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Analyzing the Brand Equity of Turkish Airlines Services: Comparing the Japanese and Turkish Perspectives

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Abstract

The main objective of this study is to empirically test a conceptual model of customer brand equity. This study attempts to verify the determinants of brand equity of services based on consumers' perception of Turkish Airlines services. The conceptual framework of this study is based on customer-based brand equity, which includes brand loyalty, awareness, associations, perceived quality and other proprietary. This study attempts to evaluate the customer brand equity of Turkish Airline services in Turkey and Japan. 400 respondents were randomly selected and were asked their views through a structured questionnaire. This paper utilizes survey data obtained from 200 Turkish consumers who are living in Turkey and 200 Japanese consumers who are living in Japan. The findings suggest that when customers get attached emotionally to a brand (brand feeling) they go on to create strong associations with the brand. The quality of the services of a brand, its credibility, and its presence in the choice set of customers also lead to customers' strong associations with a brand. This study is one of the few researches conducted in comparing the Japanese and Turkish literature that explores thoroughly the purchasing behaviors of cross cultures in Turkish and Japanese consumers.

Keywords: Brand Equity, Turkish Airlines Services, Japanese and Turkish Perspectives

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1. Introduction

Over the last 15 years, brand equity has become more important as the key to understanding the objectives and mechanisms of the holistic impact of marketing (Reynolds and Phillips 2005).

In the scope of 21st century, branding managements' importance is an incrementally increasing subject for companies, marketing academicians and researchers. Although the importance of this subject is not controversial, existing researches on the brand equity of airline industries are unsatisfactory and require more studies (Chen and Tseng 2010; Chen and Chang 2008). Correspondingly, Turkish Airlines brand equity is not approached within Turkish and Japanese perspectives via researchers.

The main objective of this study is to empirically test a conceptual model of customer brand equity. This study attempts to verify the determinants of brand equity of services based on consumers' perception of Turkish Airlines services. The conceptual framework of this study is based on customer-based brand equity which includes brand loyalty, awareness, associations, perceived quality and other proprietary. Brand equity is, therefore, the power of a brand that lies in the minds of consumers; experiences of the consumers about the brand can be in thoughts, words, and actions. Brand equity is a differentiating factor that can influence consumers' responses to a brand's marketing activities. Branding is becoming ever more important as firms face an increasingly global and competitive marketplace. Brand equity refers to the intangible value that a company obtains as a result of its successful efforts to establish a strong brand. The intent of this study is to explore whether there are differences between Japanese consumers' and Turkish Consumers' perspectives in using Turkish Airlines services. Additionally, the project aimed to reveal if there are any differences among Japanese consumers' behaviors in Japan and Turkish consumers' behaviors in Turkey in terms of the brand equity of Turkish Airlines. The importance of customers' strong associations with brands is immense. These associations help organizations build long-term relationships with their customers. The branding activity of organizations is summarized in the most popular Customer Based Brand Equity – CBBE model.

2. Customer Based Brand Equity

The evolution of information and communication technologies caused a diversity of customer needs and desires to surface. Those needs and desires by the customers are leading, even forcing, companies to create various competitive strategies. Effective competitive strategies have to be sustainable. A basic way of sustainable competitiveness is understanding the meaning of a brand in terms of customer perspective which defined as customer based brand equity (Taşkın and Akat 2010).

Brand equity has been defined in a variety of ways (Keller 1993). Some authors define brand equity as the value added by the brand to the product (Aaker 1991; Kamakura and Russell 1993; Farquhar 1989). There have been two general motivations for studying brand equity. One is a financially based motivation to estimate the value of a brand more precisely for accounting purposes. A second reason for studying brand equity arises from a strategy based to improve marketing productivity (Keller 1993). Customer based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing

of the brand (Keller 1993). Also according to Keller (1993) brand knowledge is defined in terms of two components, brand awareness and brand image. Brand awareness relates to brand recall and recognition performance by consumers. Brand image refers to the impressions by brand associations in the customers' mind. Then the concept of consumer based brand equity is considered in more detail by discussion of how it can be built, measured and managed. Aaker (1991; 2001) identified the conceptual dimensions of the brand equity as brand awareness, brand associations, perceived quality, brand loyalty and other proprietary brand assets such as patents, trademarks and channel relationships. The aforementioned four dimensions of brand equity represent consumer perceptions and reactions to the brand, while propriety brand assets are not pertinent to consumer based brand equity (Aaker 1996; Christodoulides and Chernatony 2010).

2.1. Brand Awareness

Brand awareness is the ability of the potential buyer to recognize and recall that a brand is a member of a certain product category (Aaker 1991). Awareness is argued as being a first and necessary (but not sufficient) step leading to trial and repeated purchases, because the effect of awareness results in product curiosity (Konecnik and Gartner 2007; Chen and Tseng 2010).

From a customer based brand equity perspective, marketing communications activities contribute to brand equity (Keller 2007) by creating awareness of the brand by linking the right associations to the brand image in consumers' memory, eliciting positive brand judgments or feelings; and/ or facilitating a stronger consumer- brand connection (Keller 2009). Moreover, different dimensions of brand knowledge are likely to have interactive effects. For example, strong brand awareness and familiarity may be prerequisites for certain types of thoughts, feelings, or attitudes to occur (Keller 2003).

2.2. Brand Loyalty

Brand loyalty is the attachment that a customer has to a brand (Aaker 1991). Brand loyalty is determined to be the main concern for investing in or selling a brand, because high customer loyalty is expected to provide predictable flow of sales and profitability. In addition, the impact of brand loyalty on marketing expenses is also important: retaining old customers is much less expensive than obtaining new customers (Aaker 1996). Specific purchasing behaviors of consumers against different brands reveal the importance of the concept of brand loyalty. Among the causes of the positive attitude adopted by the consumer in the face of certain brands are consumers' demographic, economic or psychographic characteristics, features and environmental factors of the product (Jacoby and Keyner 1973). Additionally, Yoo and Donthu (2001) indicate that brand loyalty is the tendency to be a loyal to a local brand, which is demonstrated by the intention to buy the brand as a primary choice.

2.3. Perceived Quality

Perceived quality is consumers' judgment about a product's overall excellence or superiority, not the actual quality of the product (Zeithaml 1988). Basic functional characteristics of the product, perfection, sustainable performance, the economic life of the product, such as quality of services and their supporting elements are considered as determinants of perceived product quality (Aaker, 1991). Knowing how to perceive quality

by consumers can provide important advantages for businesses. Benefits of perceived quality are as follows: Market share effects, price effects, direct impact on profitability. It does not adversely affect costs. The company can provide investment returns. It also has the effect of returning of the capital (Erdil and Uzun 2010).

2.4. Brand Associations

Aaker (1991) describes brand associations as everything linked in memory to a brand and a link to a brand will be stronger when it is based on many experiences or exposures to communications, and when a network of other links supports it (Jalilvand and others 2011). The key associations component of brand equity usually involves image dimensions that are unique to a product class or to a product class or to a brand (Aaker 1996).

3. Measurement of Customer Based Brand Equity

The intention on studies of brand equity is increasing; almost all of those studies are based on consumer based brand equity conceptualization of Aaker (1991) and Keller (1993). Studies show that there is no conclusion on which concept is best way to measure brand equity.

Park and Srinivasan (1994) measure brand equity as the difference between an individual consumer's overall brand preference and his or her brand preference on the bases of objectively measured product attribute levels. Park and Srinivasan (1994) approach on consumer based brand equity is separating consumer based brand equity into two parts: one is attribute based component which is relate with consumers' evaluation of the brand's psychical characteristics, the other one is non-attribute based component related with symbolic associations attached to the brand (Christodoulides and Chernatony 2010).

Vazquez, Rio and Iglesias(2002) defines consumer based brand equity the overall utility that the consumer associates to the use and consumption of the brand; including associations expressing both functional and symbolic utilities. This study focuses on utilities obtained by consumers following a brand's purchase (ex-post utilities) rather than utilities obtained prior to purchase (ex-ante utilities) and indicate four basic dimensions of brand utilities: product functional utility, product symbolic utility, brand name functional utility, brand name symbolic utility. Kocak et al. (2007) study replicate Vazquez et al. (2002) consumer based brand equity scale to determine could it be applied into a different culture. Using the same four dimensions and same product category (i.e. sport shoes) with Vazquez et al. (2002); the original scale was not appropriate due to the cultural diversity.

Yoo and Donthu (2001) develop and validate a multidimensional consumer based brand equity scale (MBE) drawn by Aaker and Keller conceptualization of brand equity. In this study, American, Korean and Korean American subjects evaluated three different product categories by 12 units on the brands; in order to develop and ensure the validity of the scale using three dimensions of brand equity: brand loyalty, perceived quality, brand awareness/associations. As a result, they develop one-dimensional measure of brand equity, overall brand equity (OBE) as a forth label of measurement on the basis of their definition of brand equity. Yoo and Donthu (2001)'s scale assumes as culturally valid that can be performed on any culture and different product categories in the individual consumer level.

4. Research Method

4.1. Instrument

The purpose of this research was to explore the brand equity of Turkish Airline customers. The questionnaire consisted of items to measure the dimensions of brand equity (Yoo and Donthu, 2001), as well as demographic questions. Brand equity items were evaluated with five-point Likert scales anchored at "1 = strongly disagree" and "5 = strongly agree".

4.2. Sampling and data collection

The questionnaire was administered to Turkish and Japanese samples. Participation in the study was completely voluntary. 400 questionnaires were distributed in the airport of Turkey and Japan. 200 questionnaires were collected for each group.

Table 1. Descriptive Statistics of Samples

		Turkish		Japanese	
		Frequency	Percent	Frequency	Percent
Gender	Female	99	49.5	112	56.0
	Male	101	50.5	88	44.0
	Total	200	100	200	100
Education	High School	41	20.5	59	29.5
	University	126	63.0	115	57.5
	Master	28	14.0	23	11.5
	PhD	5	2.5	3	1.5
	Total	200	100	200	100
Age	Under 18	3	1.5	7	3.5
	19-25	64	32.0	34	17.0
	26-35	62	31.0	38	19.0
	36-45	54	27.0	42	21.0
	46-55	12	6.0	40	20.0
	56-65	3	1.5	39	19.5
	More than 65	2	1.0	7	3.5
	Total	200	100	200	100
Marital Status	Single	118	41.0	67	33.5
	Married	82	59.0	133	66.5
	Total	200	100	200	100
Income YTL/JPY	Less than 2000	81	40.5	20	10.0
	2001-4000	75	37.5	25	12.5
	4001-6000	30	15.0	43	21.5
	6001-8000	5	2.5	39	19.5
	More than 8001	9	4.5	73	36.5
	Total	200	100	200	100

4.3. Analyses

To determine the dimensions of brand equity an exploratory factor analysis (EFA) with Principle Component Factoring and Varimax Rotations was conducted. Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett test of sphericity tests were performed to test the appropriateness of data for conducting factor analysis (Hair et. al., 2006). Result of the tests (KMO=0.838, χ^2 Bartlett test (78)=991.170, p=0.000) were satisfactory. The diagonals of the anti-image correlation matrix were all over 0.50, supporting the inclusion of each item in the factor analysis. Factors with eigenvalues over one were retained and items with factor loadings below 0.50 and items with high cross loadings were excluded. As a result of the factor analysis three dimensions were found.

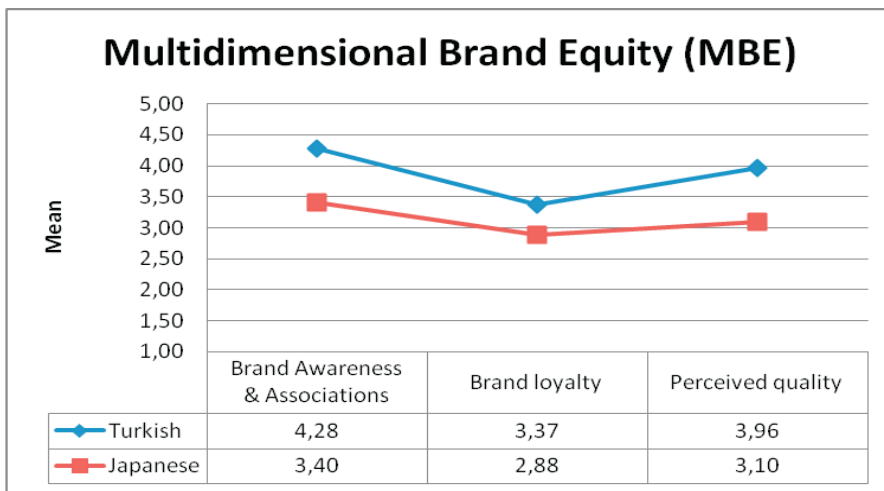
Table 2. Factor Analysis Result of Brand Equity

Factor Name	Factor Items	Factor Loading	% Variance	Reliability
Brand Awareness & Associations	I can quickly recall the symbol or logo of THY.	0.743	23.785	0.71
	I have difficulty in imagining THY in my mind.	0.736		
	I am aware of THY.	0.676		
	Some characteristics of THY come to my mind quickly.	0.667		
Brand Loyalty	THY would be my first choice.	0.799	23.164	0.73
	I consider myself to be loyal to THY.	0.773		
	I will not buy other brands ticket if THY is available.	0.758		
Perceived Quality	The likelihood that THY would be functional is very high.	0.846	18.007	0.67
	The likely quality of THY is extremely high.	0.806		

Three factors explain 64.96 % of the total variance. As it is seen in Table 2 factors named as "Brand Awareness & Associations", "Brand Loyalty" and "Perceived Quality". To test the internal consistency of factors, Cronbach's coefficient alpha reliabilities were computed. De Vellis (2003) , suggests a value of 0.70 as lower limit but it can decrease to 0.60 (Hair et al 1998). Reliabilities for factors were 0.71, 0.73, 0.67 respectively. To test if there were any differences between Turkish and Japanese consumers by brand equity dimension, independent sample t test was conducted.

Table 3. Independent sample t test result for Brand Equity dimensions

	Turkish		Japanese		t	df	p value
	Mean	Std. Deviation	Mean	Std. Deviation			
Brand Awareness & Associations	4.28	0.72	3.40	0.79	11.635	395.08	0.000
Brand Loyalty	3.37	1.25	2.88	0.78	4.681	334.39	0.000
Perceived Quality	3.96	0.86	3.10	0.76	10.571	391.06	0.000



It was found that all brand equity subdimensions were significantly different for Turkish and Japanese consumers (See Table 3).

5. Conclusion and Discussion

In this study, we empirically examined four dimensions (brand awareness, brand loyalty, perceived quality and brand associations) of brand equity drawing upon a scale developed via Aaker (1991)’s conceptualization of customer- based brand equity included demographic questions such as gender, marital status, age, education level, occupation and income level, in order to measure of consumers’ brand equity of Turkish Airlines based on Turkish and Japanese customers’ perspectives once the brand has been purchased. The test was to determine whether there is a difference between Turkish customers and Japanese customers.

Conducting factor and reliability analyses were satisfactorily valid and indicated that three dimensions were found instead of four dimensions of brand equity. Brand awareness and associations was unidimensional.

The limitations of this project concerns with Turkish Airlines and its brand equity. Therefore, this customer based brand equity model of aviation industry- except of Turkish

Airlines- could not be generalized to other airlines and their customers. The aim of this study, Turkish and Japanese passengers who is taken service from Turkish Airlines, is comprised; citizens of other countries are excluded. There have not been considered any restrictions for demographic criteria.

According to Yoo and Donthu (2001), even though the factor loadings are invariant across samples, the factor correlations are not, which means that different cultures place different levels of importance on the dimensions of brand equity. Our customer based brand equity model analysis shows brand awareness/ associations is the most important factor among Turkish and Japanese, however brand awareness/associations is more important among Turkish than Japanese. In addition, the rest factors- perceived quality and brand loyalty- are also higher performed among Turkish customers than Japanese customers. Differences on cultures may effecting brand equity-related marketing strategies need to focus more on different dimensions of brand equity in different cultures.

Our study not only contributes to the understanding of differences between Turkish and Japanese customers brand equity across aviation industry but also reveals the effect of brand equity in order to build a long- term strong brand and to be sustained competitive advantages for airline companies. Because aviation firms need empirical evidence of the consequences of brand equity much more than existing researches.

Future research also could focus on the different cultures for Turkish Airlines brand equity that in order to form the basis of effective marketing strategies. In addition, this customer based brand equity scale could be constructed to same culture of different airlines for further researches.

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