A Review on the Impact of Advertising and Sale Promotion on Brand Equity

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***ABSTRACT:** Today, creating and attaining a strong and powerful brand is a top goal for every company, as it comes with a slew of advantages. A strong brand allows a business to establish itself in the market, prevent being exposed to competition activities, and play a significant role in collaborating and supporting brand growth opportunities. Active marketing researchers examine the idea of brand equity, which is defined as the substantial worth of a brand for the manufacturer, retailer, and customer, before measuring and assessing it. Brand equity is determined by the consumer's impression of a brand, which may be influenced by a variety of variables. Without examining its resources, or elements that are effective in the development and formation of brand equity in the minds of consumers, brand equity cannot be recognized or comprehended. We attempted to provide a practical and clear definition of brand equity and its aspects in this study. In general, the purpose of this study was to examine effective variables such as advertising and sale promotion in order to determine how these marketing techniques affect brand equity. Finally, for brand equity, extensive advertising and reduced sale promotion are recommended. This article also includes some recommendations for further research.*

***KEYWORDS:** Advertising, Brand Equity, Brand, Sale Promotion.*

1. INTRODUCTION

In consumer marketing, brands are often the beginning point for competing suggestions, making them critical to an organizational progress. As a result, it's critical to take a strategic approach to brand management). The company's most valuable asset is its brand. In contrast to a medium brand, brand equity indicates the price differential at which a strong brand is attracted in its sale. Furthermore, brand equity indirectly enhances the company's worth by supporting the value of its customers. Brand equity and customer value are increased through increasing: "marketing plan efficacy and efficiency, brand loyalty, pricing and profit margin, brand development, business leverage, and competitive advantage." From a behavioral standpoint, brand equity is critical in distinguishing points, resulting in a competitive advantage in non-price rivalry. A property that is anticipated to boost consumers' worth and their desire to purchase, as well as improve market performance, is recommended as an essential Conceptual knowledge about brand equity. In this article, we will attempt to examine subjective literature related to the research issue, documentary, and then use theoretic comparison in some experimental research to offer a theoretic innovation generated from the aforementioned studies. Finally, after presenting the findings and mentioning the instances, a discussion, conclusion, and functional recommendations and proposals pertaining to further simulated studies will be given[1].

1.1 The nature of the problem and its significance:

Despite the high prevalence of brand equity, few conceptual advances and practical studies have been conducted to determine which marketing actions generate brand equity. Until recently, establishing brand equity has received the most attention, while resources and development have been overlooked. Shocker et al. believed that we needed to pay more attention to developing a systematic view of products and brands in order to specify how intangible assets resulting from managers' pricing, promotion, services, and distribution decisions interact with self-product to form brand equity and influence buyer decision-making[2]. In response to this allegation, this study investigated the relationship between brand equity and sales and advertising promotions. The goal of this study is to determine if these marketing activities enhance or diminish brand equity. There are several brand equity models that are used in consumer research to measure relative brand equity performance. These models do not establish a financial worth for brands, but they do examine customer behaviors and views, which have a significant impact on the brand's economic success. These models often include a wide range of conceptual criteria, such as brand awareness, brand association, brand image, brand knowledge, brand loyalty, brand identity, and so on. This is where Aaker's brand equity concept fits in. As a result, the output of this model is not just a monetary value, but also knowledge that assists managers in brand strategic management. Furthermore, this model is compatible with customer-based methods, which see the heart and opinion of customers as the basis of brand equity. Aaker's Brand Evaluation Model is a strong conceptual tool for managers to comprehend brand equity maker resources and determine where this value comes from. This awareness and cognition assist managers in selecting more suitable objectives and strategies for their brand, as well as effectively allocating their available resources in accordance with these goals and plans[3].

1.2 Advertising: Advertising is a necessary fee for any paid type of non-personal presentation and promotion of ideas, products, and services. Advertising has a more prominent role in the marketing integrated communication model than the other marketing components, since customers are notified about new goods via advertising. Furthermore, advertising lowers the barriers between customers and businesses.

1.3 Sale Promotions: A sale promotion is a collection of diverse and unique, typically short-term motivating tactics used to encourage consumers or buyers to purchase more and quicker. Coupons, incentives, free samples, discounts, advertising products, and other promotional techniques are examples[4].

1.4 Brand Equity: There are several definitions for brand equity, however we've compiled a list of the most important ones based on many articles: A. Brand equity is a collection of assets and obligations associated with a brand's name and symbol that contributes to (or subtracts from) the value a product or service provides to a company and/or its consumers. B. Brand equity refers to the impact of brand awareness on customer reaction to a brand's marketing. C. Brand equity is the strength that a brand has in a market as a result of its name, symbol, and logo.

1.5 The Dimensions of Brand Equity:

• Brand Loyalty: Loyalty is an essential notion in marketing strategy, and as Aaker points out, it lies at the heart of brand equity. Customers who were loyal spend less time looking for information. Solomon demonstrated in 1992 that loyalty-based purchasing choices may become a habit, and that this can be attributed to present brand equity. Customers that are loyal to a company may help the company save money and execute its plans. Furthermore, because consumers become more loyal to a brand as a result of the product's ability to meet their needs, loyalty can allow a company to respond to threats such as competition. As consumers become more loyal to a brand, they become less sensitive to price increases as a result of the product's ability to meet their needs[5].

• Brand awareness: Brand awareness refers to a customer's ability to remember a brand. There are four different kinds of brand recognition: Mental acuity, Brand recall, Brand identification, and Unawareness the significance of brand awareness is determined by the degree of awareness attained. Higher levels of awareness enhance the likelihood of considering a brand and the impact of awareness on purchasing decisions[6].

• Perceived quality: Perceived quality refers to a customer's assessment of a product's overall quality or superiority of one item or service over the customer's proclivity to substitutes. Recognizing and measuring key characteristics will be helpful in understanding perceived quality. Perceived quality, on the other hand, is a global structure and a summary. The brand is related to the customer's impression of quality; a view that simply considers overall quality and isn't concerned with little details. High quality may serve as a foundation for expanding the brand's domain[7].

• A group of brand dependents: Dependents serve as a foundation for brand loyalty and purchasing decisions. The following methods may be used to increase the value of dependents: process/information recovery and differentiation are the reasons for purchasing a brand and creating a good emotion and vision. They also serve as a foundation for the growth of a brand's domain.

• Private property of other brands: The first three categories of brand equity reflect consumer views and responses. The customer's base is the fourth. The last category denotes the private assets of the other brand, such as franchises and registration rights, trademarks, channel connections, and so on. If a brand's assets are protected from rivals for fear of eroding customer loyalty, they are worth the most.

1.6 Research conceptual model: A conceptual model is a beginning point and foundation for conducting studies and investigations in order to specify desired research criteria and their relationships.

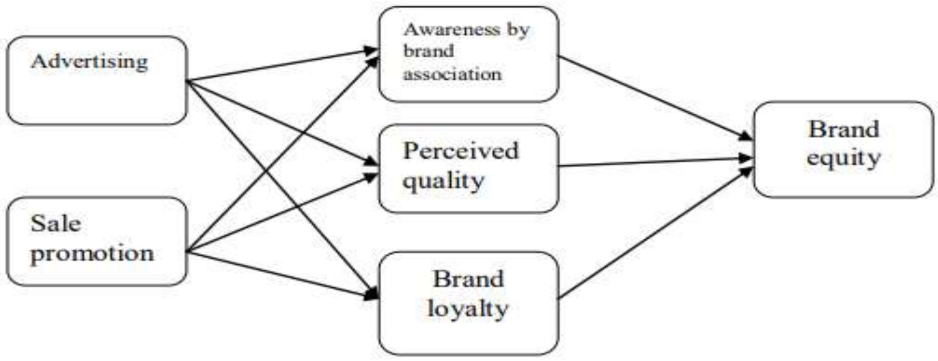

Figure 1: the connection between brand equity dimensions and brand equity, as well as advertising and sale promotions.

1.7 The connection between advertising and brand equity aspects is as follows:

• Advertising: Researchers have discovered that advertising is an effective way to build brand equity, especially when a sale campaign fails. Advertising's beneficial impact the amount of money spent on advertising has a favorable impact on brand equity and its dimensions. Advertising serves as an external indicator of product quality. The fact that a business spends a lot of money on advertising shows that it cares about its brand and that it has developed into something of high quality. Furthermore, advertising not only demonstrates excellent quality, but also generates a profit. Furthermore, there is a favorable correlation between advertising and perceived quality. As a result, we may conclude that advertising has a favorable impact on perceived quality and, as a result, brand equity. Advertising has a significant impact on brand awareness. Repetitive advertising increases the likelihood of paying attention to a brand, simplifies customer selection, and makes brand choosing habitual. As a result, advertising is favorably concerned with brand recognition, which leads to greater brand equity. Furthermore, advertising efforts are beneficial to brand loyalty since they increase brand recognition and direct people's attention to the brand[7].

• Price promotions: Sale promotions, especially price promotions (such as short-term price reductions such as specialized deals, coupons, price discounts, and payback and made to seem that it destroyed brand equity over time while increasing revenue in the near term. Because they are readily duplicable and quickly deactivated, sale promotions are not recommended as a method to build brand equity. Instead, they are used to boost short-term operations and convert one name to another. Furthermore, repeated price promotions may reflect a company's poor quality, putting the business in jeopardy over time since it causes consumer uncertainty due to a disparity between anticipated and actual prices, resulting in an image of shaky quality. Customers couldn't anticipate the price of a sale location, but they did predict price disruptions between expected and real prices, which has a negative impact on brand equity selection choices and perceived quality, resulting in brand equity loss. Furthermore, sale promotions are insufficient to raise brand recognition. Then, because of the emphasis on promotions, awareness advertising and, as a result, brand equity were ignored[8]. Price promotions do not seem to have anything to do with brand loyalty, even if they are momentarily compatible with changing one name to another. They often failed to come up with a fresh frequent selling trend[9].

Relationships between brand equity and brand equity dimensions: Brand equity is defined as the additional value of a named product over a nameless one. The three aspects of brand equity, namely brand awareness, perceived quality, and brand loyalty, have resulted in this. In an inter-cultural research of America and Korea, the beneficial impact of these three aspects on overall brand equity value was found[10].

2. DISCUSSION

Providing brand equity included creating a strong brand, which is an effective technique for distinguishing products from those of competitors. Because of the high competitive hurdles, brand equity provides a major competitive advantage. Brand equity is built through improving perceived quality, brand loyalty, and brand recognition, all of which cannot be built or destroyed in a short period of time but may be built over time with well-designed investment. As a result, brand equity is solid and long-lasting, and a product with strong brand equity is considered a valuable business asset. Our research looked at the impact of sale promotions in building strong brand equity. Managers may utilize the results to develop brand-building strategies. Two findings have been obtained as a consequence of the executed study. 1- Publicity Customers prefer to trust advertising remarks and think that the likely function is consistent with their claim, based on their experiences and achieved outcomes. As a consequence, when customers are exposed to regular advertising, their knowledge and mental associations grow, as well as their favorable perceptions, resulting in strong brand equity. Reduced advertising is one of the main causes of declining consumer loyalty.

Advertising aids in the reinforcement of brand-related ideas and beliefs, resulting in strong brand loyalty. The creation and management of a brand image is complex for a variety of reasons, and advertising is a general method to create and maintain this image. Managers should spend in advertising with defined goals to increase brand equity. 2- Promotional sales via the use of a test presentation of the real product Promoting events with long-term objectives may help build brand equity, which can lead to strong, desirable, and unique relationships. On the other hand, price reductions in the near term, such as a percentage decrease, may not be recommended for building brand equity, even if they boost sales in the short run. Promotional activities such as seller and websites are often cited as the backdrop of brand equity aspects in industrial marketing. Because sale promotions elicit a greater and more comprehensive response, they may be utilized to better reflect and boost sales in a stagnant market. However, it should be highlighted that a tool is short-term, and in order to succeed in products and brands, brand managers should utilize it with long-term objectives in mind, since customers are aware of low-quality activities. Managers should focus on building brand equity rather than providing sale promotion.

3. CONCLUSION

As stated many times throughout this study, brand equity is one of the most significant competitive elements in the past and today, and businesses seek to create specific value greater than their rivals. Because it is the only full common element that may lead an organization to success, brand equity can create value not just for the business and its consumers, but also for employees, shareholders, and 71 JBSQ 2012 management. In terms of the particular significance of brand equity, one general suggestion is that academics should pay greater attention to it. The following suggestions are made in this direction: Identifying potential beneficial components in the brand equity's efficacy more product classifications, such as services, different topics, and foreign civilizations, are being used. Examining the impact of marketing mix efforts (pricing, location, product, and promotion) on brand equity, Examining the impact of the company's mental image on the efficacy of marketing mix components on brand equity, Examining the relationships between the various aspects of brand equity, Examining a range of market activities' direct criteria, such as sales volume, market share, and profit on brand equity, Organizing effective variables on brand equity into categories based on their importance.

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