

The Relationship between Commercial Advertising with Brand Development

(Case Study: Consumers of Famila Products in Gorgan)

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Abstract: The research aimed to investigate the relationship between commercial advertising and brand development among consumers of Famila products in Gorgan. The research method was descriptive, correlation type. Its population consisted of all consumers of Famila products in Gorgan. There were randomly chosen 384 people as sample. A questionnaire was used to collect data and the data were analyzed using structural equations. The results showed positive significant relationship between brand image with brand development; a positive significant relationship between brand awareness with brand development; a positive significant relationship between commercial advertising with brand image.

Keywords: Brand Development, Awareness, Image, Advertising.

Introduction

Brand name is one of the most valuable assets of a company. Brand value will be grown by loyalty, positive perceptions, ability to attract new customers, demanding higher prices, ease entry into new markets and prevent entering new competitors (Meyer, 2003). Part of a brand value is obtained by its help to supply new products. Brand development is one of the most common strategies of branding. To speed up movement and change in consumer goods, more than 85% of introducing new products includes brand extensions. Brand development means introducing new products under the available brand name that has been developed a known strategy since 1980. Managerial importance of brand development strategies has been raised conceptually and it has been proved experimentally (Urde, 1999).

Brand development strategies and expanding choice of consumers to various products are conducted to increase customer loyalty, savings time and cost of advertising and generating wealth and added value; for this reason, it has become one of the most popular in business growth (Heidarzadeh & Hasani Parsa, 2010). Although brand development helps creating consumer acceptance of a new product by relating new products with a known brand or company name, but applying this strategy without adequate consideration and study may lead to failure of new products. For example, it may be associations with the main product that are not compatible with new product. Therefore, applying this strategy may damage both new product and brand. In contemporary time, advertising is very important. In the meantime, commercial advertising has allocated certain place, especially after massive growth of communications

technology and emerging new media. Commercial advertising background is as old as buying and selling competition. There were forms of commercial advertising in Europe in 15th century.

The global market system was gradually established in 16th century. As a result, advertising became an important tool in business communications. As a dominant aspect of element of communication in an organization, advertising plays an important role in its success. Given the role of advertising to encourage different class of a society to buy different types of passenger cars, allocating proper funds to various media is one of the main methods for advertising promotion and effectiveness. Each media has its own limitations and abilities; the limits and abilities are touchstones to determine the effectiveness of advertising mission of that media. With this interpretation, if there is not selected a convenient and effective media, there will be questioned advertising effectiveness. Therefore, selecting media is one of the most important decisions in field of marketing and advertising. Today, there are different methods to select the effectiveness media, from experimental to scientific methods. Advertising of a company affects significantly on raising customer awareness, thoughts, feelings, attitudes and decisions. The importance of advertising stems from the fact that it is not a communication and competitive tool against other manufacturers, but it is a means by which customers are aware of company innovations as well as changes in its products (Dean, 2004). Therefore, the present research seeks to answer the question whether advertising has a direct positive impact on brand development.

Materials and Methods

The research method was descriptive, correlation type. Its population consisted of all consumers of Famila products in Gorgan. In implementation phase of the research, after primary explanation about the purpose and measuring instrument of the test, there was described how to answer for the participants in detail. About ethical considerations, after obtaining letter of satisfaction and providing necessary information, they were ensured that the received information will be only used in this research and of will be kept from any misuse. A questionnaire was used to measure the research variables. The questionnaire contains 21 questions, which can measure variables of advertising, brand awareness, brand image, brand loyalty and development. Its response scale is Likert five-option range. Professors of information technology and marketing experts confirmed justifiability of the questionnaire. The Cronbach's alpha test was used to determine its reliability. For this purpose, there were selected a sample containing 30 people, that it was obtained 0.79 by analyzing the preliminary data that indicates good reliability of measurement tools. Structural equation modeling was used to analyze the data.

Results

Table 1 presents results of path analysis. As seen in the table, there is a significant positive relationship between construct of brand image with brand development, so the relationship is approved with correlation amount of 10.432 and path coefficient of 0.596. There is a significant positive relationship between brand awareness with brand development, so the relationship is approved with correlation amount of 5.492 and path coefficient of 0.032. The table shows a significant positive relationship between commercial advertising with brand image, so the relationship is approved with correlation amount of 2.083 and path coefficient of 0.109.

Table 1. Results of t-test and path analysis of the relationship between variables.

Construct				
Independent	Dependent	Path coefficient (β)	t-statistic	Result
Brand mental image	Brand development	0.596	10.432	Confirmed
Brand awareness	Brand development	0.032	5.492	Confirmed
Commercial advertising	Brand mental image	0.109	2.083	Confirmed

Discussion and Conclusion

The research aimed to investigate the relationship between commercial advertising with brand development among consumers of Famila products in Gorgan. The results showed a significant

relationship between brand awareness and brand image. Companies invest on their brand equity, so that reputation and knowledge of their products will be developed in other markets where their products are not supplied. Such a view implies that brand knowledge has a direct effect on evaluation of brand development. As a result, there is reduced risk of purchasing processes.

On the one hand, consumers with less familiar on a bunch of products more likely emphasize on brand awareness as a discipline to guide assessments of brand development. Thus, the higher brand awareness, the more perceived quality of each attached product with brand. On the other hand, re-exposing to a stimulus such as brand name leads to more emotional preference for that stimulus due to “mere exposure effect”. After establishing the cognitive structure by consumer, both brand public associations (affection and fame) and associations specifically related to the perceived quality of the product directly lead to more positive assessment of customer on brand development. This finding is consistent with the obtained results by Tasolu et al (2015), Swoboda et al (2012). The studies showed a significant positive relationship between brand awareness with brand image. There is a significant relationship between brand awareness with brand development. Marketing communications and promotional activities can be considered as factors that affect strength of brand and are closely related with brand equity extremely. Today, many companies have found that they should strengthen their marketing communications, have suitable promotion mix and use promoting activities as their defensive shield such as commercial advertising, in order to preserve value and development of their brand in comparison with their competitors and to communicate with their customers and reduce risk of losing market share.

Many promotional activities aim to increase consumer awareness and create additional incentive to buy and influence consumer/retailer buying behavior that stimulate and react quickly to sales. Commercial advertising is one of variables that can change attitudes toward brand by increasing consumer awareness and knowledge. In general, advertising increases chance of acceptability of brand development. Some scholars believe that providing information about brand development is correlated with brand associations and objectives. The information can modify impact of brand image on attitude toward brand development, provided that companies use advertising that combine brand associations and associations of new category suitably. Consumers seek to meaningful all their received information, whether the information is consistent with their expectations or not. In this process, it is possible that consumer recall associations of his saved brand that the associations will facilitate evaluating the provided information and new products. There is a significant relationship between commercial advertising with brand image. This finding is consistent with the obtained results by Rezaei and Ghazaghi (2016), Azad et al (2015). In the studies, like the present research, commercial advertising is directly related to brand image. According to the research findings, it is recommended to marketing and sales managers of Famila Co. to consider advertising as a factor influencing awareness and recall brand in consumer mind. It is also recommended to use themes in their advertising messages that reflect quality or distinguishing because advertising is considered as a factor for awareness and create a positive brand image in consumer mind, eventually increase brand equity.

Conflict of Interest

The authors declare no conflict of interest.

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