

## Customers and Employees Assessment of Corporate Branding Benefits

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### Authors' contributions

This work was carried in collaboration between all authors. Author SA designed and supervised the study. Authors MA, IOA and PA conducted the survey and wrote the manuscript. All authors contributed the manuscript to data interpretation and editing.

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### ABSTRACT

Corporate branding has become an important tool employed by many industries in recent decades. It is described as the subliminal process by which industries use marketing strategies to attract customers to easily remember their products and services over competitors. A company's ability to determine precisely the key elements that drives customers to their brand will help them to prioritize specific business operations. This study evaluated key branding elements and their impacts as perceived by customers and employees. A sample size of 300 respondents, comprising 50 employees and 250 customers of a local pharmaceutical firm was selected. Questionnaire was administered to the 300 respondents, which targeted three metrics (perception, behavior, and market trends) as means to evaluate branding effectiveness. The results showed that there was a relationship between corporate branding and customer's pattern of purchase. Most of the employee respondents testified that the management of the company was fully committed to building the brand image of the company. In effect, all customer respondents believed that the company's brand had

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some level of influence on them. Most of the customers felt they were emotionally attached to the company's brand, which ultimately influenced the frequency in which they purchased from the company. The majority of customers switched to the company because of perceived loyalty and trust, but the customers that had the company as their first choice brand had no peculiar reasons. Moreover, employee's perception of what drove customers (dominated by competitive pricing) to purchase their product was not consistent with the response of customers (dominated by product quality). In general, corporate branding is an important tool, eliciting customer's loyalty and the frequency in which they purchase from a firm. However, the key branding elements were perceived differently by customers and employees.

*Keywords: Corporate branding; branding element; emotional branding; market performance.*

## **1. INTRODUCTION**

### **1.1 Background**

The concept of branding, introduced as a result of the practice of craftsmen who made marks or identifier on their work without detracting its beauty, has become a vital marketing tool employed by many industries [1]. Modern concept of branding has become much more than just creating a way to identify a product or an organization. According to de Chernatony [2], branding is a subliminal process by which industries use marketing strategies to attract customers to easily remember their products and services over competitors. Thus, branding efforts can cause consumers to develop trust and emotional attachment to products or companies, termed emotional branding [3,4]. These emotions occur as the result of feedback of what a customer made of a situation, such as brand consumption experience; recommendation from friends or relatives in which one has emotional attachment; or from an advertisement.

Ding and Tseng [5] indicated that marketing practitioners should pay special attention to customers' emotions instead of customers' brand cognition since emotion plays a key role on the influence of brand experience and brand loyalty. Branding helps organizations to attract consumers and thus increase their market share and hold. Successful branding efforts build strategic awareness where people not only recognize the brand but they also understand the distinctive qualities that make it better than other competitors [6].

Arguably, a business cannot be successful without some form of effective branding. Quinn [7] alluded to this and indicated that the success of GEICO could largely be attributed to its effective brand building. It is important to note, however, that without continuous brand

communication, mere corporate brand identity may not be adequate to influence the company's share and hold. A product's superiority is not sufficient to guarantee its success, without exploring key branding elements or brand touchpoint wheel [8,9]. More importantly, corporate branding focuses on an organization as a whole, where it clearly defines its values and practices, plus it involves multiple stakeholders. Brand building has become so important today in Ghana that marketers work hard to ensure that they offer customers strong brand that are clearly differentiated, and that offer clear, real value and unique benefits.

### **1.2 Problems and Study Objectives**

Currently, there are 38 registered manufacturing pharmaceutical firms in Ghana, of which 29 of the firms belong to local industrialists [10]. According to statistics of the Ghana Ministry of Health, there are about 2400 licensed pharmacies in the country. About 30% of the pharmaceuticals in the country's market are locally produced and 70% are imported, mainly from India and China [10,11]. In addition to internal competition, the local industrialists feel more threatened because the foreign pharmaceuticals are usually cheaper. Thus, the development of strong and formidable brands has been the key strategy adopted by these companies to give them an edge over their competitors.

Little is known about whether the benefits of building formidable brands are perceived alike by customers and employees. Also a company's ability to determine precisely the key elements that drives customers to their brand will help them to prioritize business operations. We conducted a case study on one local pharmaceutical firm in Ghana, and we evaluated key branding elements and their impacts as perceived by customers and employees.

## 2. STUDY APPROACH

### 2.1 Study Sample

The sample used for this study consisted of employees and customers of a local pharmaceutical firm in Ghana. The sample size of the study was 300 respondents, comprising 50 employees and 250 customers. The target population of the study had sub-groups of suburbs within Metropolis, thus the proportionate stratified random sampling method was used. Also, a convenient sampling and a purposive random sampling was employed to select respondents for each of the sub-groups. Conscious effort was made to select only literate people as respondents because of the nature of the study, which required minimum level of knowledge to appreciate the study.

### 2.2 Survey Design

Questionnaire was administered to acquire primary data for analysis. In designing the questionnaire, questions were kept short, simple and clear to ensure proper understanding of the questions and ease of answering the questions. The questionnaire targeted three metrics (perception, behavior, and market trends) as means to evaluate branding effectiveness. This was adapted from the Integrated Model of Branding Effectiveness Assessment (IMBEA) [9]. The IMBEA includes financial metrics, but we were unable to obtain that information because the company was not listed on the Ghana Stock Exchange and was unwilling to disclose that information to us. Actually, it was very difficult obtaining a firm that was willing to collaborate in the study.

The questionnaire examined the extent to which respondents can match the concept to the brand, the extent to which respondents have favorable opinions of the brand, and the likelihood of respondents to purchase service of the brand. Interviews were administered via face-to-face, telephone calls, or online, depending on which medium was convenient to the respondent, and it spanned for a period of six months.

### 2.3 Analysis

The SPSS statistical software package was used for the data analyses. This included constructing

frequency tables and summary statistics. Pearson correlation analysis was also used to determine the level of association between customers and employees responses. Significance level was assessed at  $P = 0.05$ . Bar charts and pie charts were used for visual presentation of results. Demographics of respondents were also presented in tables.

## 3. FINDINGS

### 3.1 Demographics of Research Respondents

Out of the total of 250 customer respondents interviewed, 71% were males and 29% were females (Table 1). The employee respondents of the company were also dominated by males, who represented 76%. The gender differences observed among the research respondents was the actual reflection of the company as a whole. According to the broadminded feminist theory, once equal access to resources is ensured, gender differences seemingly fade away [12]. 26% of the employee respondents held managerial positions, while 74% were staffs. The work divisions for the employee respondents were 24%, 22%, 18% and 36% for control unit, sales/ service, finance, and research/ production, respectively. Most of the employee respondents had worked at the company for three to five years. The majority of employee respondents (about 60%) did not indicate their age, but the average age of the few people that indicated was 37. The age of most of the customer respondents ranged 30-40 years (Table 1).

Customer respondent's business transacting level were more of retailing (58.8%), and wholesaling and direct consumers constituted 13.7% and 27.5%, respectively. Customers purchase frequencies were mostly on daily bases, representing 56.9% as compared to 27.5% and 15.7% who buy on monthly and weekly bases, respectively (Table 1). The majority of the customers had been in business for more than five years (Table 1). Retail buying today is intrinsically more complex and diverse than the traditional models would suggest. Retailing has become more market oriented in its approach, with a move towards a demand (pull) chain rather than a supply (push) chain ethos, thus the implications for retail buying have been generally overlooked [13].

**Table 1. Demographics of customers and employees of the pharmaceutical company sampled for the study**

Customer respondents			Employee respondents		
Variable	Class	Proportion (%)	Variable	Class	Proportion (%)
Gender	Male	71	Gender	Male	76
	Female	29		Female	24
Age	20-30	29	Rank	Manager	26
	30-40	41		Staff	74
	>40	30		Service years	<2
Business	Wholesale	14	3-5		54
	Retail	59	>5		34
	Consumer	27	Work division	Control unit	24
Years in business	<1	14		Sales/ service	22
	1-5	29		Finance unit	18
	>5	57	Research/ production	36	
Purchase frequency	Daily	57			
	Weekly	16			
	Monthly	27			

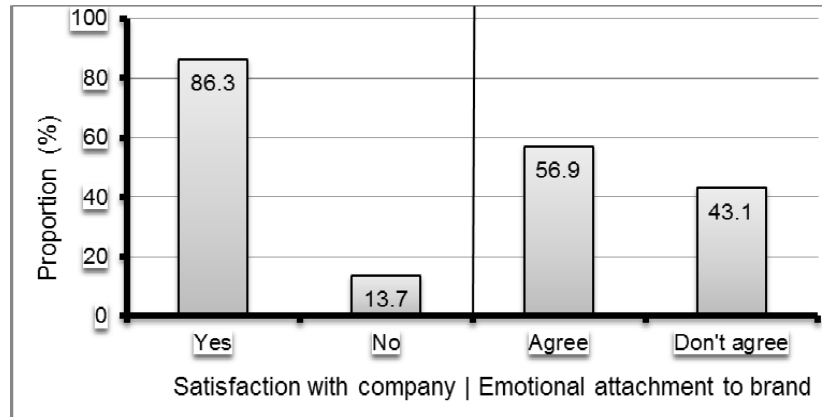
**3.2 Perception and Brand Influence on Customers**

All the customer respondents indicated that the company's brand was influential in their minds and it encouraged frequent purchase. Among the key brand building elements, most of the customers (43.1%) attributed product quality as the most influential on their decision to purchase frequently from the company (Fig. 1). This was followed by brand name, which corresponded to 29.4%, and then price and service quality were

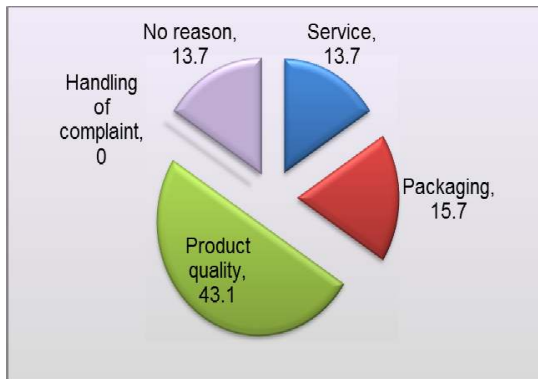
both 13.7%. In general, 86.3% of customer respondents were satisfied with the company's brand and 13.7% were not satisfied (Fig. 2). Out of the 86.3%, 43.1% customers considered product quality as the major branding element for their satisfaction with the company (Fig. 3). Packaging followed at 15.7% and then service at 13.7%. Also, 13.7% customer respondents had no major brand element to attribute their satisfaction, and also none of the respondents considered handling of complaints as a major element for their satisfaction with the brand.



**Fig. 1. Radar plot showing the factors that determine the frequent purchase of products and services as perceived by customers and employee respondents of the pharmaceutical company**



**Fig. 2. Satisfaction of the customer respondents with the pharmaceutical company's brand, and whether or not they were emotionally attached to the company**



**Fig. 3. The major branding elements influencing customer respondents' satisfaction with the pharmaceutical company**

More importantly, out of the 86.3% customer respondents that were satisfied with the company's brand, 56.9% believed such level of satisfaction had made them emotionally attached to the brand (Fig. 2). For the 56.9% customer respondents that were emotionally attached to the brand, 15.7% believed that it was due to market demand (Fig. 4). Credit facility and product availability constituted 13.7% each. Also, 13.8% of the respondents indicated that they had no reason why they were emotionally attached to the brand.

Uncles et al. [14] touched upon a similar theme and indicated that attitudinal loyalty may be measured by asking, for example, how much people like the brand, or whether they have positive beliefs and feelings about it, and then by examining the strength of these attitudes. With competition increasing day after day, customer maintenance and growth has become

the first objective of many companies [15], and loyal customers can be considered as a key to the success in many service businesses [16]. The results suggest that buyers form their beliefs on interpretations of consumer buying behavior and subsequently act on those beliefs [17].

From Fig. 5, it can be observed that 43.1% of the 250 customer's interviewed had the company as their first choice of brand, but 56.9% switched from a previous brand. In addition, 27.5% had no reasons for having the company as their first choice brand and 15.7% attributed it to the level of loyalty and trust. None of the customer respondents who had the company as first choice brand attributed it to product quality and price. Interestingly, for those who switched from other brands to the company, 13.7% and 15.7% attributed it to product quality and price, respectively. Also, 27.5% attributed it to perceived loyalty and trust. While some scholars have included interpersonal relationships as a dimension of switching costs [18-20], others have attributed them to different constructs [21]. Using the communication industry as a case study, there are many determinants that will cause a customer to switch, which includes pricing, call quality, perceptions, values, network coverage, and network availability. All these are often secondary factors. The major and primary factors, according to Zeithaml and Bitner [22] are based on the customer's personal perceptions about the product or service being offered. To achieve high customer retention and attract new customers, companies have to create value using new customer driven business strategies to increase productivity and profitability in service business [23].

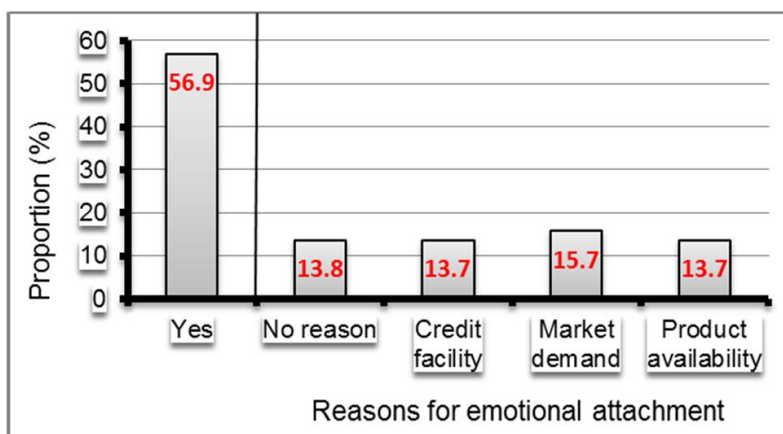


Fig. 4. Reasons of customer respondents for being emotionally attached to the pharmaceutical company



Fig. 5. Factors that determined customer switching behavior of the pharmaceutical company

### 3.3 Employee Perceived Brand Influence on Customers

Most employee respondents (56%) believed that pricing was the major factor that influenced customer's frequent purchase of products and services (Fig. 1). Others considered brand name, product quality, and service quality, representing 12%, 26%, and 6%, respectively. A Pearson correlation analysis showed that there was no significant relationship ( $P = 0.816$ ) between customer and employee respondents' reasons for the frequent purchase of products and services, with correlation coefficient of  $-0.184$ . This indicates that the customer and employee respondents held different views on what informed frequent purchase of product and services. In general, both respondent groups gave minimum attribution to service quality. Attention to service quality can, however, make an organization different from other

organizations, which will provide a lasting competitive advantage [24,25]. Specifically, customers' attention is drawn to service quality when price and other cost elements are held constant [26-28]. Brady and Robertson [29] indicated that service quality can be an effective differentiating factor and can help to create the necessary competitive advantage.

All the employee respondents indicated that corporate branding is of concern to their organization. However, 10% indicated that customer complaint on product quality happens a lot and 70% indicated it was moderate. Only 20% indicated that there was zero level of customer complaint on product quality. The level of practice on building good corporate brand according to the employee respondents was best by 10% respondents, better by 4% respondents, good by 80% respondents and then no-opinion by 6% respondents. Also, 78% of respondent

indicated that there was a strong relation between the company's level of corporate branding and the sales turnover, whereas 16% disagreed. 6% of employee respondents had no opinion on this. By assessing the market performance in relation to its sale value, 22% were of the view that it was excellent, 60% saw it as very good, 12% saw it as good and then 6% had no view.

The ability of an industry to build a well-recognized and accepted brand is a valuable asset [30]. Brands have been key role players in the business strategy of many leading organizations in the world [31]. According to Arranz et al. [32], the rivalry amongst competitors in the pharmaceutical industry is fierce and companies should design their strategies in such a way to achieve competitive advantage. When consumers are loyal to a pharmaceutical brand, they are willing to pay a higher price for that brand, which in turn improves the performance of those companies [32,33].

#### 4. SOLUTIONS AND CONCLUSIONS

The results indicated that there is a relationship between corporate branding of the pharmaceutical industry and customers pattern of purchase. Most of the employee respondents testified that the management of the company was fully committed to building the brand image of the company. In effect, all customer respondents believed that the company's brand had some level of influence on them. Most of the customers felt they were emotionally attached to the company's brand, which ultimately influenced the frequency in which they purchased from the company. Most customers indicated, however, that their decisions to purchase pharmaceuticals outside the company were mostly influenced by the fact that the company did not produce similar products. Thus the company could plan on identifying and producing such pharmaceuticals.

Majority of customers switched to the company because of perceived loyalty and trust, but the majority of customers that had the company as their first choice brand had no peculiar reasons. More so, employee's perception of what drove customers (dominated by pricing) to purchase their product was not consistent with the response of customers (dominated by product quality). This was important to identify because the company can focus much more attention on developing quality products. Usually, quality and competitive pricing are inversely related. It is

important to also note that this research was a case study on one company and thus the results may not necessarily be applicable to other industries. However, it can be inferred that competitive pricing is not always the key element that drives consumers to a product and that companies needs to identify what drives consumers to their products in order to meet their needs to become more effective and competitive.

#### COMPETING INTERESTS

Authors have declared that no competing interests exist.

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