



## Sales Promotion as a Tool for Improving Customer-Based Brand Equity in Kano Metropolis

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### Abstract

*Managing and building strong brand is seen today as the main goal of every organization. Having a strong brand is significant important to every organization as it result in having greater customers, achieving competitive advantage and brand extension. However, marketing researchers have not address how strong brand (brand equity) may be managed, built and improved through sales promotions. The study investigated sales promotion as a tool for improving customer-based brand equity by business organizations within Kano metropolis. The paper is conceptual. Therefore, it concludes that sales promotion as a promotional tool has a significant improvement on customer-based brand equity in Kano metropolis. Therefore, to have strength in terms of market leadership and market share, organizations must pay higher attention to their marketing activities such as sales promotion and this can be achieved by improving on the quality and awareness of the brand product and services. It is therefore, recommended that sales promotion should be strengthened and used by the organizations to create and manage strong brand as it have a positive impact on the attribute of brand knowledge which are believed to have an improvement on customer-based brand equity.*

**Key words:** Brand equity, Sales Promotions, Brand awareness, Perceived quality.

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### Introduction

Sales promotion is a tool in marketing communication that marketers use to increase sales of their product or services. Sales promotion as defined by Keller (1998) is a short term stimulants used to encourage and persuade customers to buy a product or service. And that it can be either price, monetary, or non-monetary promotion. Although its impact on firms brand is short term but it is believed that sales promotion particularly monetary promotions erode brand equity over time (Yoo et al., 2000).

In order to build brand, there is the need for organization to use all brand strategies aimed reinforcing and enhancing brand equity. Research conducted has stressed the role that marketing mix played in creating and managing brand equity. (Yoo et al., 2000). These elements are found to have significant impact

on organizations and they are under the control of the organization. One of such variable is promotional mix.

Customer-Based Brand equity is one of the most important marketing concepts which have received the attention of many marketing researchers and practitioners. Brand equity has been considered many years by marketing researchers to have an impact on the long term relationship between the consumer and the organization (Balaji, 2011). Organizations are moving toward brand orientation, which is a strategic orientation aimed at creating and increasing competitive advantage through building strong brand with high brand equity (Huang & Tsai, 2013). Brand is now viewed as intangible strategic resources which organizations manage and build to achieve competitive advantage (Santos-Vijande, et al. 2013). Tsang, et al. (2011) argued that

customers today are not only buying the product but also buy the brand. As such, the rivalry between organizations does not only exist on the product but also on how organization present the brand attributes. Therefore, it is important for business organizations in Kano metropolis to manage and build strong brand in order to achieve competitive advantage.

Marketers consider brand equity as assets that firm can create, manage, own, and use to achieve competitive advantage (Keller 1993; Balaji, 2011; Gonzalez-Benito & Fustinoni-Venturini, 2013; Yoo & Donthu, 2001; Yoo, et al., 2000). Understanding the importance of brand equity, firms invest significant time, money, and effort in building the firm brand image through strategic brand management (Sirianni, et al., 2013). Marketers achieve this through positioning or the use of marketing activities such as sales promotion and other promotional messaging to establish key associations in customer minds. And firms are putting efforts to make their brand popular and widely accepted by their target audience (Khan & Mahmood, 2012). Therefore, building and managing strong brand is important for the business organizations in Kano metropolis in achieving competitive advantage.

Building strong brand today is seen as the goal of every organization because having strong brand is seen as providing benefits to firm which include among others having greater customer loyalty, achieving competitive advantage, and less marketing crises, and so on (Keller, 1998). As such organizations are doing everything possible to manage and build strong brand. Brand equity is considered as the platform upon which organization secure cash flows, and grow shareholders wealth (Christodoulides, et al., 2015). The researchers further assert that brand equity is linked with such business outcomes such as brand extension, word of mouth recommendation, price premium and purchase intention. Hence, having strong brand means that the organization has brand equity, which have impact on the brand value.



## Brand Equity Dimensions

According to Aaker (1991), brand equity is a multidimensional concept. These include brand loyalty, brand awareness, perceived quality, and brand association. Keller (1993) suggested brand knowledge, comprising of brand awareness, and brand image. The difference between Aaker model and Keller model is that Keller posited that perceived quality is a product attribute and not a dimension of brand equity. And that brand loyalty is a manifestation of brand equity. Though Keller and Aaker differ in conceptualizing brand equity, but both view brand equity on the perception of consumer on the brand Lasser, W., Mittal, B., & Sharma, A. (1995). Aaker's four dimensions of brand equity include:

### 1. Brand Loyalty

According to Aaker, (1996) brand loyalty is the core dimension of brand equity. This is because of the fact that loyal customers serve as a barrier to entry, basis for price premium and also serve as a defensive against harmful price competition. In their study Yoo et al. (2000) posited that a customer that is loyal to a brand is likely to make purchase on routine basis and also resist switching from one brand to another. Therefore, such customer shows more favorable response to the brand. According to Oliver as cited in (Yoo et al. 2000) define brand loyalty as the extent to which customer is deeply committed to repurchase or patronize a brand that he or she preferred consistently in future, no matter the situational influences and marketing efforts that may cause the customer to change to another brand. Aaker (1991) define brand loyalty as the extent to which the customer is attach to a particular brand.

### 2. Perceived Quality

Perceived quality is argued to be one of the key dimension as it is considered as an important and direct antecedent of brand equity (Aaker, 1996; Jahanzeb et al., 2013). According to Bharatwal and Sharma (2010) perceived quality provides the organization with the opportunity to charge or command premium price and enjoy greater trade leverage. Hence, perceived quality encourages customer loyalty to a particular brand. Yoo et al. (2000) posited

that perceived quality serve as a driver of consumer choice of a particular brand against competing brands. Therefore, the more the consumer perceived a brand quality the more the brand equity. Hence, perceived quality is defined as the subjective judgment a customer make about the overall product excellence or superiority (Yoo et al. 2000). That is customer's perception on the overall quality of the product or service a particular brand offered to him or her.

### 3. Brand Awareness

Brand awareness according to Aaker (1996) plays an important role as a source of brand equity but it is sometimes undervalued. He further argued that brand awareness has an impact on customer brand perceptions and attitudes. Therefore, it is viewed as a driver of brand loyalty and choice. According to Huang and Sarigöllü, (2012) brand awareness is seen as the extent to which the customer recall and recognize a brand. They further assert that brand awareness affects the decision- making of consumers particularly for low-involvement products. Kimpakorn and Tocquer, (2010) opined that a brand with strong awareness influence the customer choice in a category of brands.

### 4. Brand Association

Brand associations are viewed to involve brand image that are unique to a particular brand (Aaker, 1996). Brand association is defined as anything that is linked to the brand and is kept in the mind of the consumer (Aaker, 1991). In their study Yoo et al. (2000) argued that a brand with strong awareness forms a specific brand image. Kimpakorn and Tocquer, (2010) assert that brand associations are either product related or non-product related attributes. They further opined that brand personality, country of origin, and user profile are non-product related attribute that a customer can hold in his or memory about a particular brand. The researchers believe that in a service brand, brand association can be either related to core service or facilitating and supporting services. Therefore, supporting associations are seen as differentiators that add value to the core services. On the other hand, product related



associations are used by customers as criteria to assess brands.

### Sales Promotion as a Tool for Improving Customer-Based Brand Equity

Literature has revealed that brand knowledge is the main source of building strong brand, and as such it has a direct effect on brand equity which in turn affect whatever judgment the consumer makes on the brand (Keller, 1993). Brand knowledge may be as a result of the marketing activities of the brand such activities may be through the marketing communication tools that the brand uses. Therefore, marketing communication tools are used by organization to create and build brand equity.

Among the marketing communication tools the present study concentrated on sales promotion which was believed to have a short-term effect on brand by increasing sales and brand-switching (Kapferer, J. 2008). The fact that brand knowledge includes all kind of information the consumer linked to a brand such as product attributes, product benefits, experience and so on (Keller, 1998), it is believed that such information may have a great impact on the brand. And that such information may be affected by sales promotion. Thus, sales promotion is believed to have improved customer-based brand equity in Kano metropolis.

Therefore, the paper assumed that sales promotion may be used by organizations to create and manage strong brand, as it may have a positive impact on the attributes of brand knowledge which are believed to have an improvement on customer-based brand equity (Keller, 1998; Krishnan, 1996).

### Conclusion

Based on the conceptual review, the paper concludes that sales promotion both monetary and non-monetary have significant improvement on customer-based brand equity in Kano metropolis. Therefore, to have strength in terms of market leadership and market share, organizations must pay higher attention to their marketing activities such as sales promotion. And this can be achieved by improving on the quality and awareness of the brand product and services.

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