EMPIRICAL ANALYSIS OF PROMOTIONAL MIX AND ITS IMPACT ON BRAND EQUITY : A CASE STUDY AMONG CUSTOMERS OF TANISHQ, SIVAKASI TOWN

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Abstract

The purpose of this study was to examine the impact of Advertising, Sales Promotion and Direct Marketing on Brand equity. Promotional mix plays a vital role in creating value for different brands and also reach targeted consumers and persuade them to buy. Promotion is vital element in marketing mix.

In this context, promotional mix has positively affect brand equity.   Data were collected from 305 selected customers of Tanishq, Sivakasi Town. The results revealed that the correlation value between promotional mix and brand equity 0.722 which is significance at 1% levels. According to the regression analysis, 62% of promotional mix effects on brand equity. So, promotional mix effects on brand equity.

Keywords : Promotional mix and Brand Equity.

1.0 Introduction

Now a days, lot of promotional methods adopted by various organization to improve their sales and improve their brand values. Promotion is the process of communication and it includes information, persuasion and influence. The ultimate familiar promotional tools are social media, sales promotion, advertisement, event sponsorships, direct marketing, public relation and personal selling. (Gupta, 1988) mentioned that effects of promotions on consumer's decision regarding what, when and how much to buy. From that, we have understood that sales increase due to promotion. If sales increases, brand value can also be increased automatically. (Razieh Sadat Hosseini et al., 2013) represent that impact of promotional tools can have a direct impact on increasing brand equity.

Brand equity is a marketing term that describes a brand's value. That value can be determined by experience and perception of consumers regarding brand. Keller, however, defines brand equity as 'the differential impact of the brand knowledge on consumer response to the marketing of brands. (Aaker, 1996) represents that there are five set of dimensions: Brand loyalty, Brand association, brand awareness, perceived quality and Proprietary assets. (Farquhar,1989) represents that high level of brand equity enhances loyalty towards customers regarding brand, intent of repurchasing and satisfaction among customers. Brand equity not only adds value to the customers and company, but it can also adds value to stockholders, workforces and managers, because it is considered as only common factor which directed organization to achieve success (Schultz, 1998). Brand equity is a powerful tool which can be enhanced through the promotional mix elements. Every organization must focus on the element of promotional mix. So there is a need to identify the brand equity of every concern. This paper investigated the impact of promotional mix on brand equity of Tanishq in Sivakasi town. The purpose of this study is to analyze the role of promotional mix elements on brand equity, to explore the factors that determine the promotional mix & brand equity and to identify the differential effects of promotional mix elements such as Advertising, Sales

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promotion and Direct marketing on the dimensions of Brand equity, viz, Brand Awareness, Brand Loyalty, Perceived Quality and Brand Image of Tanishq jewellery.

2.0 Research Problem

- Brand Equity as a Marketing tool is gaining prominence over other elements. The Broad agenda of this Research is to study the influence of promotional mix on the perceived brand equity of certain selected products. Traditional marketing theories suggest that promotional mix elements results in the dilution of brand equity. However this specific impact on five asset brand equity of competing brands on various dimensions is notable by insufficient research attention. This study attempts to bridge this gap. The product chosen for this study comes under the category of speciality product .

- Studies have shown that there are differences in consumer behaviour towards different types of promotions tools. The promotional mix is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers. The challenge is to select the right mix of promotional activities to suit the particular organization at a particular time and to then use it correctly to achieve a result. Many research focuses on developing brand equity measuring tools but few researches attempt to understand or measure the process of brand equity information over time the process of brand equity information over time through an examination of antecedents. This study envisages to find out the effects of promotional tools on equity model of Tanishq as a brand and examines how promotional mix impact on brand equity. Hence this enquiry seeks to find out whether there exist any differential and significant effects on Brand equity. So this study is undertaken by the researcher to gain Knowledge about Brand Equity of Tanishq.

3.0 Objectives of the study

- To analyze the effectiveness of promotional mix and its impact on brand equity of Tanishq in Sivakasi Town.
- To identify and study the demographic profiling of consumers visiting the retail organization.
- To analyze the existing practices of promotional mix elements followed in the organization.
- To identify the impact of promotional mix on its brand equity factors.
- To analyze the overall satisfaction towards brand equity factors of Tanishq, Sivakasi Town.

4.0 Review of Literature

M. Karunanithy & S. Sivesan (2013), in their research "An Empirical study on the Promotional Mix and Brand Equity : Mobile Service Providers", analyzed the Promotional mix (Advertising, Sales Promotion, Public Relation and Direct Marketing) on Brand Equity (Brand Loyalty, Brand Awareness, Brand Image and Perceived quality). Major Findings of the study are clear that promotional mix have positive effects on brand equity that accompanied the other research results and the managers can utilize the results of this paper for selecting appropriate strategies for creating a high level of brand equity. This study concluded that the Promotional mix has positively affect brand equity.

Johnson Charanah & Reuben Kinyuru Njuguna (2015), "This study entitled to the Effects of Promotional Mix Tools on Brand Equity Among Hospitals in Nairobi county". Major Findings of the study are clear that the frequency of advertisement activities increase s brand awareness leading to greater brand equity and so hospitals should come up with the advertisement strategies that are effective in order to increase their presence among the people. This study concluded that the advertisement affect brand equity among hospitals within Nairobi county and in general at large.
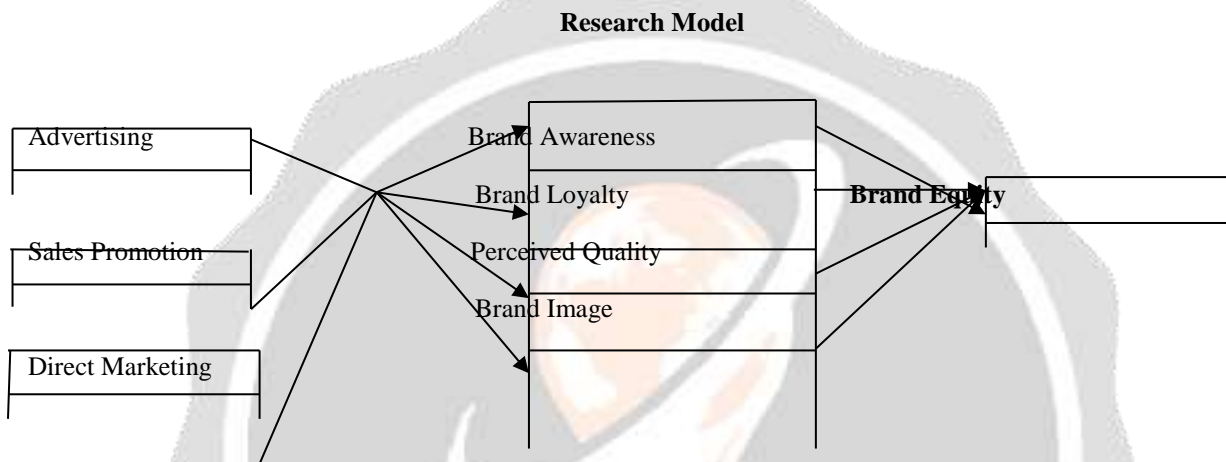
Nafiseh Sedaghat, Maedeh Sedaghat & Amir Koohkan Moakher (2012), "This study entitled to the Impact of Promotional Mix Elements on Brand equity". The objective of this study is to examines how promotional mix elements .i.e., advertising, personal selling, sales promotion, public relations and direct marketing affect Brand equity .i.e., brand loyalty, brand awareness and perceived quality. Major finding of this study states that promotional mix elements effects on brand equity. This study concluded that the Promotional mix has positively affect brand equity.

Dr. Iyad A. Khanfar (2016), in his research named as "The effect of promotion mix elements on consumers buying decisions of a Mobile service: The case of Umniah Telecommunication company at Zarqa city- Jordan". Major finding of this study states that advertising is the most critical factor in affecting Consumers buying decision when compared to other factors such as personal selling, sales promotion and public relations. This study concludes that there is a positive effect of advertising, personal selling, sales promotion and public relations, among the independent variables, sales promotion and advertising posses the highest effect on consumer buying decision.

5.0 Conceptual model

The research model for this study to explain the relationship between Promotional mix & Brand equity and also the impact of promotional mix on brand equity.

The impact of promotional mix elements on brand equity

Research Model

Promotional Mix:

The promotion mix is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers. The challenge is to select the right mix of promotional activities to suit the particular business at a particular time and to then use it correctly to achieve a result.

According to Ross (2001) he defined promotion mix as "total marketing communication program of a particular product". Adebisi (2006) defined promotion mix as "any marketing effort whose function is to inform present or potential consumers about the benefits of product possess for the purpose of inducing a consumer to either start buying or continue to buy the company product or service."Promotion mix refers to describe the set of tools that an organization can be adopted to communicate in effective way the benefits of its products to its consumers .In order to ensure that organization promotion strategies is well accepted and received by its consumers, the organization should have a strong way of communication because good communication skills and effective promotion is a tool for every organization to compete in the industry (Nor Amira et al, 2013)

Advertising

According to Wang, (2009) advertising is one of the most primary communication links with customers, hence customers' desired image and language along with culture, economy and commercial changes must be kept in mind, and hence advertising helps in building brand awareness and image by repetitive exposure to intended message.

Sales Promotion

Kotler (1994) noted that if sales promotion is conducted continuously, they lose their effect. Customers begin to delay until a coupon is offered or they question the product's value. When organizing sales promotion firms' can direct sales promotion to ultimate consumers, that is, Consumer oriented sales promotion to support a company's advertising and personal selling.

On the other hand firms' can also direct their sales promotion to traders like the wholesalers, retailers or distributors. This can be done by giving the traders allowances and discounts. They can also carry out cooperative advertising whereby manufacturer pays a percentage of the retailers local advertising expenses for advertising the manufacturer's products and lastly, firms can train distributor sales forces to increase their performance (Hardie, 1991).

Direct Marketing

Kotler (2000) defined direct marketing as an interactive, marketing system that uses one or more advertising media to effect a measurable response and/or a transaction at any location. Hardie (1991) emphasized that sales produced through direct marketing are growing rapidly. Today many direct marketers see direct marketing as playing a major role that of building a long-term relationship with the customers.

Brand Equity

According to Srinivasan et al, ' Brand equity is defined as the incremental contribution ($) per year obtained by the brand in comparison to the underlying product (or service) with no brand-building efforts '

Dimensions of Brand Equity

Brand Awareness

Brand Awareness is the measurement of the accessibility of a brand in the memory of the customer. We can measure it through brand recall. Brand image means how a consumer perceives a brand (Chandon, 2003).

Brand Loyalty:

Brand Loyalty means the extent of the commitment of a customer to his brand and how many times he repeats his purchases for the same brand. A loyal customer will prefer to purchase his brand consistently no matter what price is offered. Companies always thrive to sustain its customers. They make strategies not only to attract new customers but to cultivate loyal customers.

Perceived Quality:

Perceived quality is related to a consumer's opinion on the extent to which a particular product will be able to meet his expectations. In this regard perceived quality has nothing to do with the actual performance of the product. But perceived quality can have a great impact on a brand's equity: the higher the perceived quality of a brand, the greater will be its brand equity. It is important that a customer perceives a brand to be of high quality because it will increase the brand preference and build brand equity.

Brand Image

Brand Image is the key driver of Brand equity, which refers to consumer's general perception and feeling about a brand and has an influence on consumer behaviour .

6.0 Hypothesis

Null Hypothesis-Promotional mix not have an impact on brand equity. (>0.05)

Alternate hypothesis-Promotional mix has an impact on brand equity. (<0.05)

7.0 Methodology

Determination of sample size and sampling method

In this research, using Cochran formula and according to the statistical population of this research(customers of Tanishq in Sivakasi Town), with sampling error 0.05 and 95% reliability, samples were estimated at least 305 people that in this research were considered 400 people. In this research, Judgemental sampling were used.

Data collection

In order to gather information required for the present research library and field methods were used:

Research Tools

Questionnaires were used in this research. This questionnaire includes 46 questions that assess promotional and it's impact on Brand equity. This questionnaire is standard and for respondent's feasibility in answering questions, closed questions and five-option Likert scale designed by researcher are used.

In this research, in order to determine tool's reliability Cronbach alpha method was used. In this research, Cronbach's alpha value of each indicator is larger than 0.7, so the questionnaire is reliable.

7.0 Findings

Chi-square

This study is undertaken to find out the relationship between promotional mix and brand equity. Chi-square helps to analyze the relationship between these variables based on the value of significance.

Table 01: Chi-square between promotional mix and brand equity

	Value	Degree of freedom	Asymp. Sig. (2- sided)
Pearson Chi-Square	$1.024E2^a$	35	.000
Likelihood Ratio	42.305	35	.185

It's significant at 0.00 level. There is a significant relationship between promotional mix and brand equity.

Correlation

Correlation analysis was carried out to find out the relationship between promotional mix and brand equity based on the value of correlation

Table 02 : Correlation between promotional mix and brand equity

	Promotional mix	Brand Equity
Promotional mix	1	.722 (.000)
Brand Equity	.722 (.000)	1

Correlation is significant at the 0.01 level.

Two way ANOVA

Promotional Mix – Ho$_1$ - Promotional mix does not influence the Brand name of the respondents.

Brand equity – Ho$_2$ - Brand equity does not influence the Brand name of the respondents.

Brand Name – Ho$_3$ - Influence level of Promotional mix is same as Brand equity on Brand Name.

Table 03 : Two way ANOVA between Brand Name comes to your mind while purchasing of gold and Promotional mix(Advertising, Sales promotion & Direct Marketing) as well as Brand Equity

Two way ANOVA						
Source	**Type III Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**	**Partial Eta Squared**
Corrected Model	23.210[a]	24	.967	2.214	.001	.160
Intercept	67.006	1	67.006	153.434	.000	.354
Promotional Mix(ADSALESDIRECT)	14.008	7	2.001	4.582	.000	.103
Brand equity of Tanishq	8.827	4	2.207	5.053	.001	.067
Promotional mix(ADSALESDIRECT Brand equity of Tanishq	18.904	13	1.454	3.330	.000	.134
Error	122.279	280	.437			
Total	634.000	305				
Corrected Total	145.489	304				

R Squared = .160 (Adjusted R Squared = .087)

Table 03: A two-way analysis of variance tested whether Promotional mix influenced by Brand name has p value = 0.000, which is less than 0.05. Hence null hypothesis is rejected. It concludes that Promotional mix influenced by Brand name. Another Independent variable namely Brand Equity of Tanishq has p value =0.001, which is also less than 0.05. Hence null hypothesis is also rejected for this variable. It concludes that Brand Equity influenced by Brand Name comes to your while purchasing of gold. Then the interaction of both(Promotional mix and Brand equity) variables p value = 0.00 which is less than 0.05. Hence null hypothesis is rejected for this variable also. It concludes that both Promotional mix and Brand equity influence the Brand name comes to your while purchasing of gold.

T-Test

Paired sample test between Promotional mix and Brand equity

Null Hypothesis : There is no significant difference between Promotional mix and Brand equity.

Table 04: Paired sample test between Promotional mix and Brand equity

		Paired Differences						
Attributes	**Mean**	**Std.Deviation**	**Std.Error Mean**	**95% confidence Interval difference**		**t**	**df**	**Sig.(2tailed)**
				Lower	**Upper**			
Pair- Promotional mix and Brand equity	.243	1.082	.062	.121	.365	3.915	304	.000

It shows that the p value of all variables in Promotional mix and Brand equity are less than 0.05 level of Significance. Hence Null Hypothesis are rejected for these variables. It concludes that there is a significant difference between Promotional mix and Brand equity.

Test of Durbin-Watson

Table 05 : Test of Durbin Watson between Promotional mix and Brand Equity

Variable	Durbin Watson
Promotional mix and Brand equity	1.56

The acceptable Durbin –Watson range is between 1.5 and 2.5. There was no auto correction problems in the data used in the research.

Regression Analysis

Regression analysis was carried out to test the impact of promotional mix on brand equity. In this case, Promotional mix is the independent variable and Brand Equity is dependent variable.

Table 06 : Regression Analysis

R	R Square	Adjusted standard R Square	Std. error of the estimate
.604	.624	.620	1.771

1.**Predictors**(Constant)- Promotional Mix (Advertising, Sales Promotion, Direct Marketing)

2. Dependent variable : Brand Equity

From the Table 06, we can observe that Brand equity is influenced by Promotional mix by 62%. Remaining 38% are determined by other factors.

7.0 Conclusion and Suggestion

It has been highly recommended for the future researchers to investigate out the different factors which could facilitate in defining the promotional mix. Brand Equity is defined 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 the firm's consumers. The 'promotional mix' is a term used to describe the set of tools that a business can use to communicate effectively the benefits of its products or services to its customers. The main thing is to select the right promotional mix activities to suit the particular business and to use it properly to achieve a better result. One of the most important marketing decisions that managers may need to make centers around determining the most effective way to promote their business and products. This study examines how promotional mix i.e. Advertising, Sales Promotion and Direct marketing impacts brand equity of Tanishq, Sivakasi Town. The present research reveals that most of the respondents are highly satisfied with the Promotional mix elements and Brand equity. The findings suggested that the promotional mix have positive effects on brand equity of Tanishq. From the Promotional mix, Advertisement plays an important role in Brand Equity. Sales promotion also plays a second significant role in Brand Equity. Direct Marketing plays a limited role in Brand Equity when compared to other two factors. This study also found out that Brand Awareness and Perceived Quality of Tanishq are very strong among other Brand Equity factors (Brand Awareness, Brand Loyalty, Perceived Quality and Brand Image).The brand image of Tanishq is good, but to retain its brand image for coming years, the organization has to focus more on the promotional activities and also enhancing the quality and design of products.

It is found from the study that Promotional mix (Advertisement, Sales Promotion & Direct Marketing) have a positive impact on Brand Equity of Tanishq. Advertisement plays an important role in Brand Equity of this study. When compared to advertisement, Sales promotion and Direct Marketing having a limited impact on brand equity. So the Organization must give more focus on sales promotion and direct marketing for their products. It will give an added advantage to the company. By giving discounts, offers etc, will increase their satisfaction level and increase the Organization's reputation. Even advertisements plays a main role in Brand Equity, respondents are not feeling

better with the advertisement given by Tanishq that are Informative and Worth Remembering. Like any other product, jewellery shop also needs better advertisement in the way of more informative and worth remembering. The advertisement will not only create awareness but also influences the consumers in a better way. Hence, it is suggested that advertisement should be in a worthy manner, through that brand equity can be increased more and customers can easily attracted with their products.

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