The Role of Marketing Mix on Brand Value

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Abstract. With increasing competition and emerging phenomena such as global markets, domestic industries of each country should increase their competitive advantage to stay in the arena. Consumer marketing is one of very effective strategic tools in the field. In this type of marketing, brands are often starting point of differentiation between competitive offers, such that have a crucial impact in success of organizations. The main purpose of this study is to examine the impact of marketing mix elements on special brand value in airline and travel agencies of Tehran. The present study is applicable objectively and in terms of method of data collection and analysis, it is a descriptive and correlation. Due to infinity of the population (customers of 143 travel agencies), there was used simple stratified sampling method and Kerjsi-Morgan Table and there were selected a sample size with 384 persons. It was collected using questionnaire data tools from the sample size. The research results suggest that marketing mix factors have affected variable of brand value and its components other than price on special brand value, price promotions on brand awareness and brand value.

1. Introduction.

The real value is not inside product or service, but this value is in mind of customers actually and potentially and it is brand that relates the value in their mind. Therefore, all organizations and people tend to be managed as a brand (Kapferer, 2008). A brand that create a good image in mind of customer is vital to manage product and marketing communications (Erenkol & Duygun, 2010). A powerful brand will increase customer satisfaction, repurchase and loyalty (Keller & Lehmann, 2006).

Today, customers influence processes of doing affairs and producing goods and services, and developing competitiveness knowledge. The known brands can increase customers' loyalty by effectively and efficiently manage relationships, create suitable and deliver value to them, and ultimately improve and enhance performance and productivity of company (He, Li & Harris, 2012). Results of the activities can be seen in the created image by customer on producer company before buying and using products and services.

On the other hand, marketing activities affect special brand value and by knowing how the activities play role in brand value or damage it, marketing managers can develop effective marketing programs (Lau & Phau, 2007).

If we can determine the relationship between marketing mix elements and brand equity, particularly its dimensions, decision-makers can decide on how to use the elements in company. They can maximize special brand equity and ultimately achieve sustainable profitability. Therefore, this study examines effect of the selected marketing mix on brand equity in airline and travel agencies in Tehran.

Research Literature

According the conducted studies, by examining 12 brands in different Korean and American markets and cultures, as well as using the theory of hierarchy model effect, Yoo and Donthu (2001) have provided relationships for three dimensions of brand equity, i.e. brand awareness/brand associations, the perceived quality and brand loyalty that brand awareness affects the perceived quality and the perceived quality will leads to brand loyalty.

Special Brand Equity:

Special brand equity is defined as a set of assets and liabilities linked to a brand (Aaker, 1991). There have been various provided definitions for special brand equity. In general, it can be said special brand equity is a multidimensional concept that it can be increased by strengthening its dimensions. The dimensions include brand loyalty, brand awareness, the perceived quality, brand association and other brand assets. Strengthen all aspects could lead to special brand equity (Aaker, 1991).

Marketing Mix Factors: they refer to a set of marketing tools that a company uses them to achieve its marketing objectives in target market. McCarthy divided them into four groups and called them as 4P:

1. *Price*: money that customer should pay for a product (Kotler & Armstrong, 2000).

2. *Place:* the conducted activities by company to provide its products for consumers (Kotler & keller, 2001).

3. *Promotion:* sales promotion operation and series of communication programs on consumers. In other words, they are series of promotional activities such as advertising, personal selling, sales promotion and public relations that are used to achieve objective of selling (Village et al, 2009).

4. *Image of store:* a closed concept in mind of customer that part of the concept relates with functional features and the other part relates with psychological features of store (Karbasivar et al, 2011).

5. *Cost promotion:* it includes items such as decline price in short-term, for example, selling special coupons of distribution, packing coupons, trading without interest, discount and repayment (Aaker, 1991).

Price and Special Brand Equity: Most consumers believe that price will be determined according supply and demand in market, so price is an indicator of product quality. Given the positive relationship between price and the perceived quality of product, consumers consider price as a criterion of product quality (Keller, 2003). Also, in some cases, the relationship between price and the perceived quality may be reverse, so if there are high prices, competitive advantage will be threaten among competitors; it is common especially in industrial markets (Baldauf et al, 2009). In terms of cost savings for consumer, low prices can be considered as a positive point, but it may that consumer think that company has reduced quality of its products by offering a lower price (Yoo et al, 2000). Therefore, effect of price on special brand equity is associated with features and type of market, so price is an important factor in decision to buy on industrial markets, but it is not true in other markets (Van Rielet al, 2005).

Product and Special Brand Equity: product name can be associated with a lot of information about the product and thus it can play a central role on the perceived quality of product (Grewal et al, 1998). Features and specifications of a product are always the most important factor affecting brand experience for consumers. Van Riel et al believe that physical properties of a product have significant impact on brand equity (Van Riel et al, 2005). Some tangible product attributes include quality and some non-physical attributes of product; they are factors that affect forming the perceived quality by consumer (Chen et al, 2011). Designing attractive packaging for goods will absorb consumers (Huang & Sarigollu, 2012).

Basic Hypothesis of the Research: marketing mix elements affect special brand equity in airline and travel agencies in Tehran.

Sub-Hypothesis of the Research:

H1: brand prices have a positive impact on the perceived quality of the brand.

H2: good image has a positive impact on brand awareness.

H3: good image has a positive impact on the perceived quality of the brand.

H4: distribution cover has a positive impact on brand awareness.

H5: distribution cover has a positive impact on the perceived quality of the brand.

H6: distribution cover has a positive impact on on brand loyalty.

H7: brand advertising has a positive impact on brand awareness.

H8: brand advertising has a positive impact on the perceived quality of the brand.

H9: brand advertising has a positive impact on brand loyalty.

H10: price promotion has a positive impact on brand awareness.

H11: price promotion has a positive impact on the perceived quality of the brand

H12: brand price has a positive impact on special brand equity.

H13: mental image has a positive impact on special brand equity.

H14: brand distribution has a positive impact on special brand equity.

H15: brand advertising has a positive impact on special brand equity.

H16: price promotion has a positive impact on brand equity.

2. Methodology.

The used method in the research was descriptive and correlation that has been carried out as field. Its population include customer of 143 agencies that they are unlimited, which there was extracted a sample containing 384 people based on Morgan Table (1970). There was used simple stratified sampling method in the research, so that there were 20 agencies on the first floor and sample size was selected in the second floor of each agency by considering sales volume. The standard questionnaire of Yu, Dante and Lee (2001) with 31 items to collect data, which it was accordance with research and corrected using elites' thoughts. Its reliability was confirmed using Cronbach's alpha coefficient after proliferating 30% of the questionnaires that can be seen in Table 1. The SPSS software was used to analyze data. The data was analyzed in both descriptive and inferential statistics (Kolmogorov-Smirnov Test, Pearson correlation coefficient, regression analysis and t-test on significant level $p \leq 0.05$.

3. Data Analysis.

According to the collected data and results of descriptive statistics, demographic information of customers of travel agencies in Tehran are as follows: 34% female and 66% male; 2% with secondary school degree, 11% with AA degree, 21% with bachelor's degree, 26% with MSc and 40% with PhD degree.

The Kolmogorov-Smirnov test was used to determine data normality. Table 2 shows results of data normality. As seen in the Table in this test, in all variables, probability levels (p-value) are greater than the error level 0.05 ($p \geq 0.05$). According p-value and lack of rejecting H0, data distribution is normal.

4/ Discussion and Conclusion.

Results of Duki Test indicate that impact of marketing mix on the dependent variable is as follows: 1) distribution cover, 2) cost of advertising, 3) image of store, 4) price promotion, 5) price.

In terms of priority, factor of distribution cover has the most impact and factors of price promotion and price have the least impact. According the studied variables of brand equity, the variables are classified in three homogeneous groups so that the impact of the variables is different on each floor. In fact, it can be said factors of price promotion and price have no impact on brand equity.

In H4, H5, H6 and H14, this means that brand widespread distribution decreases the considered time to search shop, facilitates purchasing and provide the related services easily. Therefore, if distribution intensity is increased, consumers will have more time and benefit from it and get greater value by receiving a product. Such added value will lead to more consumer satisfaction, brand loyalty and brand equity finally. It is consistent with the obtained findings by Iranzadeh et al (2012).

In the offered hypotheses about advertising and brand equity dimensions, according the obtained results using statistical analysis, the relationship in H7, H8, H9 and H15 is in a significant level. In other words, promotional activities such as advertising and offering discounts will result to brand identification and recall. However, promotion cannot create such a sense in consumers. It is consistent with the obtained findings by Smith (1992) and Huang and Sarigollu (2012).

Image of store is one of factors influencing brand equity and its components that in consistent with statistical analysis of H2, H3 and H13, there is a good relationship between predictor and criterion variables. Stores with a good image attract more respect, calls and visits by potential customers. In addition, the stores seek more satisfied customers and lead to positive activities and oral communication between consumers. Therefore, distribution of a brand through a place with good mental picture comparing with a place with bad mental picture will create positive brand associations. In the other hand, the repeated campaign will increase possibility of considering a brand in a complex that it facilitates selecting brand by consumer. More advertising indicates more brand associations and strengthen positive attitudes to brand. The results are consistent with the obtained findings by Aaker (1991 and 1996), Karbasi et al (2011) and Raj (2005).

The results showed that according H1, brand price has a positive impact on the perceived quality of product by customers. It is consistent with the obtained findings by Raj (2005), Yu, Danto and Lee (2000). According H12, brand price has no impact on brand equity. It is consistent with the obtained findings by Sehat et al (2012) and Farahani (2013).

According H10 and statistical findings, there is a weak relationship between price promotion and the perceived quality of. Meanwhile, H11 and H16 show no relationship between predictor and criterion variables.

Results of the present study have several important implications for strategic brand management. Firstly, importance of a strategic approach is very clear for management. Creating special brand equity and not sales, is a measure for making decisions about programs of specific marketing mix elements. Brand management has exclusively focused on sales and its marketing activities may be easily detected (e. g price reduction activities), which it likely leads to increase sales in short-term, but may destroy brand equity long-term. The results showed that in their efforts to create brand equity, managers should focus primarily on activities of sales promotion (advertising), distribution cover and create a positive image of agency. It is recommended to managers of travel agencies that consider a large volume of sales promotions such as special discounts for customers and promotional vouchers. It is also recommended that in price promotions act in such way that increasing profits will not reduce quality of products and provide fields for consumer's loyalty and frequency of purchase by satisfying consumer.

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