

IDENTIFYING AND PRIORITIZING THE TOP BRANDS IN IRAN

Pezhman Arzhang¹, Naser Hamidi²

¹*MSc.Business Administration, Department of Business Management, Qazvin Branch, Islamic Azad University, Qazvin, Iran*

²*Associate Prof.Faculty member Islamic Azad University of Qazvin, Department of Industrial Management, Qazvin, Iran*

Abstract

Brands become an unseparated part of a firm's value and an important strategic asset. Satisfying customers has become a marketing imperative, primarily because the value of satisfied customers has been realised in terms of positive brand attitudes and repeat purchases. The purpose of this study is to identifying and prioritizing the top brands in Iran. In this study of 15 experts in the field of marketing and branding is used. We use the Delphi method to identify the top brands and effective factors. The effective factors that have been identified include : brand reputation, previous experience of shopping, the brand introduced by others, features are easy spelling, easy to remember, branding information, requirements related to the product brand, high brand visibility, creative brand design and differentiating the product. Brands surveyed are active in the field of home appliances in Iran and including : LG, Samsung, SHARP, Panasonic and SONY. The factors were weighted by the method of paired comparisons. In a paired-comparison task, respondents are presented with pairs selected from an item set and are instructed to select the more preferred item from each pair. Finally, using these factors and VIKOR method the top brands were ranked. The VIKOR method was developed for the multi-criteria optimisation of complex systems. Top brands ranking results are : LG first place, Samsung second place, SONY third place, Panasonic fourth place and SHARP won the fifth place.

Keywords: Brands, Delphi, Paired comparisons, VIKOR

1.Introduction

Brand names play an integral role in the marketing of goods and services, with a good brand name being argued to create high levels of brand awareness, stimulate strong consumer preference and contribute to the success of the product [5]. In highly competitive markets with increasing unpredictability and decreasing product differentiation, brand loyalty is a central element of marketing strategies and tactics [9]. The branding literature has developed considerably over the past decade or two, with considerable understanding of the nature of branding and in the formulation of effective branding strategies [14]. In fact, many note the importance of brand names in consumer evaluations of brands, in that, brand names assist the consumer in recalling brand benefits [5]. With the rise of corporate marketing the concept of corporate brand management shifts from the more intrapersonal based view of brand management towards a more interpersonal approach for understanding the brand and its role for interaction [8]. Brands become an unseparated part of a firm's value and an important strategic asset. It could even be the driver of the whole marketing planning process. Going beyond a tactical level in the marketing planning process, a brand could become a competitive advantage for firms [14]. Therefore, the argument that brand names are a valuable source of information to consumers cannot be disputed [5]. The

focus of this study is to identify the factors influencing the selection of top brand and provide a new MCDM model to identifying and prioritizing the top brands in Iran. As the purpose of this study, the following research questions are posed:

RQ₁. What are the factors affecting in choosing the top brand ?

RQ₂. What are the priorities of these factors?

RQ₃. How is severity of the impact of these factors on choosing the top brand in Iran?

2.Literature review

As firms attempt to differentiate themselves in crowded, competitive, multi-national markets and enhance customer loyalty, branding has become an increasingly important component of corporate strategy [3]. Satisfying customers has become a marketing imperative, primarily because the value of satisfied customers has been realised in terms of positive brand attitudes and repeat purchases [5].

The relationships that consumers develop with brands has become a topic of increasing interest and attention in the marketing literature [6]. In the context of services, customer satisfaction is seen as almost synonymous with service quality and is argued to arise when an individual's perception of performance exceeds the expected performance [5]. A variety of perspectives has been employed in supporting the idea that consumer-brand relationships can and do exist [6]. Thus, the effect of brand communications must not be overlooked when seeking to satisfy customers and, in the long term, creating positive brand attitudes [5]. Actually defines the brand personality as "a set of trait inferences constructed by the consumer based upon repeated observation of the behaviors of the brand," and some empirical evidence supports her definition. For instance, consumers have been shown to base their perceptions of a brand's personality, in part, on corporate marketing strategies, including causes supported by the organization, advertising, and expressed warranties [6]. Researchers including Ind (1997, 2001), LePla and Parker (1999), Schiffenbauer (2001), Duboff (2001), Hatch and Schultz (2001), emphasize the significance of a coordinated internal and external branding program and the inherent benefits of marketing efforts that address not only the needs and wants of the target market, but the proper hiring, training, and motivation of those who must deliver the brand's promise [3]. This is implied in Spreng et al.'s (1996) argument that overall satisfaction with the brand is comprised of satisfaction with attributes and satisfaction with the information [5].

2.1.Brand

A brand, or "name, term, sign, symbol, or design, or a combination of them, that is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition". represents a promise of consistency and quality. A strong brand has been found to be instrumental in the implementation of marketing goals for improved brand loyalty, brand-based price premiums and higher margins, improved new product introductions, greater shareholder and stakeholder returns, and clear, valued and sustainable points of differentiation as well as the simplification of consumer decision making, the reduction of consumer risk, and the establishment of expectations [3]. A successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely[4].

2.2. Brand name effect

Brand name effect is the consumer's perception of the role that brand name plays in the decision making process of choosing the most preferred product (service). Customization, itself in nature, is a process of disaggregating alternatives into menus of available attributes. On the opposite, brand name, itself in nature, is a process of composing menus of available attributes to be represented by an "enriched attribute", the brand name [7].

3. Methodology

In this study using the Delphi method and interaction with experts, factors and alternatives were identified. Then the factors were weighted by the method of paired comparisons. Finally using the VIKOR method the top brands were ranked.

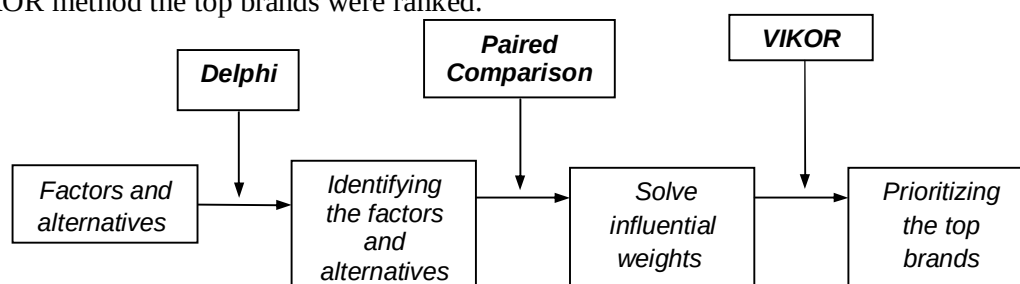


Fig. 1. Model procedure of the current research.

3.1. Delphi method

The Delphi method is a structured communication technique, originally developed as a systematic, interactive forecasting method which relies on a panel of experts [2]. The experts answer questionnaires in two or more rounds. After each round, a facilitator provides an anonymous summary of the experts' forecasts from the previous round as well as the reasons they provided for their judgments. Thus, experts are encouraged to revise their earlier answers in light of the replies of other members of their panel. It is believed that during this process the range of the answers will decrease and the group will converge towards the "correct" answer. Finally, the process is stopped after a pre-defined stop criterion (e.g. number of rounds, achievement of consensus, stability of results) and the mean or median scores of the final rounds determine the results [12]. Delphi is based on the principle that forecasts (or decisions) from a structured group of individuals are more accurate than those from unstructured groups [13].

3.2. Paired Comparisons

In a paired-comparison task, respondents are presented with pairs selected from an item set and are instructed to select the more preferred item from each pair. With n items, there are $\tilde{n} = [n(n-1)]/2$ pairs of items. For instance, $\tilde{n} = 6$ pairs can be constructed with $n = 4$ items. If the $n = 4$ items are labeled $\{A, B, C, D\}$, the following pairs can be constructed: $\{A, B\}$, $\{A, C\}$, $\{A, D\}$, $\{B, C\}$, $\{B, D\}$, $\{C, D\}$. A resenatation of the pairs in this order may result in strong carry-over effects. To control for this effect, it is important to randomize the presentation order of the pairs as well as the order of items within each pair. The observed paired-comparison responses can be coded as follows:

$$y_{ik} = \begin{cases} 1 & \text{if item } i \text{ is preferred over item } k \\ 0 & \text{if item } k \text{ is preferred over item } i \end{cases}$$

where l indicates the pair $\{i, k\}$. Thus, we obtain a pattern of $\tilde{n}$ binary responses from each respondent [11].

3.3. VIKOR method

The VIKOR method was developed for the multi-criteria optimisation of complex systems [1]. It determines the compromise ranking-list, the compromise solution, and the weight stability intervals for preference stability of the compromise solution obtained with the initial (given) weights. This method focuses on ranking and selecting from a set of alternatives in the presence of conflicting criteria. It introduces the multicriteria ranking index based on the particular measure of “closeness” to the “ideal” solution. Assuming that each alternative is evaluated according to each criterion function, the compromise ranking could be performed by comparing the measure of closeness to the ideal alternative. The multicriteria measure for compromise ranking is developed from the L_p -metric used as an aggregating function in a compromise programming method. The various J alternatives are denoted as $a_1; a_2; \dots; a_J$. For alternative a_j , the rating of the i th aspect is denoted by f_{ij} , i.e. f_{ij} is the value of i th criterion function for the alternative a_j ; n is the number of criteria. Development of the VIKOR method started with the following form of L_p -metric:

$$L_{p,j} = \left\{ \sum_{i=1}^n [w_i (f_{ij}^* - f_{ij}) / (f_i^* - f_i^-)]^p \right\}^{1/p}, \quad 1 \leq p \leq \infty; j = 1, 2, \dots, J.$$

Within the VIKOR method $L_{1,j}$ (as S_j in Eq. (1)) and $L_{\infty,j}$ (as R_j in Eq. (2)) are used to formulate ranking measure. The solution obtained by $\min_j S_j$ is with a maximum group utility (“majority” rule), and the solution obtained by $\min_j R_j$ is with a minimum individual regret of the “opponent”. The compromise solution F^c is a feasible solution that is the “closest” to the ideal F^* and compromise means an agreement established by mutual concessions, by $\Delta f_1 = f_1^* - f_1^c$ and $\Delta f_2 = f_2^* - f_2^c$.

The compromise ranking algorithm VIKOR has the following steps:

(a) Determine the best f_i^* and the worst f_i^- values of all criterion functions, $i = 1, 2, \dots, n$. If the i th function represents a benefit then:

$$f_i^* = \max_j f_{ij}, \quad f_i^- = \min_j f_{ij}$$

(b) Compute the values S_j and R_j , $j = 1, 2, \dots, J$, by the relations

$$S_j = \sum_{i=1}^n w_i (f_i^* - f_{ij}) / (f_i^* - f_i^-), \quad (1)$$

$$R_j = \max_i [w_i (f_i^* - f_{ij}) / (f_i^* - f_i^-)], \quad (2)$$

where w_i are the weights of criteria, expressing their relative importance.

(c) Compute the values Q_j , $j = 1, 2, \dots, J$, by the relation

$$Q_j = \nu (S_j - S^*) / (S^- - S^*) + (1 - \nu) (R_j - R^*) / (R^- - R^*) \quad (3)$$

Where

$$S^* = \min_j S_j, \quad S^- = \max_j S_j, \quad R^* = \min_j R_j, \quad R^- = \max_j R_j,$$

And ν is introduced as weight of the strategy of “the majority of criteria” (or “the maximum group utility”), here $\nu = 0.5$.

(d) Rank the alternatives, sorting by the values S , R and Q , in decreasing order. The results are three ranking lists.

(e) Propose as a compromise solution the alternative (a^*) which is ranked the best by the measure Q (minimum) if the following two conditions are satisfied:

$$C_1. \text{“Acceptable advantage”}: Q(a^*) - Q(a^{(2)}) \geq DQ$$

where $a^{(2)}$ is the alternative with second position in the ranking list by Q ; $DQ = 1/(J - 1)$; J is the number of alternatives. C_2 . “Acceptable stability in decision making”: Alternative a^* must also be the best ranked by S or/and R . This compromise solution is stable within a decision making process, which could be: “voting by majority rule” (when $v > 0.5$ is needed), or “by consensus” $v \approx 0.5$, or “with veto” ($v < 0.5$). Here, v is the weight of the decision making strategy “the majority of criteria” (or “the maximum group utility”). If one of the conditions is not satisfied, then a set of compromise solutions is proposed, which consists of:

- Alternatives a^* and $a^{(2)}$ if only condition C_2 is not satisfied, or
- Alternatives a^* , $a^{(2)}$, ..., $a^{(M)}$ if condition C_1 is not satisfied; and $a^{(M)}$ is determined by the relation $Q(a^{(M)}) - Q(a^*) < DQ$ for maximum M (the positions of these alternatives are “in closeness”).

The best alternative, ranked by Q , is the one with the minimum value of Q . The main ranking result is the compromise ranking list of alternatives, and the compromise solution with the “advantage rate”.

Ranking by VIKOR may be performed with different values of criteria weights, analyzing the impact of criteria weights on proposed compromise solution. The VIKOR method determines the weight stability intervals, using the methodology presented in Opricovic (1998). The compromise solution obtained with initial weights (w_i , $i = 1, \dots, n$), will be replaced if the value of a weight is not within the stability interval. The analysis of weight stability intervals for a single criterion is performed for all criterion functions, with the same (given) initial values of weights. In this way, the preference stability of an obtained compromise solution may be analyzed using the VIKOR program. VIKOR is a helpful tool in multicriteria decision making, particularly in a situation where the decision maker is not able, or does not know to express his/her preference at the beginning of system design. The obtained compromise solution could be accepted by the decision makers because it provides a maximum “group utility” (represented by $\min S$, Eq. (1)) of the “majority”, and a minimum of the individual regret (represented by $\min R$) of the “opponent”. The compromise solutions could be the basis for negotiations, involving the decision makers’ preference by criteria weights [10].

4. Results

In this study, effective factors using a paired comparisons were weighted. The results of the weight of each factor is shown in Table 1.

Table 1: Results of prioritization based on weight

Priorities	Factors	Weights
1	Brand reputation	0.204
2	Previous experience of shopping	0.173
3	The brand introduced by others	0.152
4	Features are easy spelling	0.133
5	Easy to remember	0.106

6	Branding information	0.071
7	Requirements related to the product brand	0.053
8	High brand visibility	0.049
9	Creative brand design	0.030
10	Differentiating the product	0.025

Symbols of alternatives are shown in Table 2.

Table 2 : Symbols of alternatives

Symbols	A_1	A_2	A_3	A_4	A_5
Alternatives	LG	Samsung	SHARP	Panasonic	SONY

Symbols of factors are shown in Table 3.

Table 3 : Symbols of factors

Symbols	Factors
C_1	Brand reputation
C_2	Previous experience of shopping
C_3	The brand introduced by others
C_4	Features are easy spelling
C_5	Easy to remember
C_6	Branding information
C_7	Requirements related to the product brand
C_8	High brand visibility
C_9	Creative brand design
C_{10}	Differentiating the product

The experts decision matrix is shown in Table 4.

Table 4 : Decision matrix

	C_1	C_2	C_3	C_4	C_5	C_6	C_7	C_8	C_9	C_{10}
A_1	89	72	80	78	66	78	77	66	70	81
A_2	80	69	70	79	60	66	86	82	69	58
A_3	61	70	61	67	86	69	69	77	79	69
A_4	65	59	63	77	79	80	56	74	75	73

A_5	79	79	66	66	72	82	78	68	66	79
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The results of the best f_i^* and the worst f_i^- values of all factors functions is shown in Table 5.

Table 5 : Best and the worst values of all factors

	C_1	C_2	C_3	C_4	C_5	C_6	C_7	C_8	C_9	C_{10}
f_j^*	89	79	80	79	86	82	86	82	79	81
f_j^-	61	59	61	66	60	66	56	66	66	58

The results of the compute the values S_j , by the relations is shown in Table 6.

Table 6 : The values S_j

	A_1	A_2	A_3	A_4	A_5
S_j	0.255	0.459	0.673	0.633	0.463

The results of the compute the values R_j , by the relations is shown in Table 7.

Table 7 : The values R_j

	A_1	A_2	A_3	A_4	A_5
R_j	0.081	0.106	0.204	0.174	0.133

The results of the compute the values Q_j , by the relation is shown in Table 8.

Table 8 : The values Q_j

	A_1	A_2	A_3	A_4	A_5
Q_j	0.000	0.345	1.000	0.830	0.459

The final ranking of VIKOR method is shown in Table 9.

Table 9 : Final ranking

S		R		Q	
LG	0.255	LG	0.081	LG	0.000
Samsung	0.459	Samsung	0.106	Samsung	0.345
SONY	0.463	SONY	0.133	SONY	0.459
Panasonic	0.633	Panasonic	0.174	Panasonic	0.830
SHARP	0.673	SHARP	0.204	SHARP	1.000

5. Conclusions

A variety of perspectives has been employed in supporting the idea that consumer-brand relationships can and do exist. Brand name effect is the consumer's perception of the role that brand name plays in the decision making process of choosing the most preferred product (service). In the context of services, customer satisfaction is seen as almost synonymous with service quality and is argued to arise when an individual's perception of performance exceeds the expected performance. In this study using the Delphi method, we have answered the first question. The first question was : What are the factors affecting in choosing the top brand ?.Then using paired comparisons , we answer the second question. The second question was : What are the priorities of these factors?.The most important factor was recognized brand reputation. The results of these two questions is shown in Table 1. Finally, the third question was answered by using VIKOR. The VIKOR method was developed for the multi-criteria optimisation of complex systems.Top brands ranking results are : LG first place , Samsung second place , SONY third place , Panasonic fourth place and SHARP won the fifth place. We hope that this article will contribute to branding strategies. The results of this analysis should help managers to decide how to implement branding strategies more effectively.

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