# **Branding- how it influences customer behavior?**

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#### Abstract

The marketers can assess and examine the influences of branding on customers so that they can develop convincing brand messages to target the right customer using the right message. Branding is developing into one of the most successful tactics of marketing teams in recent times; so much that it has almost become a prioritized area of study for future marketers. This was the main rationale behind conducting this research to understand how branding influences the customer psyche and purchase inclinations so that marketers exert more efforts towards branding as a constant activity for increased brand equity and enhanced company image. A survey was used in this research. The questionnaire which includes a total of 19 questions was submitted by 200 customers. Data were analyzed using SPSS.

Keywords: branding, consumer behavior

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# Markalaşma, müşteri davranışını nasıl etkiler?

### Öz

Pazarlamacılar, marka mesajlarının geliştirip aynı mesajları kullanan doğru müşteriye ulaştırılması için markalaşmanın müşteri üzerindeki etkilerini değerlendirebilir ve test edebilirler. Markalaşma, son zamanlarda pazarlamanın en başarılı takımının taktikleri olarak gelişmektedir ki; gelecek pazarlamacının öncelikli çalışma alanlarından olmuştur. Pazarlamacıların markalaşma sabit bir etkinlik olarak onun için çabalayıp marka değeri artırması, şirketin imajını geliştirmesi ve markalaşmanın müşterinin psikolojisini ve satın alma eğilimine nasıl bir etki gösterdiğinin anlaşılması bu araştırmanın yapılmasının gerekçesi olmuştur. Araştırma anket yapılarak yapılmıştır. Anket 19 sorudan ibaret olup 200 müşteriye sorulmuştur. SPSS yazılımı kullanılarak elde edilen veriler analiz edilmiştir.

Anahtar Kelimeler: markalaşma, tüketici davranışları

#### **Introduction: Consumer Behavior**

Consumers around the world are comprised of individuals exhibiting different characteristics and behaviors while making a purchase. There are many influencing factors that shape the persona of a consumer and his or her decisions while making the purchase and the choice of the brands. Using different stimuli, an individual makes the final decision of buying something while using his personal judgment, instinct, and other external influences (Morschett, 2001). Marketers find it challenging to learn about these behaviors because different individuals have different tastes and preferences. In an age of increased competition and globalization, marketers need to assess customer demands and choices from every angle so that they develop strategies that can outperform their competitors. A very important task in this regard is segmenting the right market, targeting the right customer and undertaking appropriate positioning tactics to create a sound product image in the minds of the customer (Mullen and Johnson; 2013). By identifying the characteristics and factors that influence their customers, marketers find it easier to develop a convincing message (Unique Selling Point) to better meet the needs of their customers and increase revenues for the organization.

#### Research objective

The main objective of this research was to investigate the influences of branding strategies on customer behaviors. This research was based on studying the factors how customers exhibit behavioral intentions while making a purchase to see how strong branding strategies could compel them towards positive outcomes. The research endeavor would contribute towards certain recommendations for future marketers in how they can establish strategies to overcome negative customer behaviors, and how branding strategies can be molded to provoke positive customer purchasing intention. Based on the observations obtained as part of the primary data collection, a conclusion would amalgamate the findings from the literature review of previous chapters and would merge and align prior studies with the results and findings obtained here. The future implications of the research have also been presented at the end of the recommendations section which unveils possible research avenues for further studies.

#### Branding and consumer behavior – a literature review

The efficacy of branding in influencing consumer decision-making cannot be doubted; it is considered as one of the most effective and tactical marketing strategies that is used to win over competition or at least, overcome it.

Various researchers contend that brands are veritable tools that influence the choices that consumers make (Okafor, 1995; Zhang, 2015; Marken, 2003). It is said to have an even-greater influence on the decision-making of consumers than the quality of product itself. This part looks at various literatures that discuss the effect of branding on consumer behavior in order to look into ways and means through which brands, by understanding the consumer behaviors, can help develop strategies to win more prospects and generate greater profitability.

#### Influence of Brand Loyalty on Consumer Behavior

Brand loyalty entails certain aspects that can help consumers build a relationship with the company for long. The strength of a brand develops upon the elements of trust, experience, spreading the word or building family connections. Trust is the foremost element of loyalty where customers expect to be able to have faith in the organization for providing value in return of the money paid. Once trust is established, consumers will continue to endorse the business for a longer time period, each time hoping to receive similar utility and benefits (Allender & Richards, 2012). The business, on the other hand, can enjoy the benefits of more consumers and greater profitability by following and living up to their commitments and sustaining their product quality. When consumers feel their relation with the brand is never harmed or tarnished, and the product they receive have the same quality standard, they will patronize it (Aaker, 2011).

# Impact of Brand Image on Customer Attitude and Intentions for Purchase

The maintenance of a brand image is considered as a prerequisite for building brand equity and a positive brand association. In studying the effect of branding on consumer purchasing intentions and behaviors and attitudes, it is essential to look into the ways in which brand image must be strengthened and reinforced to create strong brand identity and association. Brand image is established through different symbolic, functional and experimental factors that affect how consumers make purchase decisions. Given an increasingly dynamic marketplace, it is an effective marketing strategy to convey brand messages and develop thorough insights into the brand so that consumers can be attracted and loyalty can be built. Keller, in 1993, initiated the concept of Customer-Based Brand Equity (CBBE) which can be described as various reactions of consumers to branding campaigns that depends on their knowledge and awareness of the brand at varying degrees. In other words, brand awareness and

image are the core basis and sources of equity. Keller posited that a positive brand image can be created through positive associations with the brand that comes from consumers' memories about the brand through varying promotional campaigns (Keller, 2008).

In branding literature, brand image is perceived as an important attribute that can impact customer loyalty. As in the supermarket industry, the store image is an important attribute through which loyalty is developed or maintained. Even in the Internet industry, different literary contexts verify that a positive brand image is a source of fostering customer loyalty. Although various researchers have testified the relationship between brand image, brand equity and customer satisfaction, there are few others who present opposing viewpoints in "Brand Synthesis: The Multidimensionality of Consumer Knowledge" (Keller, 2003). Some research studies show that brand image has no direct influence on customer loyalty; however, it can impact upon customer satisfaction which can in turn, impact the loyalty levels. In the retail environment as well, consumer choice is significantly guided by branding which is why marketers must pay special attention to ways and means to create synergies based on their image associated with positive brand experiences and stronger brand awareness.

It is important for marketers to choose appropriate pricing communication strategies that can highlight the product price and overall value before the customer, and can compel him to buy it (Aaker, 2011).

This literary account presents a holistic explanation regarding the existence of a positive and predictive relationship between brand loyalty and consumer behavior.

#### Material and method

A questionnaire is chosen as the research instrument for customers in Turkey, since it is a convenient data collection method that works in less time than other methods available. The collected data were analyzed using SPSS software which is an efficient tool in statistical analysis. The analysis will entail a graphical representation of the demographic characteristics of respondents while a regression, correlation, ANOVA and frequency distribution basis of results discussions before a conclusive end to the research is reached. Based on the analysis of the questionnaire, there have been some recommendations elaborated at the end, while a definitive conclusion marks the end of the study. The research was made in Marmara Forum and Forum Istanbul shopping centers. The questionnaire consisted of 19 questions and were asked to 200 customers there. The questions main focus was collecting information about brands and the customer loyalty for the brands.

## Finding and results of the survey

This section of the research has been dedicated to reporting the findings of the research as was gathered from the chosen data collection instrument using questionnaires, and then providing an in-depth analysis of these results using findings from the primary as well as literary (secondary) research.

The findings of this survey indicated that more females than men participated in the survey. Majority of the respondents participating in the research survey belonged to the age group of 36 to 45 years of age while an almost equal percentage of participation was observed amongst people older than 45 years. These results indicated that mostly adults participated in the study survey and the youth representation was somewhat limited.

Income has an important effect on the choices that customers make. The demographic inquiry into the income scales of the participants was thus, useful and important. According to the survey results,

majority of the survey participants earned 2000 to 6000 Liras cumulatively while a bigger share of this bracket comprised of people earning from 4000 to 6000 altogether.

Marital status also has an important effect on the choices that customers make while purchasing. The demographic inquiry into the marital statuses of the participants was thus, significantly important. According to the survey results, majority of the survey participants were single as 110 people out of the total 200 respondents were not married.

Buying behaviors are mainly comprised of two types, impulsive buying behavior or planned buying behavior while the other category to this answer gave the freedom to the respondent to indicate that he does not know where to classify himself. Surprisingly, according to the results obtained from this question, majority of the respondents engaged into planned buying behaviors which simply means to imply that according to them, these respondents go through the actual and the most formal buying decision making process as has also been discussed previously in this research. Some of the respondents were honest enough to answer that they did not know about their correct or most likely classification.

Educational achievement also has an important effect on the choices that customers make while purchasing.

Majority of the respondents in the study were affiliated with the university-level education while others were doing a Master's degree or equivalent. Very few respondents out of the total sample size said they were pursuing their Doctoral (PhD.) level studies.

When the researcher, through the survey questioning, inquired about the respondents' purchase habits for routine commodities, 34% of them indicated that they were loyal to particular brands which they have been purchasing for a long time. The other 26% of the total sample size indicated that they followed the bandwagon while making routine purchases of daily essential items and usually purchased what others bought, as well.

The next section of the survey results is related with the interpretation and analyses of the bar charts representing respondents' responses to the questions given in the survey regarding the effectiveness of branding strategies on their buying behaviors. When it was inquired whether or not different branding strategies adopted by different organizations can influence the person's decisions for purchasing a product, the overall answer was a sure "yes". Majority of the respondents either agreed or strongly agreed with the given statement.

The next question in the survey was related with the investigation of conversion of window shopping of the customers into actual purchase. The statistics obtained from the survey, as shown in the bar chart below, indicated that majority of the respondents felt they often end up doing only window shopping at the end while they go to malls for shopping. Different attributes such as prices of products or their branding promotions could have been cited as the main underlying causes behind their inclination to window-shop instead of actually purchasing something.

A buyer's country of origin i.e. his original customs and traditions at his native homeland can have significant impacts on the purchase decisions, as well. To this question, majority of the respondents provided a response in affirmation, contending that the homeland or country of origin does significantly affect how an individual makes purchasing decisions, or exhibit any related inclinations.

One of the most significant questions of the entire survey basically asked about a typical affective factor in rather an exemplary manner by asking the respondents how they would be willing to purchase a car from the place (showroom) where their father also bought one. The responses to this question were in strict agreement and firm affirmation to the statement indicating that the ancestral or familial effects on customers' purchasing decisions are significantly essential. Another important implication of this response was that a certain level of loyalty could most certainly be observed amongst the respondents where they adhered to same brands or companies from where their families also purchased a certain product.

The main theme of the next survey question was related with repeat purchasing where if a customer feels that the company is providing him or her with superior quality and product standards, he or she would most likely to visit it again. Based on factors such as product functionality and its quality, repeat purchases happen keeping in mind that the customers associate positive product experiences with a healthy image of the company in their minds. In response to this question, majority of the participants agreed to the fact that they become loyal to selling companies in cases of positive product experiences. There was a smaller percentage of the sample which did not disagree or strongly disagreed with this trend. Branding companies or marketers must therefore, derive a lesson from this and adopt these two affective factors so that repeat purchases occur.

An ethical branding process ensues when the branding teams adopt socially acceptable and morally feasible measures to promoting their brands while considering and regarding the values of the society in high esteem (Zhang, 2015). This was a rather different question in the survey that was not only directly related to the effectiveness of branding on purchase decisions but also was based on finding how customers view branding in the light of ethical obligations. In response to this question, majority of the respondents affirmed that they do consider the ethical side of marketing while they choose or refuse to choose a seller. In addition to this, adherence to one particular brand for a longer time also depended upon the branding company's devotion towards adopting ethical branding process.

The next question of the survey was related to customers' knowledge and willingness for purchasing from sellers that promote psychological pricing as a branding technique for their offerings. The respondents surprisingly expressed their agreement to the fact that they often visit such places and malls where their attention is diverted to shops promoting psychological prices on items.

Attitude of store staff and service representatives play an important role in compelling customers to pay another visit to them. In such a manner, marketers have to work towards improving customer services by hiring and training personnel who can exhibit a pleasant personality and polite attitude towards each type of customer. In response to a question related to the attitude of the store clerk, majority of the respondents agreed to the fact that the attitude of store staff affects their inclination of visiting the store again or making purchases from there repeatedly.

The next survey question was aimed at inquiring how customers view branding as a process that can save them their time and search costs. Since brands prove to be a significant factor in making a product noticeable and 'visible' across various other items on store shelves, it definitely helps a customer to identify an item that best suits his needs so that he may not look any further for it. This in fact, saves his time and efforts in searching for other varieties or items that may even not fulfill the needs and wants in an adequate fashion.

For branding companies, it is pertinent not only to market their products using successful branding strategies but also to keep their promises (Stephens and Townsend; 2007). If brands keep up with their claims and promises, it is naturally assumable that customers will return towards the same product since they were assured it yields the same satisfaction each time. In the following bar chart it was represented that a large majority of customers as respondents contended that they remain loyal to products and brands which live up to their claims of performance standards and product quality.

Two of the major areas where branding teams really need to work on are the product labelling and packaging requirements and as discussed previously, one of the most important ways to attract the customer is through devising strategies that could help differentiate the product on a store shelf based on its uniqueness and usefulness in the eyes of the customers. 52% of the respondents agreed to the fact that product packaging and labelling helps them choose the brand while saving their time and search efforts. Similarly, another 22% of the respondents strongly believed in the statement, reinforcing their agreement to the posed inquiry aspect.

Loyal customers are not just fair-weather friends; they adhere to a consumption of the same product even if the product price faces an increase. In regard to a similar statement, majority of the respondents agreed to the statement that if they find a product satisfactory, it is more likely that a price hike will not prevent them from using it. A large majority of the respondents agreed with the idea that loyalty engages them in repeated purchases of the same item even if the price of that item is increased

It was to be ascertained through this survey question whether or not customers prioritized brands that offered high product quality and superiority as compared to their overall experience as compared to other products. Quite expectedly, a vast majority of the participants contended in affirmation that it was the product quality and superiority that compelled them to look for specific brands out of the many others that rest on shelves. There were only a few respondents for whom product superiority and quality did not matter as such since their choice of brands was dependent on something other than these two factors.

#### Conclusion

This research based study was aimed at finding out whether branding strategies' effectiveness has any impact on how customers make purchasing decisions. Through the combination of an indepth literary as well as primary analysis, the research contributed towards identifying that branding process is a very important milestone in creating the need of purchase based on its correct and careful projection of the features of the product/service (Petromilli, Morrison and Million; 2002). The findings from the research study indicated that there are many ways in which branding can play a very significant role in compelling or persuading the customer towards specific product experiences while leaving the others. In learning about competitive markets around the world, marketers must make a careful and cautious assessment of the technical challenges that can impede the success of their brands since not every brand can survive in a particular market. Based on the data insights gathered from the

research ascertained that branding is an important milestone while a company fights the competition and aims to increase its market share. It is up to the marketing personnel how successfully they design the branding process and the objectives that it hopes to achieve for them.

In the light of the research activity and investigation, it can be concluded that branding effects and influences the customers' mindsets, their inclinations and behaviors in a profound manner. Branding affects the customer in his personal judgment, his instincts as well as help in shaping the external influences. It is therefore necessary that while marketers face the challenges of attracting customers in an era where a myriad of varieties are available in stores and online, they should first pay attention towards the objectives they want to achieve through the branding process. Devising the strategies for effective branding is as important as implementing those to specific products and services. The research contributes towards creating a linkage between how customers' choice is underlain by their specific attention and attitude towards brands that are present in the markets. Owing to major differences in marketing communication and shopping strategies applicable at various online and offline forums, it was learnt that marketers need to gauge this difference and develop tactics accordingly (Zaltman, 2003).

The primary task lying before a marketer is to differentiate the product using successful branding strategies that could help the company in provoking loyalty. Based on the activity of data collection and analyses, there is some good piece of primary evidence that supports the thought that customers engage with a company on a loyal basis if they find that the brand actually lives up to its 'promises'. In these cases, it was seen that even some price hikes to the chosen product does not affect the purchasing pattern of the customer as long as he or she is satisfied with it. At the core of marketing strategy development and implementation, it is pertinent that marketers be mindful of the technical aspects of the branding activity while also not neglecting its ethical obligations (Hopkins, 2007). Based on cultural differences, customers' perceptions of brand change as some customers will not like a product no matter how appealing the

branding and promotions seem to be, due to cultural norms or social taboos. These concerns, as was discussed in a detailed manner in the literature review, pose strong and robust challenges for marketers who must 'brand' a product in a very careful manner.

The research study discussed the significance of branding as a part of the marketing process to ensure that once customer is making a purchase related decision, he should be able to distinguish between brands based on their features, promises, uniqueness and usefulness. Branding is a very demanding task and indeed, a challenge in the digital age where customer is confronted with a lot of varieties. It also comes as a challenge to organizations that must make concerted efforts towards their visibility enhancement in a scenario where there are so many similar products available to fulfill a need or want. In a fiercely-competitive era, only those brands survive that does not only succeed in identifying with the customers but also live up to the expectations and fulfill customers' requirements in an efficient manner. Innovative packaging and pricing strategies, along with tactics to enhance brand awareness for customers have been the need of the hour, and lately much work has been produced on these fronts indicating their role in the success of marketing promotions is essential and critical at the same time. Successful managers need to understand the importance of branding in the present times where even a little less effort in the entire marketing process can result in heavy revenue losses or a total failure to capture the market. Hence, the role of branding in affecting customers while they make purchase related decisions is very crucial as it defines how branding process should be adopted to win more and more customers for a lifetime relationship.

#### Recommendations and future implications

While undertaking branding, marketers should be able to learn about competitors and come up with differentiated strategies. Systematic planning in this regard plays a crucial role in improving the branding process by helping marketers assess and evaluate the internal as well as the external environment before they could reach some conclusions as to how a market segment should be catered. It should

be noted that innovation and creativity lies at the heart of branding; the more creative a presentation is, the more number of people in an audience will find it appealing. Therefore, it is the responsibility of the marketers and branding teams to coordinate with the departments other than remaining limited to promotions side, so that all business units are equally on the same page and a well-developed branding message could be passed on to the customers' markets.

Considering that brands have specific effects on the customer psychology, his attitudes and his intentions for purchasing something, it is pertinent that marketers can address these aspects of the targeted customer while being aligned with his cultural and social values by carefully developing a brand message. It is relevant that brand message is conveyed or should at least, be worked upon in the very initial stage of the product development where the 4 Ps of marketing imply. Again, it is imperative that each decision should be communicated across the organization so that every unit must concentrate its efforts towards building up on the same values and promises.

In future, the implications of this research can mean much to managers, marketers and to organizations who are starting up their business. The contributions from this study will be helpful in understanding the effects of branding so that students can learn about its essentiality as part of the market plan. Managers may use this research as a stepping stone to explore further avenues where the digital age is bringing about far-reaching changes to the brands, and in their reinforcement and contribution to the overall personification of the product. It is also pertinent that managers study the lessons obtained from this research in the light of increasing possibilities of earning more revenues and engaging the sales team that could help meet organizational objectives and strategic goals. Branding is neither a novel concept nor it is something that is not understandable on a basic level. However, the consequences of adopting what's right and leaving what's wrong in this process define the point where the success or failure of a marketing team is decided. While there is a significant need to discuss the implications of the research theme on customer buying behaviors it is also important that customer psychology is further assessed in the light of how their pre-conceived notions and cognition shapes their perceptions against brands. This is a possible future research avenue that should be explored as part of a new research which dives into the subject matter.

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