

### Objectives:

- To study about how the brand awareness and knowledge influence the buying decision of the customers.
- To study how the quality of smartphone brand affect the buying decision
- To study how much the customers are loyal to its mobile brand

### Hypothesis:

1. H0: There is no significant relationship between brand awareness and buying decision of the consumer.  
H1: There is significant relationship between brand awareness and buying decision of the consumer.
2. H0: There is no significant relationship between brand quality and buying decision of the consumer.  
H1: There is significant relationship between brand quality and buying decision of the consumer.
3. H0: There is no significant relationship between brand loyalty and buying decision of the consumer.  
H1: There is significant relationship between brand loyalty and buying decision of the consumer.

### Methodology of Study:

The data collected for this research are through primary data and secondary data. Primary data was collected through questionnaire from respondents. Secondary data is collected from various published articles from journals, books, and internet websites.

**Sample Design:** The present study has been conducted in the Madurai district. Data has been collected from



100 respondents through questionnaire.

**Sampling technique:** Convenience sampling.

**Tools:** Simple percentage method and Pearson correlation analysis.

**Limitations of the study:**

- Only limited area in Madurai district were covered.
- Middle class, upper middle class and upper-class consumers were studied.

**Analysis and Interpretation:**

**Age**

	Frequency	Percent	Valid Percent	Cumulative Percent
18-23	13	13.0	13.0	13.0
24-29	30	30.0	30.0	43.0
30-35	27	27.0	27.0	70.0
36-41	18	18.0	18.0	88.0
above 41	12	12.0	12.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondent 30% are from the age group of 24-29, 27% are from the age group of 30-35, 18% are from the age group of 36-41, 13% are from the age group of 18-23 and 12% belong to above 41 age group.

**Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	43	43.0	43.0	43.0
Female	48	48.0	48.0	91.0
others	9	9.0	9.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 48% are female, 43% are male and 9% are from others category

### Education

	Frequency	Percent	Valid Percent	Cumulative Percent
SSLC	4	4.0	4.0	4.0
Higher secondary	15	15.0	15.0	19.0
Graduation	63	63.0	63.0	82.0
Post graduation	11	11.0	11.0	93.0
above post- graduation	7	7.0	7.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 63% are graduates, 15% have completed higher secondary, 11% are post graduates, 7% are above post-graduation and 4% have completed SSLC.

### Occupation

	Frequency	Percent	Valid Percent	Cumulative Percent
student	7	7.0	7.0	7.0
public sector	18	18.0	18.0	25.0
private sector	40	40.0	40.0	65.0
housewife	13	13.0	13.0	78.0
self employed	22	22.0	22.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 40% belong to private sector, 22% are self- employed, 18% belong to public sector, 13% are housewives and 7% are students.

**Income**

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 30000	13	13.0	13.0	13.0
30001-60000	22	22.0	22.0	35.0
60001-90000	23	23.0	23.0	58.0
90001-120000	12	12.0	12.0	70.0
120001-150000	11	11.0	11.0	81.0
above 150000	19	19.0	19.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 23% earn between 60001-90000, 22% earn between 30001-60000, 19% earn above 150000, 13% earn less than 30000, 12% earn between 90001-

120000 and 11% earn between 120001-150000

**what brand do you use currently?**

	Frequency	Percent	Valid Percent	Cumulative Percent
iphone	24	24.0	24.0	24.0
Redmi	8	8.0	8.0	32.0
oppo	9	9.0	9.0	41.0
vivo	14	14.0	14.0	55.0
samsung	8	8.0	8.0	63.0
google pixel	3	3.0	3.0	66.0
nokia	5	5.0	5.0	71.0
xiaomi	10	10.0	10.0	81.0
others	19	19.0	19.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 24% use iphone, 19% use other brand mobile, 14% use vivo, 10% use Xiaomi, 9% use Oppo, 8% use Redmi and Samsung, 5% use Nokia and 3% use Google pixels brand.

**Brand awareness [whenever i think about smartphones, the brand I use come to my mind]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	61	61.0	61.0	61.0
agree	10	10.0	10.0	71.0
neutral	16	16.0	16.0	87.0
disagree	5	5.0	5.0	92.0
strongly disagree	8	8.0	8.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 61% strongly agree, 16% are neutral, 10% agree, 8% strongly disagree and 5% agree that the brand they use come to their mind whenever they think about the smartphone.

**Brand awareness [I can easily recall some the features on my brand]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	48	48.0	48.0	48.0
agree	20	20.0	20.0	68.0
neutral	20	20.0	20.0	88.0
disagree	5	5.0	5.0	93.0
strongly disagree	7	7.0	7.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 48% strongly agree, 20% are agree and neutral, 7% strongly disagree and 5% disagree that they could recall some of the features of their mobile.

**Brand awareness [I can recognize my smartphone design among other brands]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	54	54.0	54.0	54.0
agree	14	14.0	14.0	68.0
neutral	20	20.0	20.0	88.0

disagree	5	5.0	5.0	93.0
strongly disagree	7	7.0	7.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 54% strongly agree, 20% are neutral, 14% agree, 7% strongly disagree and 5% disagree that they could recognize their smartphone design.

**Brand awareness [I can recognize the logo of my brand]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	59	59.0	59.0	59.0
agree	10	10.0	10.0	69.0
neutral	19	19.0	19.0	88.0
disagree	7	7.0	7.0	95.0
strongly disagree	5	5.0	5.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 59% strongly agree, 19% neutral, 10% agree, 7% disagree and 5% strongly disagree that they can recognise the logo of the brand.

**Brand quality [I am satisfied with the quality of battery my brand use]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	65	65.0	65.0	65.0
agree	14	14.0	14.0	79.0
neutral	13	13.0	13.0	92.0
disagree	4	4.0	4.0	96.0
strongly disagree	4	4.0	4.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondent 65% strongly agree, 14% agree, 13% neutral, 4% disagree and 4% strongly disagree that they are satisfied with the quality if battery they use.

**Brand quality [I am satisfied with the quality of design]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	47	47.0	47.0	47.0
agree	25	25.0	25.0	72.0
neutral	15	15.0	15.0	87.0
disagree	8	8.0	8.0	95.0
strongly disagree	5	5.0	5.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondent 47% strongly agree, 25% agree, 15% are neutral, 8% disagree and 5% strongly disagree that they are satisfied with the quality of design.

**Brand quality [My brand has consistent performance]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	55	55.0	55.0	55.0
agree	22	22.0	22.0	77.0
neutral	14	14.0	14.0	91.0
disagree	4	4.0	4.0	95.0
strongly disagree	5	5.0	5.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondent 55% strongly agree, 22% agree, 14% are neutral, 5% strongly disagree and 4% disagree that their brand consistent performance.

**Brand loyalty [The mobile brand I currently use is my first priority]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	49	49.0	49.0	49.0
agree	12	12.0	12.0	61.0
neutral	15	15.0	15.0	76.0



disagree	13	13.0	13.0	89.0
strongly disagree	11	11.0	11.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondent 49% strongly agree, 15% are neutral, 13% disagree, 12% agree and 11% strongly disagree that the mobile brand they use is their first priority.

**Brand loyalty [I'll not choose any other brand than my brand]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	37	37.0	37.0	37.0
agree	19	19.0	19.0	56.0
neutral	14	14.0	14.0	70.0
disagree	18	18.0	18.0	88.0
strongly disagree	12	12.0	12.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 37% strongly agree, 19% agree, 18% disagree, 14% neutral and 12% disagree that they will not choose some other brand than their own brand.

**Brand loyalty [I'll not buy any other brand if my brand is not available at the store]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	43	43.0	43.0	43.0
agree	16	16.0	16.0	59.0
neutral	9	9.0	9.0	68.0
disagree	19	19.0	19.0	87.0
strongly disagree	13	13.0	13.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 43% strongly agree, 19% disagree, 16% agree, 13% strongly disagree and 9% are neutral that they will not buy any other brand if it is not available at store.

**Brand loyalty [I am loyal to my mobile brand]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	40	40.0	40.0	40.0
agree	16	16.0	16.0	56.0
neutral	14	14.0	14.0	70.0
disagree	17	17.0	17.0	87.0
strongly disagree	13	13.0	13.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 40% strongly agree, 17% disagree, 16% agree, 14% neutral and 13% strongly disagree that they are loyal to their mobile brand.

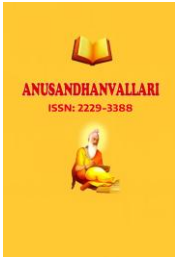
**Purchase decision [I use mobile based on how other people think about my smartphone brand]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	65	65.0	65.0	65.0
agree	10	10.0	10.0	75.0
neutral	14	14.0	14.0	89.0
disagree	6	6.0	6.0	95.0
strongly disagree	5	5.0	5.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 65% strongly agree, 14% neutral, 10% agree, 6% disagree and 5% strongly disagree that they use their mobile phone based on others perception.

**Purchase decision [My awareness about smartphone brand guide me in purchasing the mobile]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	44	44.0	44.0	44.0



agree	24	24.0	24.0	68.0
neutral	24	24.0	24.0	92.0
disagree	4	4.0	4.0	96.0
strongly disagree	4	4.0	4.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 44% strongly agree, 24% agree and neutral 4% disagree and strongly disagree that their awareness about the smartphone guide them in purchasing the mobile.

**Purchase decision [Quality of the brand affect my purchase decision]**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	66	66.0	66.0	66.0
agree	9	9.0	9.0	75.0
neutral	16	16.0	16.0	91.0
disagree	5	5.0	5.0	96.0
strongly disagree	4	4.0	4.0	100.0
Total	100	100.0	100.0	

From the above table of 100 respondents 66% strongly agree, 16% are neutral, 9% agree, 5% disagree and 4% strongly disagree that the quality of brand affect their purchase decision.

**Pearson Correlation Analysis**

	<b>Brand Awareness</b>	<b>Brand Quality</b>	<b>Brand Loyalty</b>	<b>Purchase Decision</b>
<b>Pearson Correlation</b>				
Brand Awareness	1.000	.864	.754	.838
Brand Quality	.864**	1.000	.715**	.844**
Brand Loyalty	.754*	.715**	1.000	.722**
Buying Decision	.838**	.844**	.722**	1.000
<b>Sig. (1 tailed)</b>				
Brand Awareness	.	.000	.000	.000
Brand Quality	.000	.	.000	.000
Brand Loyalty	.000	.000	.	.000
Buying Decision	.000	.000	.000	.
<b>N</b>				
Brand Awareness	100	100	100	100
Brand Quality	100	100	100	100
Brand Loyalty	100	100	100	100
Buying Decision	100	100	100	100

From the above table of Pearson Correlation Analysis, the hypothesis testing has been resulted in the following way.

H1: There is significant relationship between brand awareness and buying decision of the consumer. Because the significance value is .000 which is less than 0.05 so null hypothesis is rejected and alternate hypothesis is accepted. And the relationship between Brand Awareness and Buying Decision of the consumer has positive strong correlation its value is .838

H1: There is significant relationship between brand quality and buying decision of the consumer. Because the significance value is .000 which is less than 0.05 so null hypothesis is rejected and alternate hypothesis is accepted. And the relationship between Brand Quality and Buying Decision of the consumer has positive strong correlation its value is .844



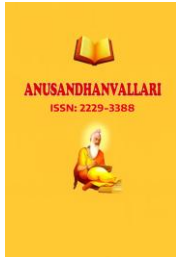
H1: There is significant relationship between brand loyalty and buying decision of the consumer. Because the significance value is .000 which is less than 0.05 so null hypothesis is rejected and alternate hypothesis is accepted. And the relationship between Brand Loyalty and Buying Decision of the consumer has positive moderate correlation its value is .722

### Findings:

- 30% are from the age group of 24-29
- 48% are female
- 63% are graduates
- 40% belong to private sector
- 23% earn between 60001-90000
- 24% use iphone
- 61% strongly agree that the brand they use come to their mind whenever they think about the smartphone.
- 48% strongly agree that they could recall some of the features of their mobile
- 54% strongly agree that they could recognize their smartphone design.
- 59% strongly agree that they can recognise the logo of the brand
- 65% strongly agree that they are satisfied with the quality if battery they use
- 47% strongly agree that they are satisfied with the quality of design
- 55% strongly agree that their brand consistent performance
- 49% strongly agree that the mobile brand they use is their first priority
- 37% strongly agree that they will not choose some other brand than their own brand
- 43% strongly agree that they will not buy any other brand if it is not available at store
- 40% strongly agree that they are loyal to their mobile brand
- 65% strongly agree that they use their mobile phone based on others perception
- 44% strongly agree that their awareness about the smartphone guide them in purchasing the mobile
- 66% strongly agree that the quality of brand affect their purchase decision

### Conclusion:

In this research article, the study was conducted to know how the Brand equity impact the consumer purchase decision. Most of respondents were female and most of them were graduated. Brand equity elements like brand awareness, brand association and brand loyalty were analysed. Only the brand equity could contribute to the growth of the company. Brand equity creates a goodwill to the company. Brand equity have both tangible and intangible effects on the company. Consumer perception towards the company contribute to the positive and



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negative brand equity impact. From the above study we could see that the customers have good brand equity for their own brands.

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