

## Review the Impact of Advertising and Sale Promotion on Brand Equity

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### Abstract

Nowadays, establishing and attaining to robust and great brand is one of the imports for any business, because it trails a lot of aids. The robust brand gives option to business for setting itself in the market, evading the business depiction to risk by modest actions and having significant role in collaborating and backup the brand expansion probabilities. In computing and evaluating the brand equity, dynamic marketing researchers initially review the concept of brand equity which is chosen the vital value of brand for producer, retailer and consumer. Brand equity originates from the consumer's awareness from that brand and this awareness is altered by some factors. Brand equity couldn't be understood and established without considering its resources. In this paper we tried to contemporary a functional and clear description of brand equity and its dimensions. Normally, in this paper, we have dealt with the review of effective factors such as advertising and sale promotion in order to distinguish how these marketing tools outcome on the brand equity. Finally, the widespread use of advertising and reduction of sale promotion is suggested for brand equity.

**Key words:** Advertising, Sale Promotion, Brand Equity, Brand

### Introduction

In consumer marketing, brands typically were the starting point of competitive proposes, so that they can be vital for accomplishment of organizations. Hence, it is significant to manage brands by strategic approach. Furthermore, brand equity, by supporting customer's value, indirectly raises the value of the company. Brand equity and customer's value through swelling: "effectiveness and efficiency of marketing plans, brand loyalty, price and profit margin, brand development, business leverage and competitive advantage" give value to company. From behavioral point of view, brand equity is very important in making distinction points which is resulted in competitive advantage in non-price competition. An important Conceptual wisdom about brand equity is suggested a property which is expected it to increase customers' value and their intention for buying and enhance market performance. In this paper, we will try to review subjective literature pertaining to research topic, documentary, by using theoretic comparison in some experimental research and finally we present a theoretic invention which is derived from mentioned researches. At the end, after describing results and founding and mentioned cases have aggregated, discussion, conclusion and functional suggestions and suggests which is concerned with persisting simulated researches will be presented.

### Problem expression and the importance of the subject

Despite of tremendous tendency to brand equity, few conceptual developments and experimental researches are implemented to found that which of the marketing activities create brand equity. Until now, identifying

brand equity is mainly emphasized and its resources and development are ignored.

In this paper the relations between sale and advertising promotions and brand equity were studied. This research aiming to find that how do these marketing actions increase or decrease brand equity. These models do not determine a financial value for brands, but they review consumer's actions and perspectives that is too much effect on the economic performance of the brand. These models often consist of a large number of conceptual criteria such as: brand awareness, brand association, brand image, brand knowledge, brand loyalty, brand identity. Therefore, the output of this model is not only a financial value, but also it is information that is helped managers in strategic management of the brand. Moreover, this model is fitted in the customer-based approaches which is considered customer's heart and opinion as the source of the brand equity. This awareness and cognition help managers to select more appropriate goals and strategies for their brand and allocate their available sources in agreement with this goals and strategies, efficiently.

### The conceptual framework of the paper

The conceptual framework of this paper includes independent parameters and dependent parameters.

### Advertising

Advertising is any paid form of non-personal presentation and promotion of ideas, goods and services and it is required price. Among components of marketing integrated communication model, advertising has more identified position than the other marketing components, because costumers informed new products through advertising. In addition,

advertising is minimized barriers between costumers and organization.

### Sale Promotions

Sale promotion consists of a set of various and different and often short period motive tools which is used for consumer's or buyer's provocation to buy more and faster. Promotion tools consist of coupon, rewards, free samples, discounts, advertising goods and etc.

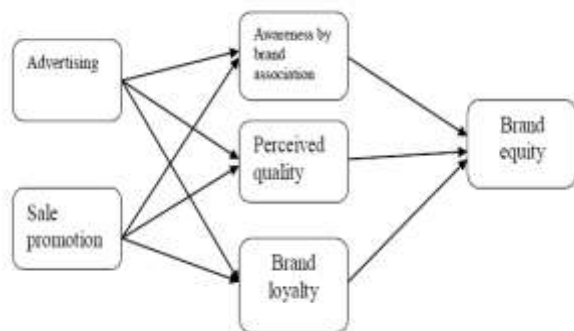
### Brand Equity

Brand equity is a power that a brand may have achieved it in a market because of its name, sign and logo.

### Conceptual model of research

Conceptual model is starting point and basis for implementing studies and researches so that it is specified desired parameters.

**Diagram 1: the relationship between advertising and sale promotions with brand equity dimensions and brand equity**



Rendering to related topical literature and concerning to similar implemented researches, following model is proposed.

### The relationship between advertising with the dimensions of the brand equity

**Advertising:** Researchers surely found that advertising is a successful factor to provide brand equity, particularly where the sale promotion is failed. Simon and Sullivan (1993) identified the positive effect of advertising. Cobb-Walgren et al (1995) found that spending advertising costs has positive effect on brand equity and its dimensions. Advertising is an external signal to show the quality of products (Milgrom and Roberts, 1986). Heavy investing in advertising indicates that company invested on its brand which is evolved high quality (Kirmani and Wright, 1989). Moreover, Archibald et al (1983) found that not only advertising just shows high quality, but also make well profit. Thus, we could say that advertising positively affects on perceived quality and subsequently brand equity. Advertising play an important role in increasing brand awareness. Repetitive advertising program increase the chance of paying attention to

brand, simplify costumers' selection and habituate the selection of brand (Hauser and Wernerfeldt, 1990). Hence, advertising is positively concerned with the awareness of the brand association which is increased brand equity. Moreover, advertising attempts are positively concerned with brand loyalty because it is reinforced the brand awareness and steer the viewpoints to the brand (shimp, 1997).

Price promotions: sale promotions, particularly price promotions made believe that it is eroded brand equity during the time, while in short term period it is enhanced the income. Sale promotions are not proposed as a way for providing brand equity because it is easily duplicable and soon it is deactivated (Aaker, 1991) and only they are increased short-term operation through sale provocation and change one name to the other name. In addition, repetitive price promotions may tow the low quality of the brand that in long-term period endanger the brand because it is caused costumers' confusion duo to difference in expected price and observed price which is caused making the image of unstable quality. Costumers couldn't predict the price of sale location but they could predict disruption regarding to expected price and actual price which is negatively affected on brand equity selection decisions and perceived quality which is resulted the reduction of the brand equity. Also, sale promotions are not enough for providing brand awareness. Then, focus on promotions neglected awareness advertising and subsequently brand equity. It is not appear that price promotions in concern with brand loyalty, although they temporarily compatible with changing one name to another name. They often failed in providing a new frequent sale pattern.

### Brand equity and brand equity dimensions relationships

Brand equity is defined as the added value for named product in comparison to the unnamed product. This is the result of three dimensions of the brand equity i.e. brand awareness, perceived quality and brand loyalty.

### Discussion and Conclusion

Providing brand equity meant providing a powerful brand which is a successful strategy to differentiate goods from those of competitor's brands(Aaker, 1991). Brand equity is provided a considerable competitive advantage, because it is provided significant competitive barriers. Brand equity is developed by increasing perceived quality, increasing in brand loyalty and brand awareness that each of them couldn't be made or destructed in short term period, but they could be made in long term period by well-designed investment. Therefore, brand equity is stable and durable and the product with powerful brand equity is

counted as a valuable asset for the company. Our study is reviewed the importance role of the sale promotion for providing powerful brand equity. Managers can use findings to adopt strategies for providing brand. Regarding to implemented research two results is gained.

### **1- Advertising**

Experiences and obtained results indicate that costumers tend to believe advertising comments and assume that the probable function is according with their claim (Richins, 1995). Therefore, when costumers exposed to frequent advertising, not only their awareness and mental association increase, but also they gain more positive perception resulted in powerful brand equity. One of the major reasons of customer loyalty reduction is the reduction of advertising. In order to reinforce the views and beliefs that is in concerned with brand, advertising help to have a powerful brand loyalty. Regarding to numerous and multiple reasons, brand image is complicated and advertising is a general way to develop the formation and manage this image. Managers should invest on increasing brand equity in advertising with clear objectives.

### **2- Sale promotions**

Through experimental presenting of the actual product, Promoting events with long-term goals can provide brand equity which is helped to provide powerful, desired and unique connections. On the other hand, price reduction in short term period such as amount of percentage may not be suggested for providing brand equity, even if they increase the sale in short term period. Since sale promotions make stronger and more complete react, they can be used for better representing and sale increase in stagnation. But it is noted that a tool is short term and in order to excel in goods and brand, brand managers should apply it with long- term goals, because the costumers comprehend activities with low quality. Instead of supplying sale promotion, managers should invest on developing brand equity.

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