

The Impact of Brand Name on Consumers, Case of Bosnia and Herzegovina

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Abstract

Brand name is important for every company and every product, because the more people know about one product the more it will be sold. This paper will deal with the brand management and its impact on the consumer's behavior and society in Bosnia and Herzegovina. A survey is conducted about the brand name products in domestic correspondents via the internet. The results of the survey will show how big the impact of brand name products on the society and market is, and what are their positive and negative sides. The data which is used is primary data and its source is a survey which had 76 respondents from different cities in Bosnia and Herzegovina. The primary focus groups were people between the ages of 20 to 35, because the main focus of advertisements is on them. The collected data is numerical except of the demographic data. The Seven point Likert scale was used in order to get the agreements of correspondents over six variables and twenty eight questions. The collected data were analyzed through statistical formulas to get the most accurate results.

Keywords: Brand name, Products, Promotion, Profitability, Consumers

1. INTRODUCTION

The name of a brand is the fundamental indicator of the brand. The name of the brand is the basis for raising awareness of the brand and Communication efforts. Often even more important is the fact that it can generate association which serves to describe the brand. (Aaker, 1991)

The brand name is very significant choice because some time it captures the central theme or key association of a product in a very condensed and reasonable fashion. Brand names can be extremely successful means of communication. Some companies assign their product with a brand name that in reality has nothing to do with the emotional experience but is catchy and a name that people can easily memorize. The core base of naming a brand is that it should be unique can be easily differentiated from other names, easy to remember and are attractive to customers. (Keller, 2012)

2. SURVEY ANALYSIS

The data which is used is primary data and its source is a survey which had 76 respondents from different cities in Bosnia and Herzegovina. The primary focus groups were people between the ages of 20 to 35. The collected data is numerical except of the demographic data. The Seven point Likert scale was used in order to get the agreements of correspondents over six variables and twenty eight questions. The collected data was analyzed through statistical formulas to get the most accurate results.

2.1. Variables

In this survey six main variables exist, which will help us to explain the brand name and the factors which can lead to the success of a brand or to its failure.

Table 1: Variables

No	Variable name	Explanation
1.	Consumer behavior	The consumer behavior is a variable which can be with mathematical and statically analysis predictable. The behavior of customers is an element which is not much changeable, because people have their habits which they don't like to change
2.	Brand name products	This variable is especially important for customers because they identify themselves with brand name products and many societies are created on the fundament of the consumption of brand name products.
3.	Brand name products promotion	This variable is constantly changing and the most expensive variable but the one which brings the highest profit. Promotion is important for every brand no matter how big it is.
4.	Brand name products impact on society	Certain products can have deeply impacts on the society. Many of these societies can only identify themselves when they consume a certain brand name product.
5.	Competitiveness	Every product has competition and is competition for other products. It is a variable which appear in every market. In the best case there is a huge competition in which the consumers can choose what to consume and at which price.
6.	Positive/Negative sides of brand name products	Brand name products are famous for their quality and durability. This is one of their positive sides, but another important negative side is that they used their popularity to raise their prices even if these products are not valuable.

Source: Author

2.2. Analysis of the data - results

Table 2: Socio-demographic data of respondents

Socio-demographic data of respondents			
Variables	Categories	Frequency	Percent
Gender	Male	38	50.00%
	Female	38	50.00%
	Total	76	100.00%
Age	18-25	32	42.11%
	26-30	16	21.05%
	31-40	25	32.89%
	41+	3	3.95%
	Total	76	100.00%
Education	Primary	12	15.79%
	High School	32	42.1%
	Bachelor	26	34.21%
	Master	5	6.58%
	PHD	1	1.32%

	Total	76	100.00%
Personal Income	0-250	2	2.63%
	251-400	23	30.26%
	401-700	28	36.84%
	701-900	14	18.42%
	901-1200	6	7.89%
	1201+	3	3.95%
	Total	76	100.00%
Household size	0-2 members	41	53.95%
	3-5 members	31	40.79%
	5+ members	4	5.26%
	Total	76	100.00%
Household Income	0-400	2	2.63%
	400-800	18	23.68%
	800-1200	43	56.58%
	1200+	13	17.11%
	Total	76	100.00%
Household expenses	0-200	16	21.05%
	200-400	37	48.68%
	400-800	13	17.11%
	800+	10	13.16%
	Total	76	100.00%
Residency	House	26	34.67%
	Apartment	49	65.33%
	Total	75	100.00%
Working status	Student	37	49.33%
	Unemployed	16	21.33%
	Employed in public sector	10	13.33%
	Employed in private sector	12	16.00%
	Total	75	100.00%

Source: Author

The main categories of the respondents have been summarized in nine variables which will show that the results come from different people from different social structures, genders and wealth statuses.

Table 3: Consumer Behavior

Item number	Consume behavior	N	Mean	Std. Deviation	T-value	P-value
1	You only buy products that you need	76	5.658	1.090	-0.21	0.84
2	You buy every time the same products	76	6.039	1.038	0.11	0.91
3	When you buy something, you buy it because of the quality	76	2.697	0.980	0.12	0.91
4	When you buy something, you buy it because of the price	76	4.026	0.993	0.00	1.00
5	When you buy something, you buy it because of the brand name	76	2.526	1.039	1.11	0.27
6	Your buying decision in affected by brand name products	76	3.132	0.998	0.00	1.00

Source: Author

The consumer variable analysis shows that people buy products because they are accustomed to buy the same products from their childhood (M=6.039). Another point which is concluded through this variable analysis is that domestic people don't buy many products because of their brand name. In B&H people live in a society which hasn't much money and they pay more attention on the price than on the brand name.

Table 4: Brand name products

Item number	Brand name products	N	Mean	Std. Deviation	T-value	P-value
1	Brand name products are qualitatively better than no name products	76	2.908	0.982	0.35	0.73
2	Brand name products are cheaper than no name products	76	1.974	1.019	-1.59	0.12
3	Brand name products are healthier than no name products	76	1.908	1.022	0.33	0.74
4	Brand name products are easier accessible than no name products	76	4.566	0.984	-0.81	0.42
5	Because of their quality, brand name products have loyal customers	76	5.658	1.001	2.11	0.40

Source: Author

The result of this analysis shows that the biggest advantage of brand name products is those brand name products have their customers which are loyal to the brand because of some reasons (M=5.658). Maybe it is because of the quality or the tradition or some other reason. Another result show that people are not satisfied with the healthiness of brand name products, because more attention is given to the promotion of the products than on its affects on the human health (M=1.908).

Table 5: Brand name products promotion

Item number	Brand name products promotion	N	Mean	Std. Deviation	T-value	P-value
1	Brand name products have better promotion than no name products	76	3.632	0.991	0.23	0.82
2	Brand name products got their promotion with the help of celebrities	76	4.868	1.024	0.89	0.37
3	Brand name products invest over 50% of their revenue into promotions	76	3.658	0.960	-0.71	0.48
4	They are so good sold only because of their promotion	76	3.855	0.989	-0.12	0.91

Source: Author

Promotion is the main element in the marketing segment. Without promotion no product would be known and when customers would come into a store they would buy just the first product they see. The promotion with the help of celebrities seems to be the easiest way to promote the brand/product and the celebrity at the same time (M=4.868). Another point that the respondents identify is that producers invest much more than 50% of their revenues on promotion but calculating their revenues from the new sale after the promotion are significantly higher (M=3.658).

Table 6: Brand name products impact on society

Item number	Brand name products impact on society	N	Mean	Std. Deviation	T-value	P-value
1	Brand name products determine what a society will do and on what they will spend their money	76	4.197	0.994	0.11	0.91
2	Brand name products and their promotions are set only to acquire maximum profit	76	6.224	0.988	-1.52	0.13
3	Kids focus their live around brand products and their lifestyle is directed by brand name products producers	76	5.434	1.087	-1.38	0.17
4	The life standards are oriented toward brand name products	76	3.184	1.055	0.65	0.52
5	The society creates classes according to the consumption of brand name products	76	5.789	1.011	1.14	0.26

Source: Author

Everything can affect the society but brand name products can set the standards for some societies. The correspondents agree that the brand name product promotions are created only to maximize profits but not to help the customers to get better and healthier products (M=6.224). In countries in which exists many societies and in which the life standard is better, the people there can orient their life standards on the basis of some brand name products, but in B&H that is not the case because here people trust the local products more than the brand name products (M=3.184).

Table 7: Competitiveness

Item number	Competitiveness	N	Mean	Std. Deviation	T-value	P-value
1	Brand name product producers pay more attention on the promotion of their product than on its quality	76	2.250	1.060	0.76	0.45
2	The producers set lower prices in accordance to eliminate no name products	76	4.539	0.999	1.50	0.14
3	Brand name products are available at almost every store	76	5.118	1.032	-3.73	0.00
4	The fight between two or more brand name products often causes that no name products disappear from the market	76	3.355	1.003	-0.34	0.73

Source: Author

In every market exist competitors which fight against each other in order to get the most customers to realize the maximum profit. The survey data has shown that the advantage of brand name products in the competition fight against other products is their availability at almost every store (M=5.118). Another important point which can be concluded is that producers of brand name products have enough funds to drop the prices to the minimum in accordance to eliminate the competition so that only them can survive on the market (M=4.539).

Table 8: Positive/Negative sides of brand name products

Item number	Positive/Negative sides of brand name products	N	Mean	Std. Deviation	T-value	P-value
1	Its quality	76	4.776	0.988	-0.81	0.42
2	Its price	76	4.395	1.034	-0.22	0.83
3	Its impact on the society	76	2.908	1.098	-0.73	0.47
4	Its accessibility on the market	76	5.171	1.063	0.54	0.59

Source: Author

Brand name products have their positive sides like their quality and their accessibility, but they have also negative sides like their price and their impact on the society. The price is high because of the high promotion costs and that is not good for the customers which don't have enough funds, but which want qualitatively good products. The availability is good because the higher the distribution of the product, the higher the chances that customers will buy their product.

2.3. Discussion

Table 9: Overall Variables

Measures	Mean
Consume behavior	4.013
Brand name products	3.403

Brand name products promotion	4.003
Brand name products impact on society	4.966
Competitiveness	3.816
Positive/Negative sides of brand name products	4.313
Total	4.086

Source: Author

The sum of all variables shows what the main points about brand name products need to be discussed. The brand name products have the biggest impact on the society, because as we can see in the modern era everything is labeled and people are criticized on the basis of their buying behavior. If they are not buying brand name products they are not an accepted part of the society. Another point which needs to be mentioned is that customers pay much more attention to brand name products than on no name products which might have, in many cases, better prices and better quality than brand name products.

3. CONCLUSION

The following conclusions could be drawn from the results of this survey:

- Brand names have a global impact on the society and the behavior of individuals inside of the society;
- It defines what to buy, where to buy it and what is socially acceptable to buy;
- Brand name products affect the consumer behavior by giving him the illusion that only this brand name product is qualitatively good and that they need to buy it at any cost in order to be satisfied.

If there were a simple formula or a fixed calculation, companies could also calculate the brand value for them and would not need the assistance of accountants and brand consulting.

Today, we can also be interested in controllers and CFOs for brands, because it is generally accepted that brand management is an essential part of business success. Therefore, the marketing needs a new language to describe itself and its services better. On one hand it helps the orientation on brand equity brand management to develop better and more effective strategy if it is charged not only monetarily, but also with behavioral science. On the other hand, a good argument structure and the interplay between brand management objectives and the brand value can also CFOs convict of a higher marketing budget through.

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5. APPENDIX

The Survey Questionnaire

STRATEGIC SUCCESS FACTORS OF BRAND MANAGEMENT AND ITS IMPACT ON THE BRAND VALUE

Please answer all questions

For each numeric question, circle the number that best reflects your opinion of the factor judged **1=strongly disagree, 2=disagree, 3=slightly disagree, 4=neither, 5=slightly agree, 6=agree, 7=strongly agree**

Circle only one number for each scale

Demographics	
a	Your department/unit:
b	Your current position/role in dept/unit:
c	How long have you been in current position/role?
d	Your highest education level: Primary High School Bachelor Master PHD
e	Gender: Male Female
f	Age: 18-25 26-30 31-40 41≤

Please indicate your level of agreement about the following: Consume behavior		Disagree	Agree
a	You only buy products that you need	1 2 3 4 5 6 7	
b	You buy every time the same products	1 2 3 4 5 6 7	
b	When you buy something, you buy it because of the quality	1 2 3 4 5 6 7	
c	When you buy something, you buy it because of the price	1 2 3 4 5 6 7	
d	When you buy something, you buy it because of the brand name	1 2 3 4 5 6 7	
e	Your buying decision in affected by brand name products	1 2 3 4 5 6 7	

Please indicate your level of agreement about the following: Brand name products		Disagree	Agree
a	Brand name products are qualitatively better than no name products	1 2 3 4 5 6 7	
b	Brand name products are cheaper than no name products	1 2 3 4 5 6 7	
c	Brand name products are healthier than no name products	1 2 3 4 5 6 7	
d	Brand name products are easier accessible than no name products	1 2 3 4 5 6 7	
e	Because of their quality, brand name products have loyal customers	1 2 3 4 5 6 7	

Please indicate your level of agreement about the following: Brand name products promotion		Disagree	Agree
a	Brand name products have better promotion than no name products	1 2 3 4 5 6 7	
b	Brand name products got their promotion with the help of celebrities	1 2 3 4 5 6 7	
c	Brand name products invest over 50% of their revenue into promotions	1 2 3 4 5 6 7	
d	They are so good sold only because of their promotion	1 2 3 4 5 6 7	

Please indicate your level of agreement about the following: Brand name products impact on society		Disagree	Agree
a	Brand name products determine what a society will do and on what they will spend their money	1 2 3 4 5 6 7	
b	Brand name products and their promotions are set only to acquire maximum profit	1 2 3 4 5 6 7	
c	Kids focus their live around brand products and their lifestyle is directed by brand name products producers	1 2 3 4 5 6 7	
d	The life standards are oriented toward brand name products	1 2 3 4 5 6 7	
e	The society creates classes according to the consumption of brand name products	1 2 3 4 5 6 7	