


Psychological and Relational Moderators for the Relationship Between Brand Equity and Its Consequences

Ying Kai Liao, Nanhua University, Taiwan

Giang Nu To Truong, Nanhua University, Taiwan

 <https://orcid.org/0000-0003-2223-6404>

Phuong Minh Binh Nguyen, Van Lang University, Vietnam

ABSTRACT

One of the most critical marketing topics which have been widely discussed is brand equity. However, the moderating effects of relevant variables on brand equity are still inconclusive. This study focused on the potential moderating effects of consumer variables on the influences of brand equity on behavioral intention. Using a survey approach, the result of 353 cosmetics consumers showed that the level of relational moderators, including loyalty program participation, relationship age, product knowledge, and previous shopping experience would accelerate the influences of brand equity on behavior intention, brand preference, and word of mouth. While the level of psychological moderators including product involvement, brand commitment, brand love, switching cost and customer expectation would amplify the influence of brand equity to the same consequential variables. These results may provide an essential reference for both academicians and professionals to conduct further empirical validation or develop appropriate marketing programs to promote brand equity.

KEYWORDS

Behavioral Intention, Brand Equity, Brand Preference, Psychological Moderators, Relational Moderators

INTRODUCTION

Building and managing strong brands to promote brand equity is considered as one of the most critical tasks in brand management (He, Li & Harris, 2012). Some of the most trusted brands have existed for more than 150 years. Those brands are successful in creating and maintaining a good relationship with their customers and can allow firms to gain competitive advantages. Brands that have higher equity can result in higher brand awareness, higher perceived quality, stronger brand associations, and better brand value (Emari, Jafari, & Mogaddam, 2012). Brand value may further relate to the thinking, feeling, and acting of consumers with respect to the brand and consumption behaviors (Keller & Kotler, 2012). As a result, a strong brand can provide a series of benefits for a firm, including a higher customer loyalty, more licensing, brand extension opportunities, higher resiliency to response to price change, which may further result in higher profit margin (Fischer & Himme, 2017; Foroudi et al., 2018; Emari et al., 2012). Therefore, the emergence of brand equity has created the importance of marketing strategies for the building of brand awareness, brand association, brand image, and brand loyalty. Brand equity is almost centered around every single marketing activity. Furthermore, high

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