Factors Affecting the Brand Recognition; An Exploratory Study

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Abstract - This research aims to identify why Pakistani brands are not being recognized internationally. Three determinants have been kept in mind while completing this research, (Brand Perception, Product Quality & Product Innovation). The sample size of the study was 200 respondents; the questionnaires were distributed among 200 respondents. Only 129 questionnaires responses were included in data analysis due to incomplete response from the respondents. The research not only provides dedicated information that how the local products are graded internationally but also manifests competitive environment, highlighting various aspects related to international brand recognition. It emphasized importance of perception, innovation and quality with respect to recognition at international level and how various stakeholders can contribute towards this end.

Keywords : Brand Recognized, Brand Perception, Product Quality, Product Innovation.

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Factors Affecting the Brand Recognition; An Exploratory Study

Muhammad Hamid\textsuperscript{a}, Shahid Rasool\textsuperscript{a}, Asif Ayub Kiyani\textsuperscript{a}, & Farman Ali\textsuperscript{a}

Abstract - This research aims to identify why Pakistani brands are not being recognized internationally. Three determinants have been kept in mind while completing this research, (Brand Perception, Product Quality & Product Innovation). The sample size of the study was 200 respondents; the questionnaires were distributed among 200 respondents. Only 129 questionnaires responses were included in data analysis due to incomplete response from the respondents. The research not only provides dedicated information that how the local products are graded internationally but also manifests competitive environment, highlighting various aspects related to international brand recognition. It emphasized importance of perception, innovation and quality with respect to recognition at international level and how various stakeholders can contribute towards this end.

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I. Introduction

Brand name is one of the important features in product recognition, Osler, (2007) argues that brand has a due importance related to brand portfolio. Angelmar, Angelmar and Kane, (2007) refers, branding helps in marketing the product. Sen (1999) argues, when any consumer observe a brand that he already knows what happens, all the information closely linked to that brand retrieves automatically. So brand has a vital role for the recognition of particular product. Recognized brand can make a huge impact on the consumer’s perception. There is a correlation between quality and recognition of product. Azdem, Ghaderi and Fazli, (2007) refers low quality products are not appreciated, profit can be increased by improving the quality. Papic (2007) refers that QFD help the entrepreneur to attain entire level of standard to meet customer expectation. Herrmann, Huber, Shao & Bao, (2007) argues; in most cases price reflect the quality of product. Pieniadz and Hockmann, (2008) found that quality not only affect the cost of production but also generate ad ditional revenue. Innovation brings certain changes in an existing market trend. Aboulnasr, Simhan, Blair and Chandy, (2008) found that innovation always overcome existing markets by exploring new opportunities. Morrison, (2007) refer that now consumers emphasize not only goods and services, instead they would like to buy product related to their emotions. Aboulnasr et al, (2008) argue that most firms gain competitive advantage through innovation. The scope of study encompasses the problem/grey areas of production of Pakistan with a view to suggest/recommend measures to introduce our products in international market with a Pakistani brand. Pakistan is producing certified products for different international brands since 90s, but the question arises why industries are not using its own brand for export goods? Pakistan export products are compatible to the standard of international brands, but no international brand is affiliated with Pakistani industries. This research concludes that if industries of Pakistan are capable to produce goods for international brand why it can not produce with its own brand? This research aims to give awareness to the industries to produce goods under its own brand. Benefit of this research is to recognize and promote Pakistani products under its own brand. In this way industries will develop internationally and domestic competition will increase. Pakistan will be recognized as quality product producer world wide.

II. Literature Review

a) Brand Recognition

Brand Recognition is the amount to which a brand is recognized for acknowledged brand attributes or communications among consumer. Brand recognition will help consumer lean toward our product when given the choice between our product and one they have never heard of. According to Samiee, Shimp, and Sharma, (2005) lower level of brand recognition negotiates inconsequential in choice process of the consumer and high level of brand recognition shows the saliency of brand origin. Brand recognition is one of the main sources to distinguish our product with our competitor. Freeling, Leiter, and Person, (1997) argues that “it is the recognition (brand or product name) which hangs over the company door, the name of the product, or the name that describe a service.” The perception of...
consumer about the quality of the product is also linked with the brand recognition, as argued by Kim, and Chung, (1997), that brand recognition can be used as an exterior indication for product quality, which can be voluntarily offered to buyers and can therefore instantly control their assessment of alternatives. Singh, Rothschild, and Churchill Jr, (1988) found that for recognition (brand or product) to be acknowledged as generally, it should have positive attractive qualities. Brand recognition has usually been prepared as either consumer knowledge level, current market share, or penetration level calculated during growing sales Kim et al, (1997), and once an organization established brand recognition, it utilized it to provide to all market segments. Savins (1995) cited Brand recognition or popularity is an important asset to a firm but sometimes the firm’s used it in a negative sense. According to Savins et al, (1995) Present firms take benefit of their brand recognition and continue offering their older models. In Pakistan people are high brand conscious and recognition of brands is more.

b) Brand Perception

Brand can be defined as “a name, usually a trademark of a product or manufacturer or the product identified by this name” (MSN Encarta dictionary). A strong brand is the key to beneficial business, but only if we know how to distribute the right brand perception to the customer. Danaher, Wilson and Davis, (2003) argues that brand perception by consumer is very important for taking the consumption benefit of the product. In Pakistan there is lots of inexprience found in brand perception due to lack of awareness of brand power, Danaher et al. (2003) found that, Inexperienced brand always face difficulties while competing with well-known famous brand. Product which is associated with famous brand are adopted as soon as it is introduced in market argues by Simonson, Huber and Payne, (1988). On consumer side brand play numerous role for buying a good quality product. According to Randall, Ulrich and Reibstein (1998) the crucial technique that consumers have to identify a product is brand association. While buying goods consumer takes into account directly observable features of the product and the value of brand among other factors argued by Randall et al, (1998). Consumer buying behavior should be kept in account while developing brand, Loken, Ross and Hinkle, (1986) found that consumer buying behavior of product in some cases depend upon market place behavior. And according to Bass, Givan, Kalwani, Reibstein and Wright (1984) brand switching take place because of change in brand preference or in attitude and change in consumer perception. Sometimes brand is rejected because of unnecessary features offered by the product Simonson, Carmon and O’curry, (1994). Brand perception is one of the major sources of brand recognition for consumers. Consumer can easily recognized the products if those product are associated to a famous brand. According to Keller, (1993) Brand becomes a recognition source for consumer while purchasing the product and helps them to categorize among other products.

H1: Brand perception will be positively associated with brand recognition.

c) Product Innovation

According to Vadim Kotelnikor “Product/service innovation is the result of bringing to life a new way to solve the customer’s problem through a new product or service development that benefits both the customer and the sponsoring company.” Product innovation makes a huge impact on the market size, growth, prosperity and also organizations revenues. Gjerde, Slotnick and Sobel (2002) found that when demand increases there is expected to be innovation. It is observed that engine of economic growth and development is innovation Chaney, Devinney and Winer, (1991) Firm cannot take risks to bring innovation in products as Dougherty & Heller, (1994) argues that in any firm innovators used their skills and practices for bringing innovations in products. Hlavacek and Thomson, (1973) found that when a new product is invented the firm takes risks for producing and distributing it. Mostly organizations are producing products but there is no innovation or modifications in these products. Mason, (1990) refers that the product which are modified can excite and develop the market growth. Product innovation affect the demand and supply of existing products as Kisler & Bachrach, (1973) found that innovation is moreover a new product or method affect the supply of preceding products. To improve the existing products or innovate new product technology is very essential for any firm Gjerde et al (2002). Technology is a major factor for product innovation. If organizations have latest technologies then there expected to be product innovations. Pakistan has limited resources on technology to innovate new products. Jassawall & Sashittal, (2002) found that in any organization culture of organization effect the product innovation process and also organizational growth. In Pakistani organizations the culture for product innovation is not suitable and atmosphere for product innovation is not given to inventors. Some organizations lack behind in product innovation because of culture problems lies with in the organization. As Danneels, (2002) argues that product innovation brings a change in firm resources and replaces them timely. Innovation in product in any organization brings the competition with other organization and also takes a competitive edge on the innovated products nationally and internationally. Chaney et al (1991) found that new product innovation is very important for taking...
competitive edge on other organization. One producer producing products introduces new and modified products more sporadically then more producers Fishman and Rob, (2000). Product innovation brings the drastic change on prices of preceding products and it also obsoletes those products. Doa, (1984) says “new product put downward pressure on the prices of existing ones”. Prices of new products are higher as compared to preceding one. Organizations may be more profitable when they introduce new product in the market. Gjerde et al (2002) refers that prices and market forces are increased by large innovations as compared to smaller ones. Product innovation effect the brands recognition. Any brands which are recognized and are given more priority in national and international market have innovation in products also. Those brands are more popular and famous in which product innovations are more.

H₂: product innovation will be positively associated with brand recognition.

d) Product Quality

Quality is an ever elaborating perception by the customer of the value provided by a product. It is not a static perception that never changes but a fluid process that changes as a product matures (innovation) and other alternatives (competition) are made on the basis of comparison. A successful product take-off can make a huge impact on success or fails in the marketplace in which quality and price are important factors as Smith, (1986) refers that Product introduction in market depends upon two factors one is quality and another is price. Both of them play vital role when a new product is penetrated in open market. Customers believe the export product can be exported due competitive edge in which quality of product is significant factor as Shy, (2000) describes that it is general psyche of consumers that they believe that a product which is imported must be of a high quality. Know how of export products are of utmost importance since this generates an edge to product for competitive success Mukarjee, Lapre and Wassenhove, (1998). Tangible differentiators like pursuit of high quality, cost-effectiveness and adherence to project deadlines and sound management principles have contributed immensely towards more cost of production as Shy, (2000) define it is well known fact that high quality product would certainly have more production cost. Quality of the Product is a competitive edge which can generate huge returns and adversely affected the variation in returns as Kroll, Wright, Heiens, (1999) argues that Quality of product gives enriches to the competitive advantage which always gives ornament to the returns and reducing the variation as well. Continues improvement to enhance quality leads to more efficiency, effectiveness and exploring more knowledge which positively increase the competency of the overall organization as Mukarjee et al. (1998) implies that The competency and efficacy of organization is always reciprocal to TQM process, this would surely develop more know how of a product to the people. Quality of the Product generate more returns and decrease the variation in returns through product quality, market share and direct cost as Kroll, et al, (1999) describes that Product market, market share and direct cost are such components which directly affect the lower variance in return through product quality. Analysis of the quality is timely process which involves incorporation of product design and about the brand information as Page and Herr, (2002) argues that Quality acumer appears to take more time as it entails the amalgamation of design and brand information. Quality of the product is representing the fame of the particular firm which is producing that product as Shapiro (1982) implies that the guiding principle that adverts relapse of the quality provided by the sellers in the formation of firm's particulars fame. Export of the product must have strong back ground which is essential for exporting like high quality as Shy (2000) argues that Domestic producers must make all out endeavor to develop such an infrastructure which is essential required for export of a product through high quality and after doing so they can give green signal to consumers for putting up their demands. There are three main factors for the success of the product like Quality, Brand and Price as they are interrelated to each other and have positive relationship which proofed as Rao and Monroe (1989) describes that Price & perceived quality; brand and perceived quality are interrelated statistically to each other for the success of a product positively.

H₃: Product Quality will be positively associated Brand Recognition.
Theoretical Framework

The theoretical framework is a model of logical relationships amongst the factors (Brand Recognition; Brand Perception, Product Innovation, Product Quality). In other words the theoretical framework is the graphical summary of the research study. In sum we can say the theoretical framework discusses the relationship among the determinants that are deemed to be integral to the dynamics of situation being investigated. In above diagram the theoretical framework is showing the relationship among Brand Recognition and its antecedents (Brand Perception, Product Innovation, and Product Quality), it will help us to test the hypothesis and certain relationships and will improve our understanding of the dynamics of the situation.

III. PARTICIPANTS, MEASURES AND METHODOLOGY

a) Questionnaire

Questionnaire developed regarding Local Brand Recognition to International Market; An Exploratory Study. The questionnaire contains five sections. Section I describes Biographical characteristics of the respondents. Section II includes the Brand Recognition which has seven items, section III includes Brand Perception which contains seven items, section IV has the third determinant Product Quality which contains five items and in section V has the last determinant Brand Innovation which contains three items.

b) Distribution

The questionnaire was personally administrated to the local community of Pakistan. More than 200 questionnaire were distributed out of which 129 were received back, making respondent rate as 65%.

c) Sample & Population

Population for this study was the general public of Pakistan. A sample of 129 individuals was selected. The sampling technique was used which representative of population was based on various characteristics as given in the table below:

<table>
<thead>
<tr>
<th>Table 1 – Demographical Data</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Criteria (Description)</strong></td>
</tr>
<tr>
<td>Age</td>
</tr>
<tr>
<td>15-25 years</td>
</tr>
<tr>
<td>26-36 years</td>
</tr>
<tr>
<td>Gender</td>
</tr>
<tr>
<td>Male</td>
</tr>
<tr>
<td>Female</td>
</tr>
<tr>
<td>Brand Used</td>
</tr>
<tr>
<td>Haleeb</td>
</tr>
<tr>
<td>Olpers</td>
</tr>
<tr>
<td>Good Milk</td>
</tr>
<tr>
<td>Tarang</td>
</tr>
</tbody>
</table>
In age description some respondents are in between the age of 15-25 years which are 65% of the whole sample. In this class respondents are mostly students. Beside them there are the classes of 26-36 years which are 35% of sample. In gender description male and female are equally participated and their sample size carried out through practical work. There are four local brands' name chosen for the questionnaire, their names and preference by respondents is as under:

<table>
<thead>
<tr>
<th>Name</th>
<th>Preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Haleeb</td>
<td>38.49%</td>
</tr>
<tr>
<td>Olpers</td>
<td>32.36%</td>
</tr>
<tr>
<td>Good Milk</td>
<td>21.55%</td>
</tr>
<tr>
<td>Tarang</td>
<td>7.6%</td>
</tr>
</tbody>
</table>

Apropos above it has been observed that the product which has strong brand name got the 38.49% of the total which is significant amongst the others.

### TABLE 2 – Descriptive Statistics and Co-efficient of Correlation

<table>
<thead>
<tr>
<th>DETERMINANTS</th>
<th>Pearson Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Brand Recognition</td>
</tr>
<tr>
<td>Brand Recognition</td>
<td>1</td>
</tr>
<tr>
<td>Brand Perception</td>
<td>0.442</td>
</tr>
<tr>
<td>Product Quality</td>
<td>0.395</td>
</tr>
<tr>
<td>Product Innovation</td>
<td>0.437</td>
</tr>
</tbody>
</table>

A Number of Respondents = 129

The correlation indicates a strong and significant relationship between Brand Recognition and Brand Perception (0.442). But, Product Quality and Brand Recognition have not strong but significant relationship (0.395) whereas Product Innovation and Brand Recognition have strong and significant relationship (0.437).

### Regression Model

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Beta</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Perception</td>
<td>0.331</td>
<td>4.388</td>
<td>0.000</td>
</tr>
<tr>
<td>Product Quality</td>
<td>0.203</td>
<td>2.504</td>
<td>0.014</td>
</tr>
<tr>
<td>Product Innovation</td>
<td>0.269</td>
<td>3.305</td>
<td>0.001</td>
</tr>
</tbody>
</table>

The value of "R2" is regression analysis is (0.344), which is quite significant and it shows that 34.4% variation on dependent variable is caused by independent variables, while 65.6% variation remains unexplained which is caused by some other unknown variables. The value of "F" is 21.861 which is significant as significance level is 0.000. The Beta value for Brand Perception is (0.331) while the value of "t" is (4.388) and significant at 0.000. The Beta value for Product Quality is (0.203) while the value of "t" is (2.504) and the significant level is (0.014). The Beta value for Product Innovation is (0.269), while the value of "t" is 3.305 and significant level is (0.001).

### IV. Discussion

Our research indicates that the selected antecedents have profound impact on Brand Recognition. But there is no such type of research conducted so far. The geographical, cultural and environmental differences may cause some deviation and contradictions from the results by earlier researchers who considered only Western culture in their research. Pakistan has its own culture; thinking of people varies according to their classes or prosperity they hold. We mainly focuses on middle class people for our study, reason behind selecting middle class people is because they are educated and they are well aware of...
the concept of brand and its importance. Brand Recognition has a vital importance to a successful product, as much as the blood has for a human, because without blood a human cannot direct the body function in a proper way. Our research includes three variables; the first one is “Brand Perception”. The applied analyses yield significant results, providing the evidence that H1 is true. Our analyses shows that the value of the correlation between Brand Recognition and Brand Perception is almost 0.442**. As far as our research is concerned more respondents are young and they perceived more than the younger and elder ones. Hence the relationship between Recognition and Perception is strong rather than other determinants. This relation can be enhanced through appropriate advertisement but the problem is that most of the foreign users are media oriented and Pakistani channels are not viewed internationally, therefore, adequate advertisement is not possible. Secondly Pakistani products have short history and lack of consistency, which hinders enhancement of product perception. Pakistan is entangled in issue like child labour, quota system and mistrust in business relation to spoil the product perception internationally. Uncertainly, in economic activities of Pakistan creates fears in supply of demand in the minds of foreign consumers. This inconsistency in availability of the product in the market creates negative sentiment about the product. Second independent variable is "Product Quality". The Applied analysis yield significant results, providing the evidence that H2 is true. Our analysis shows that the value of the correlation between Brand Recognition and Product Quality is (0.395**). As far as our research is concerned respondents gave comparatively less weighted to quality. This manifestation of the fact that the entire four products selected are of equally good quality and therefore, quality is not a strong factor in brand recognition. This correlation between Product Quality and Brand Recognition can be further explained. Dairy products of Pakistan (Being agro based country) do have good quality but are not recognized internationally. Pakistani entrepreneurs prefer export of raw material and not the value added products. These raw materials processed by foreigners and sold under their own trade names; therefore, Pakistani brands do not get recognition inspire of good quality. People of Pakistan are quality conscious and they prefer to buy international brand rather then to buy their own local brand, which demotivate our local industries and they cannot grow more for this reason. Third independent variable is Product Innovation. The Applied analysis yield significant results, providing the evidence that H3 is true. Our analysis shows that the value of the correlation between Brand Recognition and Brand Innovation is (0.437**). Hence, the relationship between recognition and innovation is almost equally strong as perception. This confirmed the famous law of nature "The survival of the fittest". A product which does not align itself with latest needs and trends of the users is likely to be wiped out. In Pakistan most of the industries do not have research and development facilities. Therefore, they lack competitive innovation required for brand recognition. It is a human nature that he always demands for new and improved goods, so in order to meet the need of the customer value must be added in the product on routine bases. Another problem which arises to the new brand is that internationally monopolies of MNEs/Recognized Brands do not allow new or fresh brands to find recognition and establish it. In Pakistan there is lack of professionals in the field of marketing which is another drawback. Most of the businesses in Pakistan are small and medium enterprises (SME’s) they lack in resources, so it is not possible for a manager to take such an initiative for which it does not have sufficient resources. A new trend in the competitive market has emerged in the shape of launching a product through advertisement on media that is visual & print and also through internet. Base line is to reach out to the consumer through all available means, to get maximum benefits.

V. Implications

Study is intended to be beneficial for all the stakeholders, ranging from producer to customers. Pakistan is one of those under developed countries, whose exports are largely raw material based; therefore profit earnings are very low as compared to value added goods. The biggest hurdle in the export of value added goods is lack of brand recognition. Importance of brand recognition in successful marketing of a product will be highlighted to the all related to supply chain through this study. It will not only enhance awareness but facilitate in planning and launching of a product. In today’s market based economy, assessment of the competition likely to be faced by a product is very essential for the manufacturers. Analysis conducted will help producers in understanding the positive relationship amongst selected antecedents and explore it, to their benefits. Results of the foreign based studies are not completely applicable to our environments. The study is an endeavour to cater effects of our socio economic conditions, behaviour of customers, priorities in liking/disliking a product and level of information about brand recognition. This research will augment ideas of producers in developing a realistic understanding of the implications of cultural factors in brand recognition. Collected data can serve as guideline in understanding comparative importance of the selected variables considered among a middle class of society. It will help in launching target oriented companies by manufacturers, selection of logos for advertisement and assessment of response by customers.
VI. LIMITATIONS

During the study, the researchers experienced sequential limitations, first is concerning data collection, our questionnaire contained four local brands out of which one has to be selected to fill the questionnaire. Most of the respondents refused to fill the questionnaire as they are using international brand rather than those local brands which are listed in questionnaire. Secondly, we distributed 200 questionnaires out of which 70 were not returned back as we collected the questionnaire very next day after distribution. Most of the respondents either forgot to bring or they misplaced the questionnaire. Next limitation we faced was that there is no such questionnaire available for our dependent and independent variables so we have to develop our own. Lastly the data was gathered from universities situated in Rawalpindi and Islamabad only, hence future research should be extended to other cities in Pakistan to test their generalizability in future.

VII. RECOMMENDATIONS

We have to adopt a multidimensional approach. In this connection all stakeholders i.e. government, producers/manufacturers and advertisers have to be synergize their efforts. Government has to make user friendly policies through which due protection should be provided to local brands. As per local products can compete internationally if it is strong in the home country. Manufacturers should not compromise quality and product innovation due to government protection, otherwise products will not grow with the passage of time. Government subsidy is an effective tool in boosting the products export therefore selective products should be subsidized in various ways, like declaration of tax free zones, low tariff rates, provision of electricity on low rates and less duty on import of raw material. Now world has become a global village. This era of IT, therefore importance of media can not be ignored. Continues media campaign can play unimaginable dividends especially in the case of those countries/nations, who are media oriented. In this aspect consistency is very important in advertisement and maintenance of quality of product as it is commonly called, "Rome can not build in a day". The individual perceives what he sees, observes, thinks or feels. It is a hard fact that a famous and predominant technique like media has considerable influence on the average person without even knowing it. Therefore, launching of a product must cater the perception and psyche of customers.

REFERENCES RÉFÉRENCES REFERENCIAS


