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COMPARISON OF BRAND AND RETAILER EQUITY REGARDING PURCHASE INTENTIONS OF CUSTOMERS IN THE TURKISH AUTOMOTIVE SECTOR[1]

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Abstract

Several studies attempted to investigate brand equity and retailer equity regarding their relationship with the purchase intentions of customers. However, there is little research that studied both concepts in one single study. The first aim of the study is to investigate the relationship between brand equity and purchase intentions of customers; retailer equity and purchase intentions of customers. The second aim is to test the moderating effects of perceived advertising spending and retailer equity regarding the impact of brand equity on purchase intentions. Data were collected from Turkish customers. Results indicated the positive effect of brand and retailer equity on purchase intentions where the effect of brand equity was stronger. There were no moderating effects of retailer equity and perceived advertising spending regarding the impact of brand equity on purchase intentions. The most important findings were that brand equity and retailer equity have considerable and positive effects on the purchase intentions of customers; however, they act independently from each other.

Keywords: *Brand Equity, Retailer Equity, Purchase Intentions, Automotive Sector, Moderation Analysis*
JEL Classification: *M31, M30, M10*

MARKA VE PERAKENDECİ DEĞERİNİN MÜŞTERİ SATIN ALMA NİYETİ BAĞLAMINDA TÜRK OTOMOTİV SEKTÖRÜNDE KARŞILAŞTIRILMASI

Öz

Müşterilerin satın alma niyeti kapsamında marka değeri ve perakendeci değerini araştıran çeşitli çalışmalar bulunmaktadır. Ancak ilgili iki kavramı tek bir çalışmada inceleyen az sayıda araştırma bulunmaktadır. Bu bağlamda, çalışmanın ilk amacı marka değeri ile müşterilerin satın alma niyeti arasındaki ilişkiyi; perakendeci değeri ve müşterilerin satın alma niyeti arasındaki ilişkiyi araştırmaktır. Çalışmanın ikinci amacı ise marka değerinin satın alma niyeti üzerindeki etkisinde algılanan reklam harcamaları ve perakendeci değerinin moderatör etkisinin olup olmadığını test etmektir. Veri Türk müşterilerden toplanmıştır. Bulgular marka değerinin ve perakendeci değerinin satın alma niyeti üzerine olumlu etkisini göstermiş olup, marka değerinin etkisi daha güçlü olarak bulunmuştur. Ek olarak, marka değerinin satın alma niyeti üzerine olan etkisinde algılanan reklam harcamalarının ve perakendeci değerinin moderatör etkisi olmadığı sonucuna ulaşılmıştır. Araştırma sonucundaki en önemli bulgu, marka değeri ve perakendeci değerinin satın alma niyetine önemli ve olumlu bir etkisinin bulunduğu; fakat bu etkilerin birbirinden bağımsız olduğudur.

Anahtar Kelimeler: *Marka Değeri, Perakendeci Değeri, Satın Alma Niyeti, Otomotiv Sektörü, Moderatör Analizi*
JEL Sınıflandırması: *M31, M30, M10*

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1. Introduction

The business environment has become an arena where the products themselves no longer compete only with respect to their pure attributes. In the last 30 years, branding has become a more crucial issue for firms. Branding deals with distinguishing the goods of one producer from another (Keller, 1998). As a result of the competition, brands are challenged intensely (Broyles et al. 2009). Firms are trying to differentiate their products with unique names, logos, slogans, package designs etc. in order to attract consumers and maintain repeat purchases of customers (Aaker, 1991; Keller, 1998). The reason customers and firms want to pay higher for brand names is that brands add value (Cobb-Walgren et al. 1995). The added value to the product with the specific brand name is known as brand equity (Aaker, 1991).

In the literature, brand equity has been an important topic, which has strong correlations with practical business life with a variety of managerial implications. Higher brand equity leads to a strong competitive advantage that helps firms meeting their financial goals (Aaker, 1996; Yoo et al. 2000). High brand equity also attracts more customers, which can in turn lead to higher purchase intentions. Previous literature examined the relationship between brand equity and the purchase intentions of customers and found a positive effect (e.g. Cobb-Walgren et al. 1995; Chen and Chang, 2008). These emphasize the reason why the issue of brand equity has been gaining major importance in both academia and practical business life.

Retailers should also be considered with brands simultaneously. Customers also have images of retail stores (Keaveney and Hunt, 1992; Louviere and Johnson, 1990) that lead to the concept of retailer equity. After deciding to buy a specific brand, the customer chooses where to buy that brand. The choice might differ in different sectors, but mainly the customer purchase the brand, through a retailer. In that sense, customers could select among different retailers in the market, which implies a significant role of retailers in influencing customers' purchase decisions. Pappu and Quester (2006) states that there are fewer attempts to measure retailer equity and as a result, this issue has not been studied in detail in the literature. Strong retailer equity should result in higher purchase intentions (Keller, 1998). Research regarding the effect of individual components of retailer equity on purchase intentions also shows a positive effect (e.g. Das, 2014), which implies the positive relationship between retailer equity and purchase intentions.

As mentioned above, brand equity and retailer equity are different concepts that are positively correlated with purchase intentions. Some studies in the literature investigated the relationship between brand equity and the purchase intention of customers (e.g. Cobb-Walgren et al. 1995; Chen and Chang, 2008; Appiah-Nimo et al., 2023). On the other hand, there are relatively few studies that examined the concept of retailer equity from different aspects (e.g. Pappu and Quester, 2006; Arnett et al. 2003; Sloot and Verhoef, 2008). However, none of the previous literature tested the relationship between brand equity & retailer equity and the the purchase intentions of customers in one single study. There is a gap in the literature, which should be further investigated.

The main aim of this paper is to examine the causal relationships of these variables and reveal valuable results that will enlighten both academia and business life. Furthermore, the moderating effect of retailer equity and perceived advertising spending regarding the relationship between brand equity and purchase intentions will be also tested. Lastly, some control variables such as gender, and educational level will be investigated in the model. The impact of brand equity & retailer equity on purchase intentions will be tested in a unique context (with Turkish customers regarding the automotive sector), which will enlighten the existing literature. Additionally, the strength of the impact of brand equity and retailer equity will be analyzed regarding purchase intentions. Last but not least, moderation analyses will provide additional insights into the literature. The results of the present study also guide marketing managers. The positive effect of brand equity & retailer equity on purchase intentions implies important marketing insights for brand management and retailers' marketing activities. For instance, if retailer equity plays an important role regarding the purchase intentions of customers, focal firms may control the activities of retailers more precisely. Results from retailer equity will provide valuable information for managers on how to arrange their marketing and distribution channel activities. The results of the moderation analyses also help marketers in designing brands' & retailers' marketing strategies.

The paper is organized as follows: The next section presents the literature review of the study. After the literature review part, the methodology section including the sample & procedure and measures will be elaborated. The following section presents the results of the analyses continuing with discussion and implications part including limitations and future research directions. The last section provides a general conclusion of the study.

2. Literature Review

2.1. Brand Equity and Purchase Intentions

Cobb-Walgren et al. (1995) states that brand equity can be considered from the sides of investor, manufacturer, retailer, and customer. For investors, strong brand names are more attractive for a long-term investment. For the firm (e.g. manufacturer), brand equity is the sum of financial cash flow that is generated by the brand name (Francois and Maclachlan, 1995). For retailers, high brand equity means strong leverage, which contributes to the overall image of retail outlet (Francois and Maclachlan, 1995; Cobb-Walgren et al. 1995). The last party is the one of the most important ones among the other perspectives, which is consumers. Brands alter in the amount of power and value they have in the market place (Kotler, 2000). In order to result in high value to the investor, manufacturer, and to the retailer, the prior value should be gained from the consumers' perspective (Crimmins, 1992).

In the literature, there are two main approaches to brand equity which are financial-based (e.g. Simon and Sullivan, 1993) and customer-based brand equity (e.g. Aaker, 1991; Keller, 1993). This paper considers brand equity from customer-based brand equity (CBBE) perspective and for the rest of the paper, brand equity implies CBBE. Aaker (1991: 15) defines brand equity as "set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers". Keller (1993: 2) defines brand equity as "the differential effect of brand knowledge on consumer response to the marketing of the brand". Kelller (1993) conceptualize brand equity from a brand knowledge perspective, which is a two-dimensional construct consisting of brand awareness and brand image. On the other hand, Aaker (1991) groups brand equity aspects into five dimensions, which are brand awareness, brand associations, brand loyalty, perceived quality, and other proprietary assets. However, many empirical research excludes the last dimension and considers brand equity as a four-dimensional construct (e.g. e.g. Yoo et al. 2000; Yoo and Donthu 2001; Washburn and Plank, 2002; Atilgan et al. 2005; Pappu et al. 2005). This paper also considers brand equity as a four-dimensional construct consisting of brand awareness, brand associations, brand loyalty, and perceived quality. It is important to note that retailer perspective will not be considered in a sense that how retailers see and value brands, but how customers perceive retailers. Consequently, retailer equity will be considered in the later sections with customer-based view.

One of the prior aspects of brand equity is brand awareness. During the process of decision making of buying a product, it is important for customers to be aware of the product that they will potentially buy. Aaker (1996: 10) defines brand awareness as "the strength of a brand's presence in the consumer's mind". Brand awareness increases consumers' purchase motivation and purchase ability. Hoyer and Brown (1990) states that awareness heuristic is evident in the first purchases which may lead to repeat purchases. The second dimension of brand equity is brand associations. Keller (1998) classifies brand associations (image) as an element of brand knowledge. Brand associations are also crucial for customers in their buying intentions. Keller (1993: 3) defines brand associations as "the other informational nodes linked to the brand node in memory and contain the meaning of the brand for consumers". Krishnan (1996) describes brand association in a similar way as any link between those two nodes (informational and brand) in consumers mind.

Aaker (1991) states that brand loyalty reflects the likelihood of a customer to switch to another brand, especially when the focal brand makes some changes in price or product features. Wernerfelt (1991) considers customer as brand loyal if his/her purchasing construct relates positively with the last brand purchased. Brand loyalty increases the market share of the brand with repeated purchase behavior of customers (Chaudhuri and Holbrook, 2001). The last dimension of brand equity is perceived quality. Perceived quality is defined as the consumers' evaluations of a products' superiority or excellence (Zeithaml, 1988). It is important to note that perceived quality is about perceptions of customers (Aaker, 1991). Therefore, perceived quality differs from some concepts such as actual or objective quality; product-based quality; and manufacturing quality. It can also create a differentiation point (Gilitwala and Nag, 2022).

The other variable in the study is purchase intentions. Purchase intentions of customers can be classified as the initial stages of consumer buying process. Purchase intentions is mainly about a consumer's willingness to buy a product or a service in the future (Wu et al. 2011). Previous studies examined the relationship between brand equity and purchase intentions and found some consistent results in different sectors. Cobb-Walgren et al. (1995) examined two different product and service categories that are hotels and cleansers and found a positive relationship between brand equity and purchase intentions. Chen and Chang (2008) collected data from international airline passengers; and they examined and found the positive relationship between brand equity and purchase intentions. Recent study also found the positive relationship between brand equity and purchase intentions (e.g. Moreira et al. 2017; Rambocas and Ramsubhag, 2018; Majeed et al. 2021; Husain et al. 2022; Appiah-Nimo et al., 2023). Consequently, the first hypothesis of the study is:

H_1: There is a positive relationship between brand equity and purchase intentions of customers.

2.2. Retailer Equity, Perceived Advertising Spending, and Purchase Intentions

Pappu and Quester (2006: 319) define retailer equity as "the value associated by the consumer with the name of a retailer, as reflected in the dimensions of retailer awareness, retailer associations, retailer perceived quality, and retailer loyalty". Similar to Keller's (1993) brand equity definition, Hartman and Spiro (2005: 112) define store (retailer) equity as "the differential effect of store knowledge on customer response to the marketing activities of the store". Customer response also includes behavioral intentions (Jinfeng and Zhilong, 2009). In that sense, retailer equity and purchase intentions are concepts that are highly connected. Before moving on to the relationship between retailer equity and purchase intentions, it is important to discuss the dimensionality of retailer equity concept.

Keller (1998) mentions that retailer equity is indeed a form of brand equity. As a result, the structure of retailer equity is parallel to brand equity concept. The main components of retailer equity according to Aaker (1991) are name awareness, retailer associations, store loyalty, and service quality. In their study, Yoo et al. (2000) and Arnett et al. (2003) also considered these dimensions. Jinfeng and Zhilong (2009) introduced a conceptual model where retailer awareness, retailer associations, and retailer perceived quality are dimensions that lead to retailer loyalty dimension. Nevertheless, for the purposes of this study, retailer equity concept will be considered as a four-dimensional concept from the consumer perspective similar to Pappu and Quester's (2006) model, which includes retailer awareness, retailer associations, retailer loyalty, and retailer perceived quality. These four dimensions are also considered in recent empirical studies (e.g. Das, 2014) together with purchase intentions. Four-dimensional approach is also appropriate for the present study that is in line with the four-dimensional conceptualization of brand equity.

Retailer awareness is mainly defined as the ability of recognizing and recalling retailers in a product category among competing retailers (Pappu and Quester, 2006) which is also similar with

Aaker's (1991) brand awareness definition. Keller (1993) mentions that name awareness is the likelihood that retailer name comes to the mind of consumers. Name awareness is an important factor in decision-making process of buying a product (Arnett et al. 2003). Remembering the name of the retailer and being aware of it increases the likelihood of purchasing the product from that retailer. The present study will consider retailer associations instead of store image. Indeed, Keller (1998) states that store image is a reflection of retailer associations. Retailer associations are "anything linked to the memory of the retailer" (Pappu and Quester, 2006: 320). As mentioned above, brand equity and retailer equity concepts have parallel structure (Keller, 1998); consequently, retailer associations should also be related positively with purchase intentions of customers. Any positive association linked to a specific retailer affects the customer and increase the probability that the customer will buy from that retailer. Moreover Grewal et al. (1998) found a positive relationship between store image and purchase intentions that makes the argument stronger.

Retailer loyalty is the consumers' loyalty to that retailer (Pappu and Quester, 2006), and intention to buy as a primary choice from that retailer (Yoo and Donthu, 2001). Consequently, higher retailer loyalty should be resulted with higher purchase intentions of customers. Also, Badenhop and Frasquet (2021) found the positive effect of retailer loyalty on purchase intentions. Regardless of brand loyalty, customers may be more loyal to a retailer if they have good prior experience with that retailer. Arnett et al. (2003) treated "service quality" as a separate element of retailer equity. For the context of the present study, service quality is an important aspect of the quality associated with the retailers. Since the study in automotive sector, the differential effect to customers about the quality also comes from the service. However, spare parts and other products are also sold by the dealers; as a result, retailer perceived quality will be considered similar to Pappu and Quester's (2006) study. Therefore, retailer perceived quality includes both service quality and products offered by those retailers. Like in brand perceived quality, the positive relationship between retailer perceived equity and purchase intentions of customers is expected. Jinfeng and Zhilong (2009) states that high retailer perceived quality leads consumers to buy from that retailer among other competing retailers.

Scant information is available in the literature considering the relationship between retailer equity and purchase intentions of customers. However, greater retailer equity should be resulted in higher purchase intentions of customers (Keller, 1998). Moreover, Anselmsson et al. (2017) states that retailer brand equity dimensions have an impact on purchase intentions. Additionally, as observing the individual positive relationships between retailer equity dimensions and purchase intentions (e.g. Das, 2014), it can be expected to observe positive relationship between retailer equity and purchase intentions. Nevertheless, consumers mainly consider the brands prior to the retailers. In that sense, brand equity should have a greater impact on purchase intentions compared to retailer equity. As a result, second and third hypotheses of the study can be formulated as:

H_2: There is a positive relationship between retailer equity and purchase intentions of customers.

H_3: The effect of brand equity on purchase intentions of customers is higher compared to the effect of retailer equity on purchase intentions of customers.

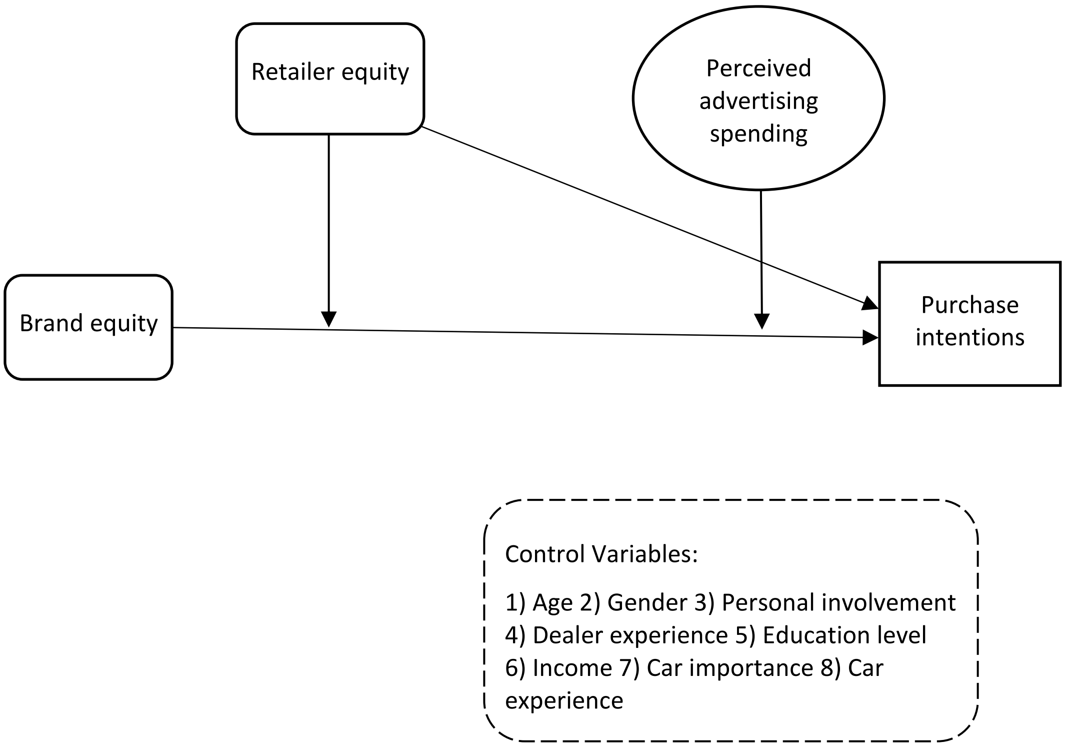
In the context of present study, another aim of the study is to observe whether retailer equity has a moderating effect regarding the relationship between brand equity and purchase intentions of customers. Retailers also create a specific equity that affects consumers' decisions. When consumers have stronger perceptions of retailer equity, the specific attributes regarding retailer equity concept also support brand equity components, and as a result, it may be expected that the effect of their brand equity perceptions on purchase intentions will be higher. Eventually, there might be a moderating effect of retailer equity regarding the relationship between brand equity and purchase intentions. As the retailer equity increases, the effect of brand equity on purchase intentions will be stronger with the combined effect. Last but not least, perceived advertising spending of the focal brand is also another important factor that may moderate the relationship between brand equity and purchase intentions. Perceived advertising spending reflects consumers' perceptions of a brand's advertising campaigns regarding the aspects such as liking the advertising campaigns, perceiving the campaigns as expensive. Villarejo-Ramos and Sanchez-Franco (2005) found positive relationships between perceived advertising spending and brand equity dimensions. In addition, as perceived advertising spending of a brand increases, purchase intentions regarding that brand could also increase as a result of the exposure and positive perceptions. From that perspective, there may be a moderating effect of perceived advertising spending regarding the relationship between brand equity and purchase intentions of customers. As consumers perceive a brand's advertising campaigns more positively, the effect of brand equity on purchase intentions will increase. Accordingly, the last two hypotheses of the study are:

H_4: Retailer equity moderates the relationship between brand equity and purchase intentions of customers.

H_5: Perceived advertising spending moderates the relationship between brand equity and purchase intentions of customers.

The conceptual framework of the paper can be seen in Figure 1.

Figure 1: **Conceptual Framework**



3. Methodology

3.1. Sample and Procedures

Regarding the context of the study, it was crucial that the chosen industry has brands and retailers that are independent and seen as different by the consumers. Moreover, both brands and retailers should have a different identity that consumers consider brands and retailers in the process of purchasing a product separately. For this study, data were collected from customers regarding Turkish automotive industry during March-April 2010. The automotive industry manufacturers and retailers in fact provide a good example of different equities that brands and retailers have. In Turkish automotive sector, brands and retailers are completely different from each other where consumers could perceive brand and retailer equity separately. In Turkish automotive industry, retailers usually sell only one brand. In order to observe the independent effect of brand equity and retailer equity, collecting data from "retailers" that sell only one brand would be more accurate for this study.

For testing the hypotheses and investigating the relationships between variables survey methodology was used. Data were collected with convenience sampling technique. In order to increase the external validity and generalizability of the study, non-student respondents were selected. The sample consisted of Turkish consumers who either own or consider buying a car. The questionnaires were sent through e-mail. The respondents were first asked to write the brand of the car they recently purchased or planned to purchase in the near future. Following this, certain questions about that brand were asked using a five-point Likert scale (1= Strongly Disagree, 5= Strongly Agree) that constructs brand equity. Next, some general information and control variables were asked, then purchase intentions of customers and perceived advertising spending questions were asked using five-point Likert scale (1= Strongly Disagree, 5= Strongly Agree). Thereafter, respondents were asked to think about and write down the dealer (retailer) they recently purchased or thinking of purchasing a car. After that, questions about the dealer were asked again using a five-point Likert scale (1= Strongly Disagree, 5= Strongly Agree) that constructs retailer equity. In total, 16 different brands and 47 different retailers were mentioned by respondents, which increased the external validity of study.

In total, data were collected from 187 respondents. However, 24 of them were excluded because of incomplete and/or irrational answers. Consequently, the final sample consisted of 163 respondents where the mean age was 34; and 36% of the respondents were female, 64% were male.

3.2. Measures

To measure brand equity, scales from three articles were adopted and mixed in order to achieve better measurement (Aaker and Alvarez del Blanco 1995; Lassar et al. 1995.; Yoo et al. 2000). For retailer equity, again a mixture of scales were adopted from many authors (Aaker, 1991; Arnett et al. 2003; Pappu et al. 2005; Yoo and Donthu, 2001; Koo, 2003; Aaker, 1996; Yoo et al. 2000). Chen and Chang's (2008) scale was adopted to measure purchase intentions. For perceived advertising spending, Yoo et al.'s (2000) and Martin's (2000) scales were adopted.

Data were collected from various Turkish consumers that increased the generalizability and external validity of the study. However, the mixed structure and background of the respondents might affect the results. In order to avoid this and observe the pure relationships between variables, 8 different control variables were included in the study. The control variables were:

- Age: The numerical value in years.
- Gender: Male/Female.
- Personal involvement: Involvement of the customer with the product (car) which is adopted from Zaichkowsky's (1985) scale. Five-point Likert scale were used (1= Strongly Disagree, 5= Strongly Agree).
- Dealer Experience: Customers' relationship with the retailer and his/her experience might influence the results. Respondents were asked to state the number of cars they have bought from that retailer.
- Education Level: Respondents were asked to write down the highest level of education they have completed.

- Income: Respondents were asked to mention their yearly own income. The choices were 1= Less than 10.000 €, 2= Between 10.000-20.000 €, 3= Between 20.000-30.000 €, 4= More than 30.000 €.
- Car Importance: This variable was measured by one question using five-point Likert scale (1= Strongly Disagree, 5= Strongly Agree) which was "Do you think cars are important part of your life?".
- Car Experience: This variable was also measured by one question using five-point Likert scale (1= Strongly Disagree, 5= Strongly Agree) which was "Do you think you are experienced and have knowledge about cars in general?".

The analyses in this study were conducted using SPSS software, which is consistent with recent research in brand equity topic (e.g. Soni and Govender, 2018; Hsieh, 2020). In the next section, scales will be validated for internal consistency, correlations will be presented and hypotheses will be tested with regression using ordinary least squares (OLS) results.

4. Results

4.1. Scale Validation

In order to check the internal consistency of the study and validate the scales, factor analysis was conducted. Moreover, in order to check the reliability, Cronbach's Alpha scores were obtained. A summary of the results are shown in Table 1.

Table 1: **Scale Validation**

Construct	# of Items	Variance Explained by 1st Factor	Range of Loadings	Cronbach's Alpha
Brand Awareness	4	53.5 %	.61 - .82	.70
Brand Associations	4	50.7%	.59 - .77	.65
Brand Loyalty	4	71.9%	.84 - .86	.87
Perceived Quality	4	73.0 %	.80 - .89	.88
Retailer Awareness	4	68.1 %	.76 - .86	.84
Retailer Associations	4	61.5 %	.77 - .87	.79
Retailer Loyalty	4	82.3 %	.89 - .93	.93
Retailer Per. Quality	7	82.6 %	.86 - .94	.96
Per. Adv. Spending	4	76.0 %	.77 - .94	.89
Personal Involvement	2	72.0 %	.84 - .84	.61
Purchase Intentions	2	88.4 %	.94 - .94	.87

The results shown in Table 1 indicate that factor analysis and reliability results were promising. The main aim of this section is to test whether the items (questions) hang together which will result in reliable and internally consistent constructs. When looking to variance explained by first factor, the results were generally above 70 % with eigenvalues higher than 1. Moreover, range of loading results showed that the range between items were not huge; instead they are closer to each other which increased the probability that the items hang together with one another. Cronbach's Alpha scores were also above 0.70 (Nunnally, 1978) in general indicating that constructs were reliable which increased the internal consistency of the results. Only the results of brand associations and personal involvement constructs were a little below 0.7; however this is acceptable considering previous studies' results. In addition to these, an inspection of scree plot showed a clear break after the second component that was also a positive result from factor analysis.

Only one construct was somehow problematic and had low Cronbach's Alpha score, which was personal involvement construct. First, 3 items were used for personal involvement; however, after factor analysis, it was observed that one item had comparable low score regarding component matrix than the other two items. Consequently, scale purification was done; the low-scored item was removed and the analysis was continued with 2 items for personal involvement construct.

To sum up, the scales were validated by using factor analysis and Cronbach's Alpha scores. The results showed that the study has internal consistency, constructs are reliable and items hang together for each individual construct (Hair et al. 2014). In line with previous studies, brand equity variable consists of brand awareness, brand associations, brand loyalty, and perceived quality. Similarly, retailer equity is composed of retailer awareness, retailer associations, retailer loyalty, and retailer perceived quality. Scale validation section showed that each construct is internally consistent and hang together. In that reasoning, the 4 sub-constructs (i.e. brand awareness, brand associations, brand loyalty, and perceived quality) were summed to measure brand equity. The other 4 sub-constructs (i.e. retailer awareness, retailer associations, retailer loyalty, and retailer perceived quality) were also summed together for measurement of retailer equity. Consequently, in the correlations and hypotheses testing parts, brand equity and retailer equity were measured as constructs composed of the related 4 sub-constructs.

Table 2: **Correlations**

	Mean	**s.d.**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
1.PI	4.30	0.77											
2.BE	4.20	0.51	.69**										
3.RE	3.87	0.76	.41**	.44**									
4.PAS	3.93	0.83	.36**	.33**	.31**								
5.Gen	0.37	0.48	-.10	.02	.05	.15							
6.Edu	2.44	0.86	-.03	-.15	-.13	.16*	.18*						
7.Age	34.17	12.42	-.01	-.05	-.07	-.06	-.007	.42**					
8.Inc.	2.23	1.14	.004	-.01	-.09	-.16*	.02	.38**	.60**				
9.Car Ex.	3.31	1.12	.13	.14	.06	-.10	-.30**	.04	-.05	.03			
10.Car Imp.	3.71	1.17	.18*	.27**	.27**	.07	-.09	.04	.05	-.15	.49**		
11. Deal Ex.	0.98	1.02	.03	.04	.21**	.04	-.17*	-.01	.20*	.14	.09	.14	
12.Per. Inv.	3.83	0.89	-.002	.04	.04	-.05	-.01	-.03	-.10	-.13	.56**	.41**	.008

Note: ** *p* <.01
* *p* <.05

From Table 2, it can be seen that there was a strong, positive correlation between brand equity and purchase intentions (r=.69), with a high significance level (p<.01). This correlation meets the expectation of the study. Besides, there was also medium, positive correlation between retailer equity and purchase intentions (r=.41) which was also significant (p<.01). This result is also in line with the expectations. Perceived advertising spending and purchase intentions were also medium and positively correlated (r=.36, p<.01). Last but not least, brand equity and retailer equity were medium, positively correlated (r=.44, p<.01).

Considering some control variables, one can observe some significant high correlations. For instance, there were medium, positive correlation between education level and age (r=.42, p<.01), and between age and income (r=.38, p<.01). In addition to this, same reasoning can be seen with the strong, positive correlation between age and income (r=.60, p<.01). Another consistent finding was that, car experience and personal involvement also have strong, positive correlations (r=.56, p<.01). These data taken together, increases the consistency of the results.

The preliminary findings from correlation analysis are consistent with the expectations. Both brand equity and retailer equity are positively correlated with purchase intentions of customers, which is an important finding that somehow explains the rough relationships among them. In order to test the hypotheses and reach more conclusive results, OLS will be presented in the next section.

4.2. Hypotheses Testing with OLS

After examining the correlations among variables, regression analysis was conducted in order to test the hypotheses. OLS results are shown in Table 3. It is important to note that to test the moderation hypotheses, product terms were calculated for the interactions. The moderation effect of retailer equity regarding H4 was tested by product terms multiplying brand equity and retailer equity variables. Similarly, the moderation effect of perceived advertising spending in H5 was tested by product terms multiplying brand equity and perceived advertising spending variables.

The regression is significant with F=13.458 (p<.01) and R2=.54. This means that 54% of the variance is explained which indicates a good result. Moreover, this result enables to further investigate the individual main effects and control variables in detail.

Table 3: **Ordinary Least Squares Results**

Explanatory Variable	beta	s.e.	t-value
Main Effects:			
Brand Equity	.59	.10	9.03**
Retailer Equity	.14	.67	2.18*
Perceived Advertising Spending	.17	.58	2.80**
Interactions:			
BEXRE	.18	.13	0.24
BEXPAS	-.39	.09	-0.74
Controls:			
Age	-.009	.005	-.012
Gender	-.17	.098	-2.77**
Personal Involvement	-.06	.06	-0.83
Dealer Experience	-.06	.05	-0.99
Education Level	.13	.06	2.05*
Income	.004	.05	0.48
Car Importance	-.03	.05	-0.47
Car Experience	.06	.05	0.75

Note: R^2 .54
** *p* <.01
* *p* <.05

Considering the beta coefficient of brand equity independent variable, it is significantly high (beta=.59, p<.01). This means that there is strong positive relationship between brand equity and purchase intentions of customers. So, as brand equity increases, purchase intentions of customers also increases. Consequently, H1 is supported. It can be seen that retailer equity's beta coefficient is relatively low compared to brand equity's beta coefficient; however it is significant and effective (beta=.14, p<.05). This result indicates that retailer equity and purchase intentions of customers are positively related to each other. An increase in retailer equity results in an increase in purchase intentions of customers that supports H2.

Regarding third hypothesis, it is expected that the effect of brand equity on purchase intentions will be higher compared to the impact of retailer equity on purchase intentions. It is important to note that this hypothesis investigates the individual relationship between brand equity-purchase intentions, and retailer equity-purchase intentions. As mentioned before, both brand equity and retailer equity effects were significant regarding their relationship with purchase intentions of customers (beta=.59, p<.01; beta=.14, p<.05 respectively). As recommended by Cohen et al. (2003), in order to test H3, z-statistics was conducted. The z value was 2.05. The result was significant (z>1.98) which supports H3 with an indication that brand equity is a more powerful element than retailer equity regarding the impact on purchase intentions of customers.

The last two hypotheses are concerned with moderating effects. From Table 3, it is evident that the results of the interactions are both non-significant (p>.05). This means that brand equity and retailer equity are important concepts that have a positive relationship with purchase intentions of customers; however, they work alone. Moreover, perceived advertising spending is also not moderating the relationship between brand equity and purchase intentions of customers. In this study, no moderating effects were found. Consequently, the last two hypotheses (H4 and H5) are not supported.

Last important point from the results of OLS is about control variables. Mainly (6 out of 8), control variables are not significant, therefore they do not affect the results of the study (p>.05). However, gender (beta=-.17, p<.01) and education level (beta=.13, p<.05) show significant results. This means that these two control variables also have an effect regarding the context of the study. Gender and education level of the consumers are also important factors together with brand equity, retailer equity for purchase intentions of customers.

5. Discussion and Implications

Competition has been increasing among firms and distribution channels in the last decades intensely. In addition to this, consumers have become more unpredictable and irrational with respect to their purchase behaviors. In that sense, academic research may help to disclose the discrepancy between concepts and the actual behaviors of customers. The main aim of this study was to explore the relationship between brand equity and purchase intentions of customers; and retailer equity and purchase intentions of customers. Besides, perceived advertising spending and retailer equity were also investigated as moderators regarding the relationship between brand equity and purchase intentions of customers. The results of the study imply crucial academic and managerial implications.

One of the main results of the study is that brand equity and purchase intentions have a strong positive relationship. That is, consumers' purchase intentions are strongly affected by brand equity. Previous studies (e.g. Cobb-Walgren et al. 1995; Chen and Chang, 2008) also predicted and found positive the relationship between brand equity and purchase intentions of customers. The study revealed that the results from automotive sector with Turkish customers are also in line with previous literature. The second important finding of the study is about retailer equity. As predicted, there is positive relationship between retailer equity and purchase intentions of customers. Although previous research has not investigated this relationship directly, there are some indications; for example, Keller (1998) states that in general, higher retailer equity should result with higher purchase intentions. In that sense, this study has contributed to the literature by adding positive findings regarding the relationship between retailer equity and purchase intentions. Customers might say that retailers are not very important in their decision process of buying a product. Especially, in the automobile sector where products (cars) are not repeatedly bought, one may think that retailers (dealers) do not play any significant role. The study shows that this is not the case and customers may perhaps unconsciously consider retailers, and their purchase intentions are affected by retailer equity. Retailer equity concept is an emerging topic with little empirical investigations. The positive effect of retailer equity on purchase intentions contributed to academic literature in that sense.

Regarding third hypothesis, as predicted, the relationship of purchase intentions with brand equity was stronger compared to retailer equity. Previous studies have not attempted to compare this relationship in one study in similar same context; however, customers tend to evaluate brands prior to retailers in general. This result shows that although both brands and retailers are important in consumers' minds, the brand equity is much more important compared to retailer equity. This result makes sense, since there is more exposure from brands (marketing communication, promotions, etc.) than retailers and the main aim of the customer is to buy a product where brand is prior to retailers. However, it is important to observe that retailers also have some additional impact on customers' purchase intentions. This result also enlightens the literature.

The last two results are about the moderations. The first prediction was that retailer equity moderates the relationship between brand equity and purchase intentions of customers. This hypothesis was not supported. It was expected that if customers have strong positive perceptions for a retailer, this should also increase the relationship between brand equity and purchase intentions. However, the interactions were not statistically significant. One reason for that might be industry specific. Customers buy cars not very often and when they are in the process of purchasing, they consider brands and retailers (as found in the study), but they consider those separately since cars are not in a product category such as fast-moving consumer goods (FMCGs). This relationship should be tested in another study and in another sector in order to have more reliable results. The other moderator is perceived advertising spending. It was expected that perceived advertising spending moderates the relationship between brand equity and purchase intentions. Previous studies (e.g. Cobb-Walgren et al. 1995; Villarejo-Ramos and Sanchez-Franco, 2005) found positive relationship between advertising and brand equity and it is logical to observe a stronger relationship between brand equity and purchase intentions of customers if they are exposed more to advertisements of that brand. From that reasoning, a moderating role of perceived advertising spending was expected, however, this hypothesis was not supported. One reason might be caused by the scale of the perceived advertising spending. It might have not matched the context of the study. Additionally, the respondents might have filled out that part of the questionnaires fast and unconsciously if they had the feeling that this survey is about cars and retailers. In general, it is interesting not to find support for this hypothesis. Another reason might be country specific. Turkish people may not consider advertising as an important element that affects their purchase decisions. Besides, in automobile sector, there are less advertisements in TVs, billboards etc. than FMCGs. That might be another reason why people do not consider advertising as an important element when purchasing cars compared to FMCGs.

One of the most important implications of this study is that both brand equity and retailer equity have considerable positive relationship with purchase intentions of customers. However, as the moderation hypotheses are not supported, it can be seen that they work alone. There is not a moderating or combined effect according to the results of this study. It is also noteworthy that several control variables were included in the study in order to observe pure and accurate findings. The majority of the control variables were not significant. However, gender and education level were found to be important variables. Men, in general, are more interested in cars, which make their decision to be affected from several factors easier. Last but not least, as the education level increases, it can be said that customers become more conscious of their decisions; this is why brand equity may influence their decisions more since they are more involved with the purchasing process.

There are some major managerial implications of the study. First, managers should carefully consider all aspects of brand equity starting from awareness (salience) and try to reach to resonance level of CBBE pyramid that will increase the purchase intentions of customers. Secondly, the study revealed that retailers also play an important role regarding purchase intentions of customers. From the perspective of focal firms' managers, this result suggests that managers should be careful when allocating the independence level of retailers considering marketing activities such as promotions. Since retailers also affect decision making of customers, managers should have some control over retailers because even the brand has strong equity, retailer may dilute this by its own equity. From retailer managers' perspective, they should be more active and try to climb top in CBBE pyramid as well. It is not only the brand that shapes customers' decisions; retailers also play an important role in consumers' purchase intentions. Another managerial implication is that managers should be careful when calculating their advertising budget. This result might be industry specific and might have its own limitations; however, advertising does not seem to play an important role regarding the relationship between brand equity and purchase intentions of customers in this context. Advertising is a vital marketing communication tool for sure, but managers should avoid overspending on advertising. Last managerial implication is that managers should be careful when they are arranging their channel strategies. In product categories that need high levels of control, retailers might be a disadvantageous way since the focal firm will not have full control over the brand that is being sold. In that case, having own branches could be a better solution.

The present study has some limitations. Firstly, the data were collected from Turkish customers that was thought to be an advantage by controlling cultural differences of customers. Despite that, it hinders the generalizability of the results since the data might be representative of one specific culture. Automotive sector was chosen to collect data where dealers were treated as retailers. Although dealers are also can be classified as retailers, the generalizability of the results is somehow low since brand variety is not high in automobile dealers. These limitations lead to some important future research directions. Future research should replicate and test these hypotheses indifferent product categories such as FMCGs. It is important to observe if retailers such as Walmart, which sell a variety of brands, will reproduce similar results. Future research also should re-test these hypotheses in different cultural contexts. A multi-cultural study will reveal whether these results are applicable to different cultures. Last but not least, the moderation analysis should be replicated in future research that will enlighten the literature.

6. Conclusion

Brands and retailers are separate concepts that are gaining importance in the market as the competition becomes more volatile. Consequently, managers of brands and retailers should act carefully in order to capture and maintain customers. Brand equity and retailer equity are closely related to purchase intentions of customers. This study investigated the relationship between brand equity and purchase intentions; and retailer equity and purchase intentions of customers and found statistically significant relationships between these variables. However, there were no moderating effects of perceived advertising spending and retailer equity regarding the relationship between brand equity and purchase intentions. Therefore, the main finding is that brand equity and retailer equity was positively related to purchase intentions of customers but they work alone. This was the first attempt to include both brand and retailer equity combined in one study and to investigate their relationship with purchase intentions of customers and it is expected that the results will be valuable for both managers and academic researchers.

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