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# **THE CONDITIONAL EFFECT OF WORD OF MOUTH ON THE RELATIONSHIP BETWEEN SALES PROMOTION AND BRAND EQUITY AMONG CONSUMERS OF DETERGENTS IN NAIROBI COUNTY, KENYA**

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## **Abstract**

*Building a strong Brand equity in the market is the current goal of every organization, as this leads to higher prices, greater market share, more responsive promotions, earlier market penetration and more efficient product line extensions. This study aims at investigating the conditional effect of Word of Mouth on the relationship between Sales Promotion and Brand Equity. Explanatory research design was used and data collected by questionnaires from a sample size of 160 using convenience sampling technique. Instrument reliability was tested by Cronbach alpha. Pearson correlation and multiple regression models used to analyze the data and to test the hypotheses. Results reveal that Sales Promotion and Word of Mouth, both having a significant and direct effect on Brand equity. Furthermore, Word of Mouth significantly has a conditional effect on the relationship between Sales Promotion and Brand equity, hence*

*creating new knowledge in the literature. Firms should therefore, offer price discounts on their products and use gifts in sales promotion campaigns more often as these has been found to influence Brand equity. Management should also put more emphasis on improving quality of their products and excellent features which increases satisfaction in customers, thereby strengthening Word of Mouth that affects the development of Brand equity.*

*Keywords: Word of Mouth, Sales Promotion, Brand Equity, Branding, Consumer behavior*

## **INTRODUCTION**

Brand equity has become one of the latest Cut-throat competition strategies used by competing firms trying to eliminate others from businesses and getting the lion's share of the market. Therefore, building strong brand equity is vital as it brings various marketing advantages for firms and enhances their competitive strengths. Companies need to strengthen this variable as it aids consumers' perceptions in differentiating product brands in the same product or service category. This therefore calls for firms to invest enormously on brand differentiation as brand equity emanates from the value provided to consumers; through their products or unique services being delivered for consumption.

According to Farquhar, (1989) strong brand equity leads to opportunities for successful brand extensions, resilience against competitor's promotional efforts, and creation of barriers to competitive entry. Brand equity is therefore an important concept in business practice as well as in academic research as it can be used by marketers to gain competitive advantages through successful brands.

Mudambi *et al.*, (1997) defines brand equity as the total value added by the brand to the core product. It is a valuable intangible asset for numerous successful firms in the presence of marketplace competition as it provides added values on firm's products and services which would lead to long term profits and stronger capabilities. Keller (1993) and Lehmann, *et al.*, (2008) suggested that building, managing and measuring brand equity should be a priority for all business entities across the world. DeChernatony and Riley's (1999) says, brand equity facilitates consumers 'purchase decisions process through brand name as it can enable them to make better choices without taking long time to search.

Despite the tremendous and increasing interest of research on the importance and impact of brand equity, there is little empirical evidence from literature that has addressed the issue of the conditional effect of word of mouth on the relationship between sales promotion and brand equity. This study therefore seeks to fill this gap.

## LITERATURE REVIEW

### The concept of Brand equity

Subramaniam *et al.*, (2014), defines brand equity as a brand's power and ability derived from the goodwill and name recognition that it has earned over time, which can be translated into higher sales volume and profit margins against competing brands. King and Grace (2010), indicates that consumer's perspective of brand equity, is the differential effect that brand knowledge has on consumer response to the marketing of that brand. This concurs with Keller (2001), who argued that Customer Based Brand Equity model provides assistance in building a brand as it can be used to interpret why some brands fail to become strong brands, how strong brands get into trouble, and what makes other brands impressive on the market. So a thorough knowledge and understanding of consumer behavior is paramount as it aids in improved strategic decisions on product positioning, and target market definitions for a business entity (Keller, 1993).

There are two approaches in measuring brand equity, financial indicators representing movements in stock prices or brand replacement (Simon and Sullivan 1993) and customer-related measures which are related to perceptions (brand awareness, brand associations, or perceived quality) and those associated with behavior (brand loyalty and market behavior). According to Myers, (2003), customer perceptions alone are poor indicators of market behaviors. To counter this shortfall, Aaker (1991, 1996) came up with measures that combines both perceptual and behavioral approaches that adopts; customer loyalty, perceived quality, brand associations, brand awareness, and market behavior (Ker-Tah Hsu, 2012). Strong brand equity, indicates high brand name awareness, maintenance of a favorable association with the brand, perception of high quality, and loyalty to a particular brand. Therefore, this study adopts the four dimensions of brand equity constructs namely; Brand awareness, perceived quality, Brand association and brand loyalty.

### Brand Awareness

This is a key determinant in almost all brand equity models (Aaker 1991). Consumers have to be aware of the existence of a brand or a product before they are able to associate with it or purchase it. Rossiter and Percy, (1987) defines Brand awareness as the consumers' ability to identify the brand under different conditions. This definition relates brand awareness to the strength of the brand node or trace in memory, as reflected in the mind of the consumer. It is the likelihood that a brand name will come to mind and the ease with which it does so. This is supported by Keller (2003) who says awareness is the customers' ability to recall and recognize the brand as reflected by their ability to identify the brand under different conditions and to link

the brand name, logo, symbol, and so forth to certain associations in memory. Brand awareness is a significant catalyst in influencing the customer purchasing decision making, especially in creating three advantages, namely learning, choice and consideration advantage (Keller, 2003 and Atilgan et al., 2005)

### **Perceived Quality**

This is crucial and core constructs contributing and measuring brand equity. Its role is integrated within product involvement, consumer satisfaction, and purchase intention. According to Sethuraman and Cole, (1997), it is defined as the consumer's judgment about a product's overall excellence or superiority. As stated by Lee *et al.* (2010) it explains a considerable position of the variance in the premium prices that consumers are willing to pay for actual brands. When consumers perceive a brand or a product to be of high quality, they are more likely to purchase the brand over competing brands, pay even a higher price for it and choose the brand. Most practitioners and scholars agree that perceived quality of products and services of strong brands add value to consumers purchase evaluations. According to Yoo *et al.*, (2000), perceived quality is a vital component of brand value, which aids consumers to identify and select a particular brand compared to another competing brand in the same product category. Therefore, it is important for marketers to identify what contributes to this value correctly and find out how they are perceived by customers.

### **Brand association**

According to Aaker (1991) brand associations create positive attitudes and feelings among consumers towards a brand or a product and could provide them value by providing a reason for consumers to buy the brand. Atilgan *et al.*, (2005) and Rio *et al.*, (2001), said that high brand equity shows that consumers have strong positive associations with respect to the brand; hence it is a key element in brand equity formation and management. Customer based brand equity occurs when consumers have a high level of awareness and hold some strong, favorable, and unique brand associations in their memories (Tong, & Hawley, 2009). Marketers use brand associations to help with extending, differentiating, and positioning their brands, with the main aim of forming positive views and feelings towards their brands with the assumption that strong brand associations form higher brand equity in the mind of the consumer.

### **Brand Loyalty**

Aaker (1991) defines brand loyalty as the attachment that a customer has to a specific brand. It is measured and discussed in two dimensions: Behavioral (affective) loyalty referring to a

specific brand preference from accumulative satisfaction to previous using experiences (Jung *et al.*, 2008) which represents a repurchase intention. Aaker (1991) argues that brand loyalty adds considerable value to a brand and its firm because it provides a set of habitual buyers for a long period of time. The second dimension is cognitive loyalty referring to a situation where a brand comes up first in a consumers' mind, when the need to make a purchase decision arises; it is the consumers' first choice (Keller (1998)). This is linked to the highest level of awareness, where the matter of interest also is the brand, in a given category, which the consumers recall first. We can conclude that customers who are loyal to a particular brand will consider that brand as their preferred selection and they are less likely to be targeted by price war or other promotional aspects and they do not easily shift to other brands.

### **Sales Promotion and Brand Equity**

According to Keller (2003), sales promotion is the short-term incentives to encourage trial or use of a product or service which can either be monetary, referring to short term financial incentives (Yoo *et al.*, 2000); or non-monetary, which is the ability of a firm to add a value of excitement that bring some computable economic saving (Tong & Hawley, 2009). Prior studies in marketing field have shown that marketing investments especially in sales promotion have an effect on brand equity (Aaker, (2010). For example Keller (1993) argued that consumer's brand knowledge, perception, attitude, intentions and behaviors towards a certain brand is the result of the marketing investments done by an organization.

DeIVecchio *et al.*, (2006) and Tong & Hawley, (2009) postulates that among the different types of marketing investments, sales promotion is the most regular and effective tool used by companies as a brand communication strategy to build brand equity which enhance brand image and strengthen brand-customer relationships. This variable is believed to provide temporary incentives that encourage customers to try and use a brand being promoted by a firm by adding excitement and immeasurable value to the brands by providing economic savings to consumers. According to Leone & Srinivasan, (1996) and Grewa *et al.*,(1998) frequent use of sales promotion especially price oriented are very effective to bring short-term benefits such as increasing market share, encouraging brand switches, generating sales traffic, and inducing product trial usage and obtain short-term financial profit.

Palazon *et al.*, (2005) and Montaner & Pina, (2008) says that non-monetary sales promotions have the power to strengthen brand equity as it creates differentiation through communicating unique brand attributes and by adding value to the brands and encourages brand loyalty (Jagoda,1984). We therefore conclude that sales promotion has the ability to

contribute positively to the development and reinforcement of brand equity. Based on the above discussion, we propose our first Hypothesis;

H1: Sales promotion significantly, positively and directly affects Brand equity

### **Word of Mouth and Brand Equity**

Arndt (1967) defines word of mouth as an oral person to person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, a product or a service. In this case we focus on the sharing and communication of consumers' knowledge and opinions about the brand, products or services of an organization. Brown *et al.*, (2005) says that word of mouth constitute any shared fact about a brand which can be communicated from one consumer to another through personal conversations or via other communication tools.

According to Hanaysha, (2016), a favorable word of mouth recommendation by satisfied customers is a key differential advantage that a firm or brand can ever have as a competitive strategy. Hawkins *et al.* (2004) affirms this that customers tend to rely on word of mouth as a key factor before making purchase decisions, and are reflected through the experiences shared by others toward certain products, services, and brands. Word of mouth is therefore the most influential communication tool that drives consumers' reactions toward a brand, a product or a service.

Kotler *et al.* (2014) says that Word of mouth is a vital marketing device that quickly transmits information of a brand among customers at very minimal cost. According to Lang and Hyde (2013), customers perceive word of mouth as the most reliable and trustworthy communication tool compared to advertising and other traditional media which is stimulated through communication tools such as advertising, celebrity endorsement, and promotions. Taghizadeh *et al.* (2013), supports this argument that word of mouth has an influential marketing power especially to service providers, as their dealings are mostly intangible offerings where customers mostly depend on the given advice and recommendations by friends or relatives who had previous experience in using that service. Finally, Herr *et al.* (1991) states that positive word of mouth among customers can reinforce brand association strength, as the information presented through face to face manner is likely to be more credible than those communicated in a less vivid manner. We therefore propose the following hypotheses:

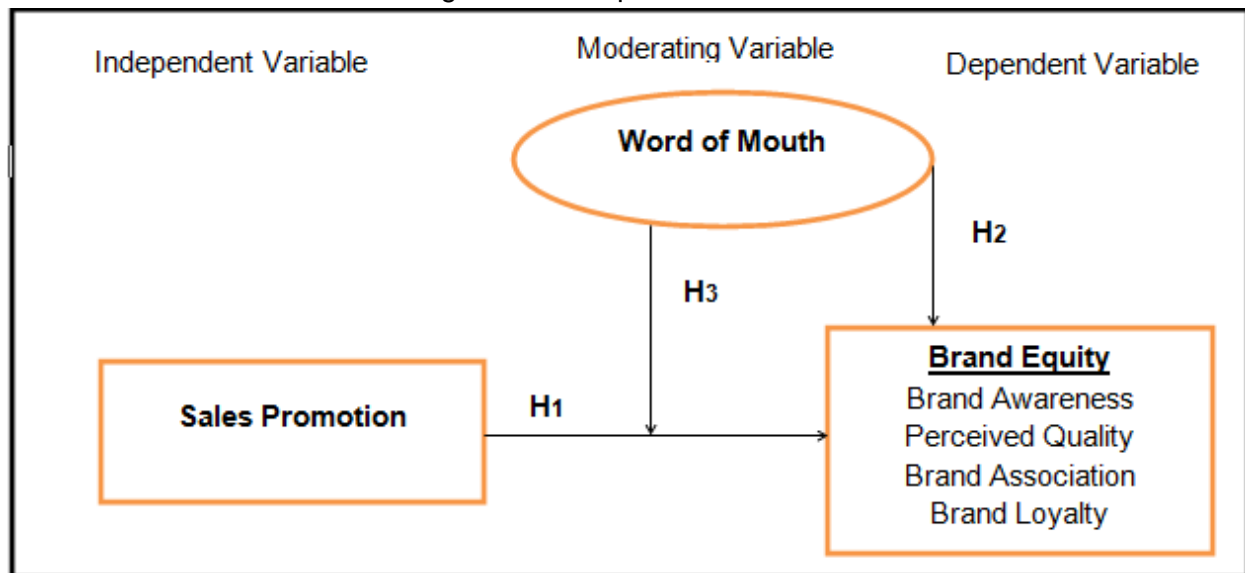
H2: Word of Mouth significantly and positively affects Brand Equity

H3: Word of Mouth significantly has a conditional effect on the relationship between Sales Promotion and Brand Equity.

### Grand's Model of Consumer Decision making

This model was used to guide the study as it illustrates decision-making as a multi-staged and complex process involving, problem recognition, information search, alternative evaluation and selection, outlet selection, purchase, and post purchase process (Gilbert, 1991). In detergent industry, Grand's model contributes to the development of many alternatives. The main subject of this model is when an individual acknowledges that there is need to change his/her detergent. The consumer will search for information concerning variety of detergent brands in the market; do evaluation of given choices either from word of mouth or advertising which will lead to make purchase. In the post purchase stage, satisfied customers will have intentions to recommend the specific detergent brand to others and to become loyal to that brand as well, and dissatisfied ones switch to others brands.

Figure1: Conceptual Framework



### RESEARCH METHODOLOGY

This study was designed to determine the conditional effect of word of mouth on the relationship between Sales Promotion and Brand equity among consumers of Omo and Ariel detergents in Nairobi County, Kenya. Explanatory research design was considered as the best approach as it examines the cause effect relationship between any two or more variables. Data was collected using a comprehensive closed ended self-administered questionnaire from employees of Laborex Kenya Limited, one of the major industrial firms in Nairobi County that has two hundred and seventy employees who are as well consumers of the various detergents that we have in our market.



From the target population of 270 in the firm we used Yamane (1973) formula to arrive at a sample size of 160 consumers. One hundred and sixty questionnaires were distributed to the respondents using convenience sampling technique. This is based on the suggestions of Sekaran (2003); the sample size of this study is acceptable as the population of target respondents in this area (Nairobi) is more than one million. This is supported by several prior studies of S. Marković *et al.*, (2010) and D. Nikbin *et al.*, (2013) who also relied on convenience sampling in collecting their data.

Research instruments used in this study were developed using measures from previous studies. Respondents were asked the extent to which they agree/disagree with a series of statements about their perceptions concerning the variables on a 5-point likert scale of (1) strongly disagree to (5) strongly agree.

The dependent variable is depicted as Brand equity which is measured by the four dimensions; brand awareness, brand quality, brand loyalty and brand associations adopted from Keller, (1993). The independent variable, sales promotion measures were adopted from Yoo *et al.*, (2001). Word of mouth was measured by volume; which measures the total amount of Word of Mouth interactions, valence; measures the nature of the message and whether it is positive or negative. Source type; measures the effectiveness of Word of Mouth because of the source reliability. These measures were adopted from Davis and Khazanchi, (2008) and Buttle, (1998). Three variables were controlled in this study, namely; gender, age and education. Gender was measured as 0, 1, age and education was grouped into four categories.

## **ANALYSIS AND RESULTS**

### **Response rate and Descriptive statistics**

One hundred and sixty self-administered questionnaires were distributed to the respondents and all of them returned without any fault (no missing values in any of them) indicating a 100% response rate. An examination of the responses for each of the respondents pertains to gender; age and education as indicated by Table 1.

The questionnaires were given in equal measures of 80 male and 80 female respondents. The descriptive analysis revealed that those respondents aged below 21 years were only 5(3.1%), and majority representing 126 (78.8%) of the respondents fall in the age group of 21 to 30 years. The study also shows that 25 (15.6 %) are aged between 31 and 40 years, and those whose age ranged from 41years or more represented 4 (2.5%) of overall response. On education background, the findings shows that 99 (61.9%) of the participants have undergraduate degrees, 13(8.1%) have obtained postgraduate qualification, 48 (30%) have diploma certificates and none had a certificate.

Table 1: Demographic Characteristics of the Respondents

Demographic factor		Number of respondents	Percentage response rate
Gender	Female	80	50
	Male	80	50
Age Bracket	less 21 years	5	3.1
	21-30 years	126	78.8
	31-40 years	25	15.6
	41 years	4	2.5
Education	Certificate	0	0
	Diploma	48	30
	Degree	99	61.9
	Postgraduate	13	8.1
<b>Total</b>		<b>160</b>	<b>100</b>

### Scale Reliability and correlation analysis

To test the reliability of the research instrument Cronbach's alpha was used and the procedure was done through SPSS version 20. The output demonstrated that all constructs achieved alpha values of more than 0.70 as they ranged between 0.917 and 0.961. The findings revealed that Sales Promotion and Word of Mouth achieved the highest alpha score of 0.961. The dimensions of brand equity also reported at acceptable reliability with high alpha values of .917.

Pearson correlation analysis conducted to examine the relationship between the variables indicates that the relationship between Brand Equity and Sales Promotion was the strongest with  $r = 0.370$ ,  $p < 0.01$ , while that of Brand equity and Word of Mouth was  $r = 0.334$ ,  $p < 0.01$ . In summary, these findings provide strong support for reliability and correlation assumptions among all scales as indicated in Table 2.

Table 2: Test Results for reliability and Correlation

Construct	No. of items	Cronbach's alpha	**Correlation (significant at the 0.01)
Brand Equity	21	.917	
Sales Promotion	6	.961	.370**
Word of Mouth	5	.961	.334**
Overall items and their Reliability	<b>32</b>	<b>0.924</b>	

## Factor Analysis

To assess construct validity, principal components extraction with varimax rotation was used. The Kaiser Meyer- Olkin (KMO) measure of sampling adequacy was used to compare the magnitude of the observed correlations coefficients and that of partial coefficient correlations. It is acceptable that KMO values below 0.5 do not permit the use of factor analysis.

Table 3 shows Sales promotion with 6 items factor loadings of; 0.872, 0.867, 0.856, 0.856, 0.847, and 0.820 with Eigen values of 6.582 and percentage variance of 17.320. This implies that more than 17% of the variance can be explained by these six items. On the other hand, factor loadings of Word of Mouth was 0.936, 0.912, 0.896, 0.871 and 0.859 with Eigen value of 5.177 and percentage variance of 13.624 implying that 14% of the common variance is shared by the five items.

Table 4 indicates the factor loading for each item of the dependent variable (Brand equity) with fourteen items. Seven items were dropped as they did not meet the required threshold of 0.5. The factor loading were; 0.806, 0.739, 0.716, 0.703, 0.701, 0.690, 0.648, 0.635, 0.624, 0.596, 0.584, 0.580, 0.526, and 0.514, with Eigen values of 7.389 and percentage variance of 19.445. This implies that more than 19% of the variance can be explained by these 14 items. Based on the above results, the construct validity is established.

Table 3: Principal component analysis for the independent and the moderator variables

Variables	Scale items (N=160)	Loadings	Eigen values	% Variance
Sales promotion	Often uses gifts in its sales promotion	.872	<b>6.582</b>	<b>17.320</b>
	Frequently offers gifts in its sales promotion	.867		
	Uses gifts more frequently than competing detergent brands	.856		
	The company uses price discounts more frequently than competing detergents	.856		
	They use price discounts often	.847		
	They frequently offer price discounts on the product	.820		
Word of Mouth	I believe sales on the detergent could be very low without word of mouth	.936	<b>5.177</b>	<b>13.624</b>
	I believe in word of mouth when i am buying a product	.912		
	I could not buy the detergent, had not been the word of mouth from friends/sales agents	.896		
	Word of mouth influences my decision in the detergent buying process	.871		
	Word of mouth plays a big role creating brand equity	.859		

Table 4: Principal component analysis for the Dependent variables

Variable	Scale items (N=160)	Loading	Eigen values	% Variance
Brand Equity	When i think of detergents, it's one of the brands that comes to mind	.806	<b>7.389</b>	<b>19.445</b>
	I can recognize this detergent amongst other competing brands of detergents	.739		
	This is a detergent brand that i am very familiar with	.716		
	The detergent is interesting	.703		
	I know how this detergent looks like	.701		
	The detergent has a personality	.690		
	I am aware of this brand, more than any other brands of detergents in Kenya	.648		
	Considering what i would pay for the detergent, i would get much more than my money's worth	.635		
	The detergent is good value for the money	.624		
	I trust the company which makes this detergent	.596		
	The company which makes this detergent has credibility	.584		
	Within the many detergents in Kenya, i consider this brand a good buy	.580		
	I consider myself to be loyal to this detergent	.526		
	I will not buy other brands of detergents if my brand is available at the shop/supermarket	.514		

## Hypotheses Testing

### **Results for Direct effect -Hypotheses H1 and H2**

Multiple regression analysis was employed as the appropriate method for this study. The first part of table 5 (Model 1) shows the tests for control variable which had coefficient  $R^2$  of .108 implying that they explain 10.8 % variations in overall Brand equity. From this study *Gender and Age* were found to have an effect on Brand equity with a  $\beta$  = -.190,  $p = 0.013$  and age a  $\beta$  = -.186,  $p = 0.037$  respectively.

Model 2, in table 5 indicates the inclusion of independent variables to test the direct effect of Sales promotion and Word of Mouth as reflected in hypotheses, **H1** and **H2**, while controlling for gender, age and education. The Model, shows a goodness of fit as indicated by the F-statistics (F 20.134) which was significant at 0.001 % level and coefficient of determination ( $R^2$ ) with a value of .441 and adjusted  $R^2$  of .419.

This implies that the independent variable, Sales promotion and Word of Mouth explain 44.1% of the variations of overall Brand equity. The results shows that Sales promotion ( $\beta$  = 0.363,  $p = 0.000$ ) and Word of Mouth ( $\beta$  = 0.208,  $p = 0.001$ ) both positively and significantly affect Brand equity. Hence Hypotheses **H1** and **H2** are therefore both supported.

### **Testing Hypothesis H3: The conditional effect of Word of Mouth on the relationship between Sales Promotion and Brand Equity**

Model 3 reveals that Word of Mouth having a negative but significant conditional effect on the relationship between Sales Promotion and Brand Equity with ( $\beta$  =  $-.320$ ,  $p = 0.000$ ). The Model shows a goodness of fit indicating F-statistics (F 20.970) which was significant at 0.001 % level and coefficient of determination ( $R^2$ ) with a value of  $.526$  and adjusted  $R^2$  of  $.501$ . Since the p-value is  $<0.5$ , Hypothesis  $H_3$  is supported.

Figure 2 shows the nature of the interaction. It shows that when there's high word of mouth, despite of low Sales promotion scenario in any firm, Brand equity is not affected as high word of mouth acts as a remedy for low Sales promotion. As sales promotion increases, Word of mouth concerning a product also increases hence creating Brand equity in the mind of the consumer. High Word of Mouth and high sales promotion does not add any value to Brand equity. This means that firms will invest little resources in Sales promotion when there is high Word of mouth unlike when there is low Word of Mouth to increase Brand equity.

Table 5: Summary of Hierarchical regression analysis results

Variables	Model 1	Model 2	Model 3
Constant	-1.967E-015	-2.928E-015	-.013
Gender	-.190*	-.191**	-.173**
Age	.186*	.086	.132*
Education	.129	.173*	.058
Sales promotion.		.363***	.336***
Word of Mouth		.208***	.259***
WOM*Sales Promotion			-.320***
F	6.273***	20.134***	20.970***
$R^2$	.108	.441	.526
Adj $R^2$	.090	.419	.501

Dependent variable: Score (Brand Equity, sig.05). Note: \* $p < .05$ ; \*\* $p < .01$ ; \*\*\* $p < .001$ .

Figure 2: Nature of the conditional interaction

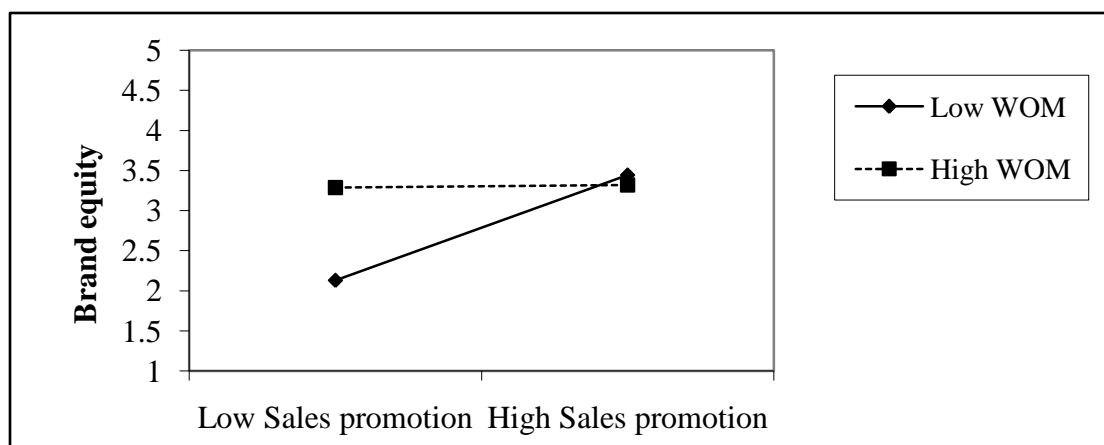


Table 6: Summary of hypotheses tests results

	Hypothesis	Beta	p-values	Results
Hypothesis H <sub>1</sub>	Sales promotion significantly, positively and directly affect Brand Equity	.363	0.000	Supported
Hypothesis H <sub>2</sub>	Word of mouth significantly, positively and directly affect Brand Equity	.208	0.001	Supported
Hypothesis H <sub>3</sub>	Word of Mouth significantly and positively has a conditional effect on the relationship between Sales promotion and Brand Equity	-.320	0.000	Supported

Note: sig at  $p < 0.001$

## DISCUSSIONS AND CONCLUSION

The findings of the study shows that Sales promotion has a significant, positive and direct effect on brand equity ( $Beta=.363$ ,  $t=5.732$ ,  $p=.000$ ). This implies that detergent industry with high level of sales promotion enhance customer loyalty. Sales promotion which is part of marketing communication has an effect at a cognitive and emotional level, and provides the consumer with multiple hedonic and utilitarian benefits. Brand knowledge includes different kinds of information linked to a brand such as attributes, benefits, thoughts, feelings, experiences and so on (Keller 1998) which may potentially be affected and changed by the sales promotion experience.

This result is in line with Isabel *et al.*, (2013). Their study shows that firms should use non-monetary promotional tools, since they appear to be more consistent with brand equity creation strategies. This is also supported by Chandon *et al.*, (2000) who says firms should embrace non-monetary promotions as they are more related to hedonic benefits such as entertainment and exploration, experiential emotions, pleasure and self-esteem. Promotions can evoke more associations related to brand personality, enjoyable experience, feelings and emotions (Palazón Delgado, 2005).

The study also shows that Word of Mouth directly and positively affect Brand equity with ( $\beta=0.208$ ,  $t = 3.315$ ,  $p=0.001$ ). Wangenheim & Bayo'n, (2004), states that consumers word of mouth is an important aspect in the formation of attitudes, purchase decision-making context and in the reduction of risk associated with buying decisions for every consumer.

This result concurs with Hawkins *et al.* (2004) who viewed word of mouth as a key factor that customers tend to rely on before making purchase decisions, and it's reflected through the experiences shared by others toward certain products, services, and brands. Murtiasih *et al.*, (2013) concludes that Word of Mouth communication do not just influence and shapes

consumer attitudes and behavioral intentions to purchase but more importantly it influences and strengthens brand equity.

### **THEORETICAL AND MANAGERIAL IMPLICATIONS**

The findings show that Word of mouth has a significant conditional effect on the relationship between Sales Promotion and Brand equity. This adds some new understanding to the literature on Sales promotion, word of mouth, brand equity and their interrelationships which influence the development of brands. Favorable word of mouth recommendation by satisfied customers is the key differential advantage that a firm or brand can possess. Further research of the concept and the nature of the interaction are recommended in this field to ascertain the results of this study.

Managers should therefore offer price discounts on their product regularly, use price discounts more often than competing detergents, regularly offer gifts in its sales promotion as these have been found to positively influence Brand equity. Companies should also realize that long-term brand knowledge is affected by short term marketing efforts aimed at increasing brand awareness and building brand image. This is greatly affected by the knowledge of the brand that has been established in memory by marketing efforts like, Word of Mouth, as most customers cannot buy a product, without being influenced by friends, sales agents or experienced satisfied customers. Companies should therefore put more strategies like improving quality of the detergents, consistent in the product's quality, and excellent features which increases satisfaction in customers.

### **LIMITATIONS AND FUTURE RESEARCH**

The sample size of this study was 160 employees from only one company which might lead to potential biases in their responses. Therefore, a much bigger sample and wider sampling frame should be considered in future research. Furthermore, due to the limited geographical scope of this research, a replication of the study should be done in other areas using different product categories to ascertain its results since it is expected that different countries have diverse culture, and consumer habits which exert an influence on consumer perceptions and consumption.

Products used in this study are in the high involvement product categories, brands studied and their characteristics are likely to influence the results. Further research could extend these findings by considering low involvement product categories and different brands. Finally, future research should consider the applicability of these findings in other countries and cultures.

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