

The Effect of Internet Marketing on Brand Equity

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Abstract

In the markets heavily competitive today corporate executives are looking for new ways to informing people about products and improving their brand. Those to reach this goal to attract more customers use one of the most effective. These are internet marketing methods. This survey is conducted to in order to study the role of internet marketing in the brand equity of online store product current study descriptive-correlation type and from the type of modeling is the structural equation. Statistical population of the research includes customers online store product. Sample size based on the cochran formula 169 people it was determined. For data analysis from two software SPSS and PLS are used. The results showed. The results showed that there is a positive and significant relationship between the variables. And internet marketing with intensity of impact “0.771” on brand equity and also with intensity of impact “0.908” On loyalty affects.

Keywords: Internet marketing, Technology, Brand Equeity.



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1. Introduction

Nowadays use of Internet is a part of nearly every day for private and occupational purposes by its users [1]. Increasing global competition has placed great stress on many companies and different brands, especially manufacturing industries. In earlier times, the demand for various products was always greater than the supply, so manufacturing companies only had to focus, in general, on increasing their production efficiency. However, after decades of technological advances that have accelerated production processes, supplies are now often higher than the corresponding levels of demand, forcing the various brands that exist in given markets to compete for potential customers' attention [2]. In such circumstances, it is imperative that companies step ahead and use this opportunity to inform people about the benefits and features of their products [3, 4]. In the knowledge-based economy, value-creating activities of organizations do not rely solely on visible assets, but their abilities in the use of intangible assets, forms the basis of their value creation. One of the intangible assets of companies is their trademark. Includes brand products and brand own company [5]. Over the past ten years, the internet as a global communication and exchange medium has witnessed unprecedented growth. Globally, the number of websites increased from 23,000 in 1995 to more than 55 million in 2005 [6]. The main challenge for many companies today is to manage, control and advance daily business activities and find leverage points to improve performance, particularly in terms of market-oriented activities that can be influenced by the internet [7]. The Internet is one of the most significant marketing tools in the global marketplace, offering enormous potential for export businesses [8]. The advent of the internet has made branding in that environment a more complex and dynamic challenge. Further, with the lack of sensory interaction online and fears over security, the creation of trust through the development of strong internet brands has become a critical context for marketers. Many online businesses are, therefore, searching for new internet brand strategies that might assist them in creating some distinctiveness while engaging their customers [9]. Internet marketing has been generally defined as the use of internet technologies to achieve marketing objectives [10, 11]. Overall, the internet continues to offer endless marketing opportunities, which enhances expectations that most organizations will have high levels of involvement in Internet marketing [12]. One of the most important marketing concepts today widely by researchers marketing is examined brand equity that strategic role and its important In managerial decisions and create

competitive advantage for organizations and their customers It originates. With regard to the cases cited in this study, to review the role of internet marketing Brand equity of companies [13].

2. Literature Review

2.1 Brand equity

The concept of branding has become widely accepted as one of the key purposes of marketing efforts over the past several decades [14]. The basic function of a branding strategy is to add value to a given product or service. In order to obtain strategic advantages by building, maintaining, and utilizing brands, the subject of brand equity has attracted the attention of academics and practitioners for decades [15]. Ultimately, brand equity can be used to summarize all of the various assets that are parts of a brand, to measure the performance of a brand in the past, and to predict the performance of a brand in the future [16]. Brand Equity is defined as the difference in consumer choice between the focal branded product and an unbranded product given the same level of product features [17]. Aaker (1991) defines brand equity as a “*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*”. Brand equity can be defined both from consumer and firm based perspectives [18]. The consumer based aspect is mainly about consumer mind-set which can be described using constructs like attitudes, awareness, associations, attachments and loyalties [19]. Brand equity is a very important concept in the field of business and academic research because marketers can through successful brands to earn competitive advantage. they believe five important considerations in there is a definition of brand equity: **First** brand equity compared to any indicator other objective refers to customer perceptions; **Second** brand equity total value linked refers to a brand; **Third** overall value related to the brand is derived from the brand name and not from the physical aspects of the brand; **Fourth** brand equity not absolute advantage but advantage is relative; **Finally** brand equity positively over financial performance affects [20]. In the general sense brand equity from the perspective of marketing unique effects reliable brand defined [21]. Much of the literature has indicated that brand equity provides a strong platform for the introduction of new products, for differentiating a company from its competitors, and for protecting the given brand from competitive attacks. Keller [19, 21], further indicated that if consumers have greater knowledge of a specific brand, they will have more favorable reactions to the

elements of the marketing mix. Furthermore, as brand equity is created, customers tend to perceive the tangible and intangible features of a brand through various information sources. These perceptions will intensify the value or meaning of the brand to the consumers, and the brand equity will then influence consumer preferences and purchase intentions [22].

2.2. Brand awareness

Brand awareness includes a hierarchy from one feelings are unknown that this brand due to this belief that in categories only one has been known [23]. Products brand awareness is an essential aspect of as well as the first step in building brand value [24]. It can be defined as the level of brand recall and familiarity when consumers make a choice of their preferred brand [21, 23, 22, 17], have identified different levels of such brand awareness. Stage one refers to a complete lack of awareness. At this stage, consumers do not know the brand or its name. Stage two stands for a level of brand recognition such that consumers can identify the brand but do not remember the brand's name. Stage three refers to brand recall; consumers can utter the brand's name after being reminded of it by others. Finally, consumers at the stage of high awareness, stage four, can make a connection between the brand and its products automatically that is without any reminders from others. Due to the fact that people usually choose to buy familiar products, such name awareness is very important to a product in terms of getting the product included into a consumer's buying consideration [25].

2.3. Brand loyalty

Brand loyalty indicative positive attitude than a brand and in the result of stability buy this brand is during the time [26]. Brand loyalty refers to the degree to which people are committed to a given brand as shown both by their inner attitudes reflected in lasting biases toward a specific brand, as well as by externally exhibited behaviors such as repeat purchases of a certain brand among several alternatives [27]. Aker (1991) brand loyalty as affiliation that customer has a brand defines. Brand loyalty that can a wide range of buyers always to buyers satisfied and those ones love this brand to the devotee's real conversion [23].

2.4. Brand association

Brand association any mental association with the brand is not only there associations but has level of power is brand position based on reminders and how they are distinct Competitors [23]. The role of brand associations as an important element in brand equity management has been previously documented [22]. It is classified into three major categories, i.e., attributes, benefits, and attitudes [21, 22]. The attributes are features of a brand, in other words, they constitute what a consumer thinks the brand has to offer. The benefits are values associated with the features of the brand. The brand attitudes are consumers' overall evaluations of the brand. As a whole, the potential value of a brand name is based upon specific associations and is related to its image. Brand associations influence a consumer's brand choices and purchases, increase the barriers through which competitors may need to break, and may also serve as the basis for brand extensions [23, 21].

2.5. Internet Marketing

Internet marketing has been generally defined as the use of Internet technologies to achieve marketing objectives [28]. Internet marketing, also referred to as web marketing, online marketing, or e-marketing, is the marketing of products or services over the Internet. The Internet has brought media to global audience. The interactive nature of the Internet marketing in terms of providing instant responses and eliciting responses is the unique quality of the medium. Internet marketing is sometimes considered to be broad in scope because it not only refers to marketing on the Internet but also includes marketing done via e-mail and wireless media. The management of digital customer data and electronic customer relationship management systems are also often grouped together under the Internet marketing [30]. Internet marketing can as a new philosophy and a modern business activity take into account that inclusive of Product marketing, services, information, and ideas through the internet and other electronic tools [30].

2.5.1. Components of Internet Marketing

Internet marketing evolves in a fast-phase manner. It is dynamic and requires every online business and marketers to keep updated with the changes in the system. There are two components of Internet marketing:

o **B-to-B (B2B)**

It refers to business to business e-commerce, where business firms sell their products and services to other business firms using the Internet.

o **B-to-C (B2C)**

It refers to business to consumers, where business firms sell their products and services to the consumers using the Internet [29].

3. Research Methodology

This survey is conducted to in order to study the role of Internet marketing in the brand equiety of online store product current study descriptive-correlation type and from the type of modeling is the structural equation. Statistical population of the research includes customers online store product. Sample size based on the Cochran formula 169 person it was determined. For data analysis from two software SPSS and PLS are used.

3.1. Theoretical Framework and Hypotheses Development

The main objective of this study is to show the relation between Internet marketing and brand equiety, the four hypotheses of this survey are as fallow:

H1: There is a positive relationship between internet marketing and brand equiety.

H2: There is a positive relationship between internet marketing and Brand awareness.

H3: There is a positive relationship between internet marketing and Brand loyalty.

H4: There is a positive relationship between internet marketing and Brand association.

The development of related hypotheses to the proposed mode l are discussed next.

4. Data Analysis

In table 1, number Gauges designed to measure each latent variable and Cronbach's alpha coefficient the question is presented as that is observed Cronbach's alpha coefficients all variables. In this study From Minimum amount of 0.7 It's more and measures have high reliability also all the values CR is more than 0.6 so measurement model the composite reliability is proper.

Figure 1. The Theoretical Framework

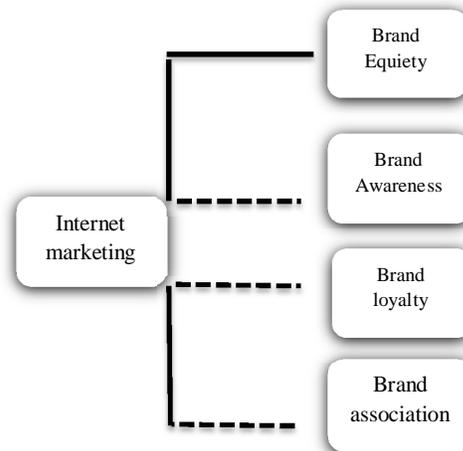


Table 1: Cronbach's alpha, composite reliability and AVE

Variable	Scale	Number of questions	Cronbach's alpha	Composite reliability	AVE
Internet marketing	Likert Spectrum	14	0.844	0.875	0.476
Brand equity	Likert Spectrum	16	0.879	0.899	0.521
Brand loyalty	Likert Spectrum	7	0.800	0.855	0.466
Brand awareness	Likert Spectrum	5	0.787	0.853	0.538
Brand association	Likert Spectrum	4	0.745	0.842	0.576

Method check validity divergent compares the rate correlation a structure with its indicators, in front of correlation structures with other structures (Fornel and Locker's method). Fornel and Locker'(1981) for review validity divergent matrix make offer they give that diameter main this matrix contains square root amounts AVE internet marketing, brand equity, brand loyalty, brand awareness, brand association.

Table 2: The results of the divergent validity study using Fornell and Locker method

Variable	Brand Association	Brand Awareness	Brand Equity	Brand Loyalty	Internet Marketing
Brand Association	0.759				
Brand Awareness	0.574	0.734			
Brand Equity	0.748	0.728	0.712		
Brand Loyalty	0.717	0.506	0.708	0.783	
Internet Marketing	0.669	0.666	0.701	0.631	0.688

In table 2, based on Fornel and Locker (1981) method, we specified the amount of correlation between them with the other variables research that in cells lower right main diameter arranged have become, It's more therefore can stated that current study structures model hidden variables interaction more with indicators yourself have up with structures the other validity divergent model at the limit is good.

4.1 Inferential Findings

The results of data analysis where use from the figure 2 is obtained and all assumptions were approved. According to path coefficient if the amount possibility (p-value) for level significant 0.05 lower and will be the bigger of significant number from 1/96, can concluded that path coefficient at level 0.05 meaningful is accepted and in the otherwise this hypothesis can be rejected (table 3).

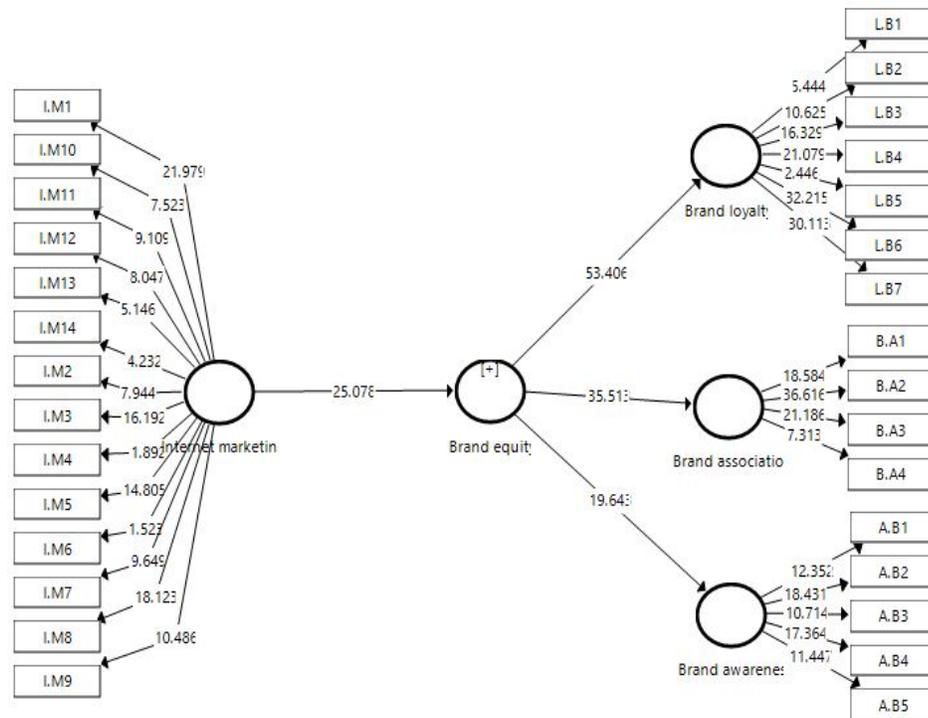


Figure 2. Research Model in Mode Meaningful Parameters

Table 3: Summary of the results of research hypotheses

Row	Hypothesis	Standardized Coefficients	T-Statistic	Confidence Level	Result
1	There is a positive relationship between Internet marketing and brand equity	0.771	25.07	0.05	Ok
2	There is a positive relationship between internet marketing and Brand awareness.	0.758	19.64	0.05	Ok
3	There is a positive relationship between internet marketing and Brand loyalty.	0.908	53.40	0.05	Ok
4	There is a positive relationship between internet marketing and Brand loyalty.	0.858	35.51	0.05	Ok

5. Conclusion

The main goal of current research was to ascertain the impact of internet marketing on brand equity online commodity company has been obtained. In order to study the effect of 169 people customers online investigated. Where based on figure 2 and table 3 are specified. Between all variables research correlation and there is a positive relationship and all the hypotheses of this research are confirmed also relations between the study variables it shows internet marketing great impact on sales of online company has the goods.

Due to the confirm the first hypothesis with the impact "0.771" shows that internet marketing can increase brand equity become a company and brand reputation has been created the company in the mind of the customer that can loyal customers increase the company due to expansion.

Increasingly internet use from networks and web sites can said businesses with use from internet and features its positive more customers at a low cost they can to earn. Confirmation of other research hypotheses due to the t-value desirable between variables internet marketing has a major impact on brand loyalty with t-value 53.308. This topic it shows that customers pay a lot of attention to online

marketing because internet shopping has benefits to customers, and their loyalty will increase. So online company must be has a lot of attention to confirmation the relationship between internet marketing variables and brand association with the effect of "0.858". Brand awareness to the severity of impact ".758" shows internet marketing, awareness of the company brand and thus increases brand association and brand loyalty all of this has a huge role in these companies brand equity. Also the results showed internet marketing is a good tool for marketing viral marketing and business expansion and internationalization.

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