



Relationship between Customer Based Brand Equity and Brand Evangelism: Research Propositions on Cable Brands in Sri Lanka

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ABSTRACT

The relationship between the concepts of brand equity and brand evangelism is a less examined concept as claimed in empirical research works. There are studies found examining those concepts in line with different market and consumer perspectives, but still demands further investigations. Brand evangelism is found as one of the concepts related to brand-related behavior. Meanwhile, brand trust is a noted concept revealed in studies as a facet of brand evaluation that influences on brand relationship behaviors as a mediator. Accordingly, this paper attempts to review the concepts of brand equity and brand evangelism to verify how brand equity results brand relationship behavior. Empirical review and theoretical justifications were followed as per deductive approach to build an argument to claim proposed hypotheses. The “Commitment Trust Theory” was reviewed as to bridge the theoretical mechanism for the proposed research directions. Accordingly, we followed empirical articles published in journals, content of book chapters and industry statistics as the research tools. Discussion was established to rationalize the future research directions in line with the main empirical arguments made. Paper concludes the significance of examining the proposed conceptual relationship in the scope of cable market of Sri Lanka.

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1. Introduction

Brand equity is considered to be one of the extendedly examined concepts whilst empirical studies still examine it in the behavioral research studies. Brand equity is simply defined as the differential effect of brand knowledge on consumers responding to a brand (Buil, Chernatony & Martinez, 2013; Keller, 2003). Additionally, brand evangelism has been claimed as an extended version of loyalty behavior as it defines in many studies. Accordingly, brand evangelism is defined as the active behavioral and vocal support of a brand including actions such as purchasing the brand, disseminating positive brand referrals, and convincing others about a focal brand by disparaging competing brands. (Becerra & Badrinarayanan, 2013; Doss & Carstens, 2014). Brand trust has been evaluated as a mediating factor in empirical studies, and it defines as the willingness of the average consumer to rely on the ability of the brand to perform its stated function” (Chaudhuri & Holbrook, 2001; Dissanayake, 2015). In brief, those concepts have been found in the scope of behavioral studies referring to different branding context whilst claiming further investigations within product and market contexts including services, industrial products and consumer durables (Munasinghe & Dissanayake, 2017). Studies highlight cable market as such a less examined ,but a worthy context demands empirical studies to examine how brand equity development strategies effectively result brand related behaviors (Munasinghe & Dissanayake, 2017).

Meanwhile, cable market in Sri Lanka is reported as a highly competitive context , and it operates with six local players namely ACL Cables, Kelani Cables, Sierra Cables,

Kamal Cables, Ruhunu Cables and Orange Cables (Munasinghe & Dissanayake, 2017). ACL Cables, Kelani Cables and Sierra Cables are public quoted companies. ACL and Kelani are dominant brands in the local market which holds 65% of market share (Government Import Statistics “Data One”, 2016). Market size is Rs 23 Billion per annum (Government Import Statistics “Data One”, 2016) and market is dominated by local brands. This industry has been protected by government by imposing duty for imports with the intention of protecting local manufacturers from inferior quality imports. No substitute is available for cables. Main entry barrier into this market is high investment on plant and machinery and technology, market know-how, investing on raw materials are also other effected factors. Main raw materials are copper, aluminum, Poly Vinyl Chloride (PVC) and Cross Linked Poly Ethylene (XLPE). All local manufacturers are manufacturing in accordance with Sri Lankan standards (SLS). Additionally, the influences of intermediaries and opinion leaders like Electrician are found as key influencers in the buying process of cables (Dissanayake, 2015).

The dominated local brands have developed trust among Sri Lankans and today almost all local cable requirements are supplied by local firms. Maintaining quality is a paramount matter and manufacturers have to adhere for quality standards introduced by Sri Lanka Standards Institute (SLSI). Leading cable brands are trying to differentiate each other and companies spend greater portion from their marketing budgets on bellow the line activates than above the line (Dissanayake, 2015). Creating loyal customers within both B2B and B2C markets is a challenging task.

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Companies attempt to make loyal customers for the long term survival of the organizations and initiate various type of activities to develop set of loyal customer towards organization or brand through brand equity (Keller, 2003). Brand evangelism is a concept where it has gone few more steps ahead to brand equity; and still refers as a less studied area in many market and product contexts (Dissanayake & Ismail, 2015). Brand evangelism is defined as the active behavioral and vocal support of a brand including activities such as purchasing the brand, disseminating positive brand referrals and convincing others about a focal brand by disparaging competing brands (Becerra and Badrinarayanan, 2013; Doss, 2014; Doss & Carstens, 2014). Thus, chance of developing brand evangelist within cable brands could make customers to act as unpaid spokesperson (Munasinghe & Dissanayake, 2017).

1.1 Research Gap, Motivation and Contribution of the Study

Cable industry contributes Rs 23 Billion to the GDP annually (Government Import Statistics "Data One", 2016). The leading cable brands in Sri Lanka meet higher level of brand differentiation as the export their cable brands to overseas markets. Cable industry contributes to infrastructure development of the country by providing cables for power transmitting from power generating plants to the houses. However, empirical studies are found minimal to evaluate how marketing stimulus practiced in the industry influence consumer behavioral responses (Gunawardane, Dissanayake & Munasinghe, 2016; Munasinghe & Dissanayake, 2017; Market Assessment Report of Kelani Cables PLC, 2016). Supportively, cable market in Sri Lanka is claimed as one of the contexts need empirical investigations to evaluate the effectiveness of marketing practices in relation to long term brand relationship behaviors (Dissanayake, 2015). A significant trend of competitive marketing and brand equity building strategies is noted in the cable industry of Sri Lanka even though post evaluations are less found (Munasinghe & Dissanayake, 2017). It further refers that local cable market shows a significant trend in investing branding on consumer markets rather limiting to intermediary or industrial segments. Additionally, Brand evangelism is found as a concept where empirical studies still try to examine its behavior within different products and market concepts. It reflects brand evangelism as a concept which needs more empirical explanations in relation to brand relationship behaviors in different market and product contexts including industrial segment (Becerra & Badrinarayanan, 2013; Munasinghe & Dissanayake, 2017). Meanwhile, brand equity and brand trust are found as connective variables that relate with brand relationship behaviors including brand evangelism (Becerra & Badrinarayanan, 2013; Doss & Carstens, 2014). Determining the causal relationship of consumer based brand equity dimensions has important implication for managers (Buil et.al, 2013); and the influence made by such marketing stimulus on purchase intention and long term brand relationship aspects should be examined to contribute managerial implications in the industrial markets including cables sector (Delgado-Ballester & Luis Munuera-Alemán, 2005; Gunawardane, et.al. 2016).

Accordingly, we claimed the research gaps based on the empirical gaps and performance gaps as mentioned in the foresaid review whilst highlighting the managerial implications need to be empirically supported. Alongside, this papers claims the research problem as to what extend brand

equity could enhance long term brand relationship behaviors including brand evangelism as a noted claim. The context we refer is the Sri Lankan cable market since it finds empirical gaps as referred in the foresaid review. The main objective of the paper is to investigate theoretical and empirical review on brand equity and brand evangelism whilst focusing the role of brand trust as mediating mechanism comes under brand evaluation context. Secondly, it attempts to build an argument to claim the future research direction referring to cable market of Sri Lanka as a notable context. Accordingly, paper contributes to empirical knowledge by reviewing the conceptual relationships exist between brand equity and brand evangelism whilst an additional argument is made to review the role of brand trust within. Future research directions are encouraged in line with the empirical arguments and managerial implications noted.

1.2 Methodology

This paper follows positivism paradigm as the research philosophy since it discusses the existing theoretical and empirical arguments. Thus, a deductive approach is followed to present the empirical relationships proposing future research propositions. Research tool was based on literature review and we associated journal articles, book chapters and industry publications to review the theoretical and empirical justifications whilst revealing industry-related rationales. Case insights found on marketing practices of the industry were obtained through semi-structured interview held with professionals attached to the industry as an additional strategy to frame the study. Discussion content of the paper was supported by literature review and further research directions proposed by the previously held studies.

2. Literature Review

Paper attempts to review the literature and bridge the empirical arguments under three main concepts namely customer based brand equity, brand evangelism and brand trust. Additionally, a theoretical review is made to rationalize the mechanism of brand trust as a mediating force.

2.1 Customer Based Brand Equity

Building a brand in an organization results many benefits since once brand is built, company gains lucrative margins, brand extensions opportunities and less vulnerability for competitive marketing actions. Brand equity is a multidimensional concept and a complex phenomenon which is separated it into two components namely awareness and association (Keller, 2003). Aker (1996) grouped it into five categories: perceived quality, brand loyalty, brand awareness, brand association and other propriety brand assets as patents, trademarks, and channel relationships. Among several brand equity models said in the literature, constructs arrived by Aker (1996) are one of the most commonly cited contributions. Determining the causal relationship of consumer based brand equity dimensions is noted as a significant managerial implication as well (Buil et. al, 2013). According to Keller's model (2003), building strong brand involves four steps, establishing brand identity, create the proper brand meaning, brand response and brand relationship with customers. Achieving these four steps involves establishing six brand building blocks namely brand salience, brand performance, brand imagery, brand judgment, brand feeling and brand resonance (Desai & Keller, 2002; Keller, 2003). Conclusively, customer based brand equity has been tested in different industries and markets whilst newness is proposed in terms of its influence on brand relationship behaviors.

2.2 Brand Evangelism

Brand evangelism is a novel concept compared to brand equity that still demands empirical studies (Dissanayake & Ismail, 2015). Brand evangelism is far beyond loyalty whereas evangelist will be loyal to the customer as well as promotes the brand and demote the competitor brands committing higher benefit (Becerra & Badrinarayanan, 2013). Brand trust influences purchase intention and positive referrals. Brand identification influences positive and oppositional brand referrals. Studies suggest that marketers can cultivate brand evangelism by building brand trust and brand identification (Becerra and Badrinarayanan, 2013). Organizations tend to be interested to understand the customer brand relationship with the intention of cultivating and encouraging behaviors that benefit towards the brand (McAlexander et. al. 2002). Companies are keen on the process of developing and paying careful attention to produce highly influential consumers who acts as brand evangelist who intensely convince brand-related experience to others, getting others to experience the brand, discourage others from consuming rival brands (McConnell & Huba, 2003; Matzler, Pichler & Hemsberger, 2007). Brand evangelism describes an active and committed way of spreading positive opinions and trying to persuade others to engage with the same brand (Matzler et. al. 2007). Researchers have identified that strong consumer-brand relationships influence consumer actions, such as purchasing the brand, praising and/or defending the brand, and even providing opposing comments about rival brands (Becerra & Badrinarayanan, 2013). Further, it stated that brand evangelism is defined as the active behavioral and vocal support of a brand including actions such as purchasing the brand, disseminating positive brand referrals, and convincing others about a focal brand by disparaging competing brands. A brand evangelist acts as an unpaid spokesperson on behalf of the brand (Doss & Carstens, 2014). Brand evangelism and customer brand relationship behavior (CBR) have been claimed as brand-related behaviors whilst suggested to further investigate with different product contexts in Sri Lanka (Dissanayake & Ismail, 2015). Thus, we argue brand evangelism is an extended version to investigate customers' brand relationship behavior whereas industrial brands are eager for such committed and long-term contribution of customers.

2.3 Brand Trust

Trust, in general, is the willingness to rely on a party based on beliefs about the characteristics and behavior of that party in the face of risk; whereas brand trust is the willingness to rely on a brand, based on beliefs about that brand despite the risk or uncertainty associated with that brand (Becerra and Korgaonkar, 2011; Veloutsou, 2015). The willingness of the average consumer to rely on the ability of the brand to perform its stated function is said as brand trust (Chaudhuri & Holbrook, 2001). Morgan and Hunt (1994) indicate that both commitment and trust are necessary for successful relationship marketing. It is obvious that trust is a key factor in collaborative relationships with customers in business marketing. Delgado-Ballester, & Munuera-Alemán, (2005) claimed that the ultimate goal of marketing is to generate an intense bond between the consumer and the brand, and the main ingredient of this bond is trust. Brand trust has been investigated as a variable that influences perceived brand evaluation leading to brand relationship behaviors including brand evangelism (Gunawardane, et.al.2016; Nelson, 2007). Brand trust has been examined and denoted as a mediating

mechanism in relation to brand relationship behaviors including brand evangelism (Dissanayake & Ismail, 2015). Conclusively, brand trust is a widely examined concept in consumer behavioral studies connect to brand-related behaviors and brand evaluation perspectives. Additionally, this paper reviews how brand trust is associated with theoretical mechanism as undermentioned.

2.3.1 Review on Commitment-Trust Theory

The research paper is grounded in the well-known commitment-trust theory of relationship marketing as proposed by Morgan and Hunt (1994). This theory denotes that "relationship marketing "as the act of establishing, developing and maintaining successful relational exchanges resulting constitutes a major shift in marketing theory and practice. It has tested the key mediating variable model using data from automobile tire retailers and proved that how relation commitment occurs whilst trust acts as a mediating variable (Morgan & Hunt, 1994). Relation marketing refers to all marketing activities directed toward establishing, developing and maintain successful rational exchanges. It has referred relationship marketing directs on rationale exchanges involving suppliers, lateral organizations, customers and own employees (Morgan & Hunt, 1994). Thus, it concludes there is a strong positive linkage between trust and relation commitment as denoted by commitment-trust theory. Further findings revealed that communication also plays significant role in creation trust (Mukhejee & Nath, 2007). It is empirically justified that trust towards banks could result commitment, reliability and satisfactory stance to handle conflicts to create customer loyalty (Nelson, 2007). Moreover, Aydin and Ozar (2004) studied the relationship between customer loyalty and perceived quality, trust, corporate image and perceived switching cost. Results revealed that trust is the most important determinant of customer loyalty. Accordingly, commitment trust theory of Morgan and Hunt (1994) has been referred in empirical studies to argue brand trust as an influential matter to build brand relationship behaviors including loyalty (Gunawardane, et.al.2016). Loyalty remains as one unique component of brand relationship behaviors including brand evangelism (Becerra & Badrinarayanan, 2013; Doss & Carstens, 2014). Moreover, some studies have mentioned the mediating role of brand trust in establishing such brand relationship behaviors as a further research area across the product categories and markets including industrial product segments (Dissanayake & Ismail, 2015; Gunawardane, et.al.2016).

3. Discussion

This paper reveals theoretical justification and empirical evidences on how customer based brand equity influences brand trust and subsequently brand evangelism as an extended brand relationship behavior. Supportively, commitment trust theory reflects how brand trust ensures optimum level of brand relationship outcomes. Studies have justified brand evangelism as one of the extended brand relationship behaviors (Becerra & Badrinarayanan, 2013; Doss & Carstens, 2014; Gunawardane, et.al.2016). Supportively, brand evangelism is noted in relation to different facets of brand equity directing empirical foundation for the future research studies across different industries (Becerra & Badrinarayanan, 2013). Specifically, cable market of Sri Lanka has been referred as a context that needs empirical investigations to study how its brand building strategies result long term brand relationship behaviors other than purchase intention (Dissanayake, 2015; Gunawardane,

et.al.2016; Munasinghe & Dissanayake, 2017). In holistic view, future empirical studies could contribute managerial implication to industrial marketing context referring brand equity related strategies (Buil et. al, 2013). Moreover, examining brand evangelism with reference different market and product contexts is highlighted as a research proposition (Becerra & Badrinarayanan, 2013). As this paper reviews, brand trust acts as a mechanism of mediating long term brand relationship behaviors. This argument is mainly laid by the empirical arguments and theoretical support mentioned by Morgan & Hunt (1994).

In overall, industrial marketing and industrial branding scopes have been claimed as one of the less examined areas (Dissanayake, 2015; Delgado-Ballester & Luis Munuera-Alemán, 2005). Accordingly, paper highlights the need of empirical investigations on brand-related behaviors against marketing stimulus specifying Sri Lankan cable market as a significant context (Gunawardane, et.al. 2016; Munasinghe & Dissanayake, 2016). Conclusively, we propose undermentioned research propositions to be examined addressing to empirical gaps, practice issues and reviewed theoretical justifications referring cable market as a notable context.

P1: Investigating the influence of customer based brand equity on brand evangelism behavior with reference to cable brands.

P2: Examine the influence of brand trust towards the brand evangelism behavior in the cable brand contexts.

P3: Examine the mediating effect of brand trust as a brand evaluation contexts on the relationship between customer-based-brand equity and brand evangelism behavior in cable market context.

4. Conclusion

This paper reveals empirical and theoretical contents related to customer based brand equity and brand evangelism as the main concepts. Additional argument was empirically supported to claim the mediating influence of brand trust that makes a combined effect with customer based brand equity on brand evangelism behavior. Empirical gaps referring to industrial markets on evaluating brand evangelism behavior were justified with recently held studies. Paper made a specific attention to Sri Lankan cable brands as a noted context to be examined with customer based brand equity and brand evangelism behaviors. It highlights the key thought of recently held studies to highlight the managerial importance of examining long term brand relationship behaviors for the industrial market segment. Finally, paper postulates research propositions to empirically investigate specifying cable market of Sri Lanka as a worthy context.

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