

## **THE EFFECTS OF BRAND AWARENESS ON LOCAL PRODUCT CONSUMPTION**

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### **Abstract**

*Alternatives which can be chosen in the consumer's universe are bounded by competitors, their products and imaginations. This limitation expresses a great field that today's enterprises are not able to overcome on their own. Enterprises have to place their goods and services offered to marked in to consumers' alternative basket prior to their competitors in this large field. This placement is conditioned to two factors. First, goods and services offered to market should be noticed before the competitors and second, brand differences should be significant for the consumers. In this regard, creating a brand becomes the best alternative for the enterprises in order to bring their goods and services into the forefront. This study aims to figure out level of brand awareness of local consumers about local products. Data were collected through a questionnaire which includes two parts which are demographic questions and brand awareness scale. Study was conducted with a sample of 383 college students from different grades except freshman year. This study indicates that firms are far away creating brand awareness in local consumers' mind. Local consumers have tendency to purchase competitors' brands through lack of promotional activities of local firms.*

*Keywords: Brand, brand equity, brand awareness, local brand, brand strategies*

## INTRODUCTION

As branding is prior condition for enterprises to be into the forefront, featuring own brand among competitors' brands is still a problem. Enterprises strive to overcome this problem aiming to evoke their brand in consumers' mind primarily. This aim is carried out by creating brand awareness via promotion activities. Brand awareness known as ability of recognition, recollection, identification is primary intentional step of consumers toward brand. Brand awareness is precondition that consumer develop positive or negative attitude about it. There will be no attitude towards brand or purchasing in case of unawareness of a brand. Brand awareness becomes more of an issue due to consumers tendency to purchase brands that evoke in consumers' mind in retail products line particularly. Preferability chance of the brand increases if consumer do not know, recognize or recall competitors brands' name or association in the product line. Brand dominance gains more importance particularly in food sector where great numbers of brands are in fierce competition. Karaman where convenience goods sector has developed considerably embodies substantial firms of Turkey. Some of those operate internationally while some operate domestically.

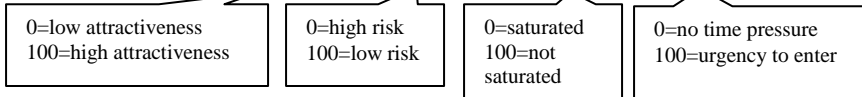
## LITERATURE BACKGROUND

Retail industry is one the most important industries in Turkey estimated to reach \$250 billion by year of 2018 ([www.pwc.com.tr](http://www.pwc.com.tr)). Turkey moves up two places to fourth according to 2017 Global Retail Development Index after India, China and Malaysia. Some basic factors help Turkey's retail environment attractive to retailers. In the past year, Turkey added more than 1 million square meters of modern retail which is the highest absolute increase comparing to other countries in the Index. Therewithal, some local firms, Bim, A101, Şok Market, are expanding their presence and have declared desirous growth plans to open 2,000 stores in 2017. Table 1 indicates top ten countries according to Global Retail Development Index(AT Kearney Analysis).

Table 1. 2017 Global Retail Development Index

Rank	Country	Market Attractiveness (%25)	Country Risk (%25)	Market Saturation (%25)	Time Pressure (%25)	GRDI Score	Population (million)	GDP, per capita, PPP	National Retail Sales (\$ billion)
1	India	63.4	59.1	75.7	88.5	71.7	1,329	6,658	1,071
2	China	100.0	64.5	24.4	92.5	70.4	1,378	15,424	3,128
3	Malaysia	77.1	87.1	23.3	56.2	60.9	31	27,234	92
4	Turkey	75.8	60.4	31.7	71.4	59.8	80	21,147	241
5	UAE	92.3	100.0	0.9	44.4	59.4	9	67,696	73
6	Vietnam	26.7	25.4	72.4	100.0	56.1	93	6,422	90
7	Morocco	34.6	55.4	64.5	69.8	56.1	35	8,360	40

8	Indonesia	49.3	45.5	52.1	76.7	55.9	259	11,699	350
9	Peru	45.5	62.2	50.8	57.6	54.0	32	13,019	61
10	Colombia	49.7	71.1	48.7	44.9	53.6	49	14,162	90

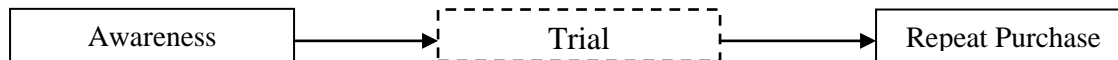


Note: PPP is purchasing power parity

Sources: Euromoney, Population Data Bureau, IMF, World Bank, World Economic Forum, Planet Retail; A.T. Kearney analysis

It is necessity for enterprises to provide reasons to consumers prefer their goods, survive in the fierce competition and feel minimum risk from effects of fierce competition in such dynamic and active sector. This stage changes according to quality and price of product, what product means to consumer and some other factors. This stage takes place in low and high involvement levels (İslamoğlu and Altınışık, 2013, 32). Low-involvement choice model is shown in Figure 1 (Rosenbaum-Elliott et.al, 2011, 12).

Figure 1. Low-Involvement choce



It is really important to be in the concumer’s alternative basket first and than to be noticed in that basket for consumer goods required low involvement. This is possible if the product has fetatures that competitors do not and create brand in order to be noticed. In this context, localness is an argument that is hard to imitate and an easy way to apply.

Factors such as golobalization, fierce competition, increment of similar goods and services, escalation of sophistication, high price pressure increase importance of enterprise-brand relationship gradually (Kotler and Pfoertsch, 2010, 54-63). The word “brand” comes from old Scandinavian languages originally which means “to burn” (Haigh and İlgüner, 2012, 12). The term “brand” was meaning to packaging goods but it is being widely used in all areas and appeals to every segment of society (Clifton, 2014, 12). Today brand is defined by American Marketing Association as “A brand is a customer experience represented by a collection of images and ideas; often, it refers to a symbol such as a name, logo, slogan, and design scheme. A brand often includes an explicit logo, fonts, color schemes, symbols, sound which may be developed to represent implicit values, ideas, and even personality”(www.ama.org). Brands express more than symbols and names as currently used for in marketplace and are key element in relationship between enterprices and customers (Kotler and Armstrong, 2014,266).

Brands have some functions which are (Bylthe, 2006, 164-167);

- Brand is a strategic tool
- Brand is legal procedure
- Brand is expression of ownership
- Brand is symbolic
- Brand reduces perceived risk
- Brand is functional tool
- Brand subserves differentiation
- Brand presents information to customers
- Brand provides positioning

Consumers use brands as resources for symbolic construction of the self, both social identity and self-identity ((Rosenbaum-Elliott et.al, 2011, 57). Brand story has vital importance for using brand as construction of consumer identity (Millman, 2012, 163). Thus, consumers make use of similarities between their and brands' stories.

Brand value is a prominent issue at the present time whereas brand image was in the foreground before recent developments about brand. Brand image, brand identity and brand integrity has to be specified in order to determine brand value (Kotler, 2014, 40-48).

Figure 2. Brand value



Source: Global 500, 2017, Brand Finance

Brand has a mission to reflect what market means to consumers in today's world beyond differentiation and protecting trademark holder (Deneçli, 2015, 6). Brand awareness, which is related to brand knowledge consumers have, is the ability of diagnosing brand in different occasion and circumstances (Taşkın, 2007, 23). Brand awareness represents how strongly gain ground in the target groups' mind. Brand will have no value in case of deficiency of creating awareness even brand identity is planned perfectly and has a great brand strength (Çakier, 2013, 35).

Cost of origin has arisen out of distance between enterprises and consumers which causes problem in trust building which is among brand offers to customers. Cost of origin is derived from marketing activities operated far from where goods and services produced. Enterprises are able to overcome this cost problem by using geographical closeness of enterprises and consumers and marketed products which have feature of being "local"(Champniss and Vila, 2012, 27). Consumers keep brands which emphasize that products are produced just to avail consumers at a distance. Localness becomes the key tools for reducing distance argument (Bati, 2015, 50).

Evaluation of alternatives and selection one of them take part just after the stage of feeling needs to make a consumption decision in retail industry, especially, in fast moving consumer goods.

This study focuses on biscuit and wafer industry particularly where Turkey has become third country on the basis of quantity by exporting 256 gross ton worth \$558 million. Karaman where the study conducted has become the center of "biscuit and wafer" export by performing 34% of total exportation of Turkey in the first seven months of 2017 ([www.akib.org.tr](http://www.akib.org.tr)).

## **METHODOLOGY**

The study adopted descriptive research design. This study has used primary data collected through a questionnaire in order to collect data. Therefore, the questionnaire has been designed to collect data from respondents. Study was conducted with a sample of 383 college students who study in faculty of economics and administrative sciences from departments of business administration, economics and political science and public administration. Students were chosen from different grades except freshman year. Questionnaire was created via Google Forms website and data were transferred to Statistical Package for Social Sciences (SPSS). Subsequently, data analysis was subject to descriptive statistics.

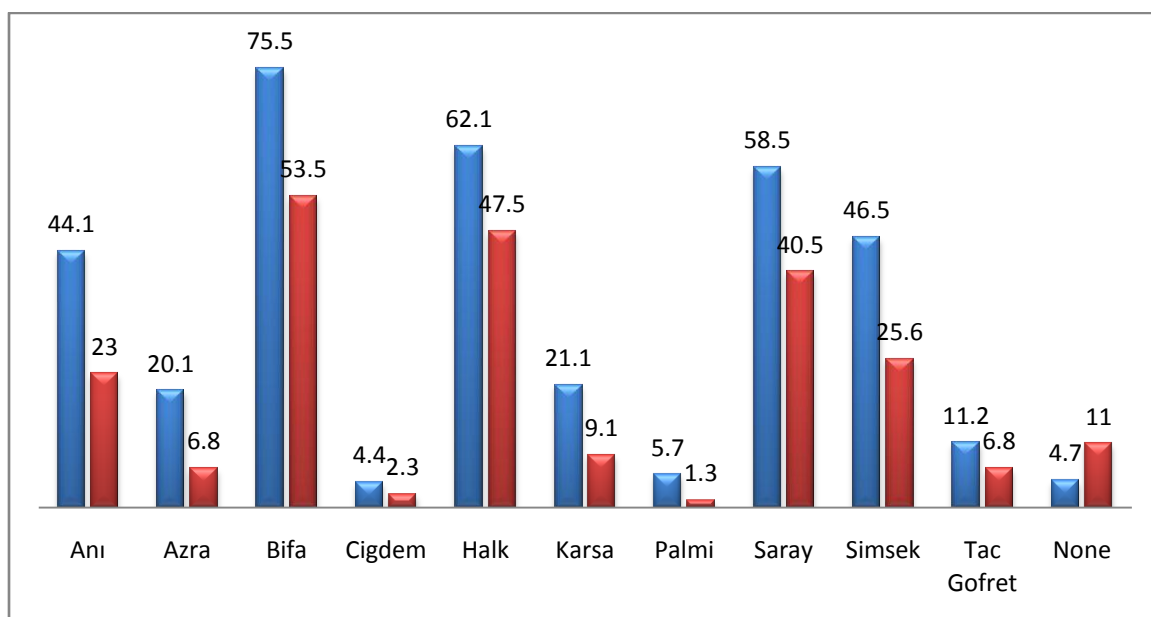
## ANALYSIS AND FINDINGS

Table 2. Gender, Birthplace, Preference

Variable	Categories	Frequency	Percentage
Gender	Male	157	41
	Female	226	59
Birthplace	Karaman	57	14,9
	Other	386	85,1
Preference	Local	260	67,9
	National	86	22,5
	International	37	9,7

Of the 383 participants in our study, 41% is male and 59% is female. Number of native participants is much lesser than non-native where percentages are 14,9% versus 85,1%. One of survey's fundamental questions asked to participants their preferences about purchasing local, national or international brands if products from these three groups provide equal cost-benefit balance. 67,9% of participants have tendency to prefer local brands in case of equal cost-benefit balance considering same product line where national brands was 22,5% and international brands was only 9,7%. This result indicates that local firms should spend further efforts to their promotional activities to increase brand awareness of potential consumers in order to increase their market share.

Figure 3. Number of participants have heard and purchased the brand before (%)



The figure above shows biscuits and wafers brands operate in Karaman province and results of brand awareness and purchase experiences of participants. Bifa is the most well-known (75,5%) and purchased at least once before (53,5%) by more than half of the participants. In addition to that Halk and Saray are recognized by 62,1% and 58,5% respectively . On the other hand Palmi and Cigdem have almost never been heard and purchased. The percentage of participants who have never heard and purchased Palmi and Cigdem each lower than 10 where 2,3% and 1,3% have purchased the brands at least once in their life respectively. In addition to these 4,7% of the participants have never heard any of these brands and 11% have never purchased.

Table 3. Brand Awareness Scale

Items	Mean	St.D.
<b>X: Biscuit/wafer brands produced in Karaman province.</b>		
I know what X look like	2,9477	1,2973
I can recognize X among competing brands	3,3159	1,3887
I am aware of X	3,3785	1,3421
Some characteristics of X come to my mind quickly	2,9817	1,3794
I can quickly recall the logos of X	3,0078	1,4021
X are well-known in this category	2,8981	1,2626
X advertize their products very well	2,5117	1,2487
I am informed advertisement and promotional activities of X	2,4281	1,3042
I think X are known by public	2,6919	1,2190
I had information about firms and products of X before I purchased them	2,3838	1,2766
<b>Brand Awareness</b>	<b>2,8545</b>	<b>1,3120</b>

Source: Yapraklı Ş., Can P., (2009), Brand Knowledge And Brand Relationships Affect Current And Future Purchases, July 2009, Vol: 11, Num: 3, Page: 7-30.

General average of mean values of respondents is 2,8545 indicates that participants are not aware of local brands sufficiently. "I am aware of X" has the highest mean value followed by "I can recognize X among competing brands" where their means are 3,37 and 3,31 respectively. There seems to be a contrast between general average of mean values of brand awareness and the statement which has the highest mean value but this result shows that participant might be mistaken about their perception on local brands as long as all statements considered. On the other hand "I had information about firms and products of X before I purchased them" has the lowest mean value which is 2,38 followed by "I am informed advertisement and promotional activities of X" with 2,42 mean value.

## CONCLUSION

This study shows that enterprises could not manage to reach satisfactory awareness and recognition level even in province where their production center settled. In this regard, they are needed to differentiate their advertisement and publicity strategies, increase their efforts in activities concentrated on importance of local products and revise their budget for promotional activities. Even they aim to reach international market initially, domestic market should not be ignored. Product quality, taste, package, image and transportability need to achieve the level of Ülker and Eti which are the main national competitors in domestic market without losing competitive advantage on product price. Exportation and foreign currency inflow efforts should be more visible for potential consumers to create positive attitude about enterprises.

Fast moving consumer goods retailing market is the toughest market for the local enterprises. What lies under this hardship for the local enterprises is two of the most powerful rivals already dominate a major part of the market. Besides, one of this two rivals, Ülker, have a corner on the world market not only in Turkish market and third the greatest company in the world in the field of biscuits, chocolate and cake production.

It is really hard for the local and relatively small enterprises to come to the forefront in a tough competitive market, to be noticed and to go into the consumer's preference basket in such a market that has already big players and high level of brand awareness of competitor's brands. Loyalty of consumers to local brands activates in such circumstances.

As result of brand awareness scale (Cronbach's Alpha=0,88) used in the study indicates that there is a positive correlation between increasing brand awareness efforts and consumer's preferences. Tendency of consumers to purchase local brands in case of equal cost-benefit parity provides a competitive advantage. Therefore, local enterprises should determine a policy that consumers' perceptions about local brands are improved as local and competitors' products ensure equal cost-benefit parity.

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