

# The Study on Brand Equity & Purchase Intention of Shampoo Market in Sri Lanka

Jayasuriya. N. A

*Received: 16 December 2018 Accepted: 1 January 2019 Published: 15 January 2019*

---

## Abstract

For a brand to be successful, strong brand equity is a core. It is this strength that leads the brand to be prominent in the marketplace and shine amidst its competitors. Good brand equity leads the purchase decision process in which led by purchase intention. Brand equity is vital for any business organization in order to boost up its performance. Therefore, brand equity has affects on the purchase intention of consumers. Moreover, brand equity for a brand is crucial to increase its valuation in the market and to increase its market share. Furthermore, purchase intention is the kind of decision making where a customer buys the same brand repeatedly based on their purchase history. Retaining such a customer is crucial since that customer is likely to shift immediately to another brand due to the high choice availability in today's market. The shampoo market as a whole can be identified to be highly fragmented and cluttered with different brands, suppliers, and distribution channels. This research will examine the impact of brand equity on purchase intention of shampoo products in the Colombo region of Sri Lanka. From the findings done by this research, it will be an advantage for the marketers in the industry to execute effective marketing plans and also for future researchers for their research findings.

---

**Index terms**— brand equity, perceived intention, shampoo, brand awareness, brand association, perceived quality, and brand loyalty.

## 1 Introduction

brand is considered to be a crucial tool in any country to uplift its economy. With the help of equity and the name of the brand, the buying behavior of customers can be changed. The brand name of a particular product will help a customer to choose the desired product with ease. With people being more aware and more conscious about brand names, companies should place an easy to recall brand name and image in the minds of consumers. For this research, shampoo (in terms of products) will be taken into consideration. The shampoo market in Sri Lanka is composed of brands made by companies such as Unilever, Hema, L'Oreal, Procter and Gamble, Swadashi, Johnson & Johnson, etc. It is a selection of sub-brands that customers can choose from for their personal use. Each brand has its own identity and issues of hair care that they focus on providing solutions. Unilever internal sources have further proven that only 70% of consumers use shampoo. The question then raised when researching about this problem is that; why only 70% of people use shampoo and why not the rest of the 30% do not use shampoo to clean their hair. Past researches were limited to this scenario regarding brand equity on purchase intention of shampoo products, but there are many research's conducted with regards to oral care, skin care, and personal care products. This research is conducted to investigate the issues which are mentioned above. In the case of Shampoo brands in Sri Lanka, there is a vast range from different prices and quantities. Also, they provide a wide range of solutions making a choice even more complicated. In addition to this, there are a few new vendors in the market who import international brands and sell to the local market. This issue affects the purchase intention because consumers tend to shift to those brands-as a common behavioral factor among Sri Lankans.

Sri Lanka is at a very early stage in terms of considering personal care, and a prominent factor is that new brands keep entering the market very frequently.

Thajudeen (2011) states that "Years back in Sri Lanka, consumers were shy to purchase sanitary napkins; flowers and traditional colognes were used as perfumes; talc was used as deodorants; soaps were used as shampoos and conditioners -but today, it has taken a whole new turn -a dramatic change over the past few years."

With Sri Lankan consumers starting to frequently use shampoos, the concern is by how much this trend is followed. As mentioned it is found that only 70% use shampoo in Sri Lanka however, the findings of factors that result in this is very limited. 70% is a huge market to study the patterns of purchase based on brand equity. Analysis can be conducted to find how purchases/ intention for purchase are made of the product/s based on if it was brand awareness, brand loyalty, perceived quality, or brand association. Therefore, this research aims to understand to find the above mentioned in terms of brand equity and purchase intention of Shampoo brands in Sri Lanka so that the marketers can use this as reference and base the findings from this to create strategies that will help improve their marketing activities/decisions.

## 2 II.

### 3 Literature Review a) Brand equity

Brand equity is a set of brand assets and liabilities linked to a brand name and symbol, which add to or subtract from the value provided by a product or service (Prophet, 2016). This means that the difference between overall brand preference and multi-attributed preference based on objectively measured attribute levels (Chandani, 2012). Brand equity adds immense value to a company regardless of its intangibility. Brand Equity can result in many benefits to a company such as a customer loyalty, negotiating power, expansion opportunities, competitive advantage, and higher margins.

Forbes (2019) states that "Kevin Lane Keller, a marketing professor at Dartmouth College, stresses to build brand equity, you have to shape how consumers think and feel about your product. These thoughts and feelings are categorized by four stages that represent what consumers subconsciously ask about your brand: Salience (identity), Meaning (performance & imagery),

### 4 Response (judgments & feelings) and Resonance (relationships).

There is a concern since millennials are not brand loyal due the increased choice. It means that brands should know to target themselves in the relevant customer pain points to ensure that customers know that it's not a product but has much more value to be present when they need it. In this research, it is about the brand equity shampoo brands have in the market and how each brand's perception affects the purchase of the product. Shampoo products has a major impact on its brand equity because each shampoo provides a perceived benefit to the consumer. The reason why many people tend to buy various shampoo brands in their course of life is because of general factors such as packaging, pricing, quality, ease of availability, and word of mouth. With the world and FMCG companies stressing on the importance of self-care and personal grooming, it has resulted in a change in overall consumer behavior gradually yet overall significantly.

### 5 b) Purchase Intention

Purchase intention is the willingness of the customer to repeatedly buy a product or a service based on the history of their purchase (MBASchool.com, 2019). Purchase intention is also affected by the changes in the markets. The reason for it is that amidst such a great choice, there are other factors such as price and quantity that play a huge role when it comes to personal care items specifically. With all this information available freely to the customer and the choice presented right in front of the customer, it has led customers to choose from one brand to another.

When considering shampoo, there are a few new vendors in the market who import foreign brands and sell to the local market. This is also an issue that affects the purchase intention because consumers tend to shift to foreign brands-as a common behavioral factor among Sri Lankans.

### 6 c) Perceived Quality

Perceived quality is consumer perception towards the quality of a product Tsotsou (2005), perceived quality is measured using the four dimensions of Petrick (2002): dependability, reliability, superiority, and consistency. Furthermore, perceived quality is portrayed as a perception by customers. Several related concepts like this can differ from actual quality (the extent which a particular product delivers the superior service), product-based quality (nature of ingredients and features included), and manufacturing quality (conformance to specifications). When a quality standard is provided, a brand opportunity is available to charge a premium. Since perceived quality is a perception and a judgment about what is important to customers, it cannot be objectively determined. In addition to the details given above, perceived quality is an overall feeling about a brand, and it is intangible.

---

## 7 d) Brand Awareness

Brand awareness permits the consumer to recognize one brand, and also it involves a continuum ranging from an uncertain feeling that the brand is identified to a belief that it is the only one in the product category Suryadi (2015) as cited from (Aaker, 1991). Outbound and inbound marketing efforts can be used to spread brand awareness. Moreover, brand awareness can be one of the business's biggest assets when the competition in an industry is high. Brand awareness has three major characters that help towards the decision making of the consumer. Firstly, the character increases the likelihood of the consumer to select a specific brand. Secondly, it can influence the concern if the consumer meets several choices. Thirdly, it affects the consumer decision making by persuading the creation and strength of brand associations in the brand image Suryadi (2015) as cited from (Keller, 1993).

## 8 e) Brand Loyalty

According to Habib and Aslam (2014) as cited from Oliver (1997), customer's loyalty is a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing. When you have loyal customers, you will not need to compete on the factors like price and convenience as long as you are delivering the promise. Generally, a consumer buys a product which is more familiar for them or already are used by them and its full fill their requirements. Business industrialists use different creative marketing strategies like loyalty programs, social media, and brand ambassadors to create brand loyalty. Purchase intention can be directly linked to brand loyalty. According to (Habib and Aslam, 2014) as cited from Schultz (2005), loyal customers like to speak about their brand and they often recommend those brands to their close family and friends.

## 9 f) Brand Association

Brand Association is the mental linkage of consumers to certain brands in products or services. It can provide a point of variation, self-convince to purchase and arouse a sense of comfort. In a well-established brand, one can decrease the motivations of the consumers to try a different brand, because a brand association can influence the purchase intention and give the impact to customer's level of satisfaction Suryadi (2015) as cited from (Aaker, 1992).

## 10 III. Brand Loyalty and Purchase Intention

Consumer buying decisions are very complex to understand. Ragavendran et al. (2009) state that P&G is named for its excellent market research strategy implementation process that led challenges by introducing its Head & Shoulders and Pantene shampoo at affordable prices in the Indian market. If there is no brand loyalty among the consumers, they will purchase other competitive products. According to Hameed and Kanwal (2018) based on the work of Yoon and (2000), a loyal customer will pay an extra price for the product that satisfies his/her needs/wants. Thus, brand loyalty is a substantially effective factor on store selection decisions of the customers (Aaker, 1991).

## 11 IV. Brand Awareness and Purchase Intention

When consumer choice is influenced by awareness an intention to purchase the product will arise. Brand awareness is a document that is composed of phenomena and emotions of the customers regarding the brand, and that is in their minds. When a consumer remembers the logo of a brand or the packaging of a certain brand, he/she will quickly get that image into their minds and it will make the consumer purchase that specific brand even though there are many other brands.

Perceived quality, on the other hand, is a crucial determinant affecting customer purchase intention (Vo and Nguyen, 2015). It is known that if a customer has a positive perception of a product or positive perceived quality that their purchase intention becomes positive as well. This factor is confirmed by the research conducted by Saleem et al. (2015) that states this to be true as product perceived quality has direct positive relation with purchase intention and customer satisfaction (as found by their research).

## 12 V. Brand Association and Purchase Intention

A research conducted by Grigaliūnaitė and Pilelienė (2017) state brand associations influences purchase intentions. When a consumer associates a brand for a while, it means that it creates loyalty and eventually results in wanting to purchase more of the same brand. The case with shampoos is the same since customers keep going back to their preferred brand and this happens once they have associated and had a good impression about it.

## 13 Significance of the Study

Since brand equity is one of the most important assets in the company, traders have to influence their consumers to purchase their product and educate consumers that their products/ services are worth. This study will be helpful for future researchers because it will be helpful for their research findings. Also, this study gives a better

### 13 SIGNIFICANCE OF THE STUDY

---

153 advantage to marketers in the marketing industry to execute effective marketing plans. Additionally, this study  
154 will be useful in understanding the corporate brand equity of shampoos and how it can influence the customer  
155 decision-making process. The results from this research can, therefore, affect the image of any company's brand  
156 to enhance its consumer reputation and purchase decisions by focusing on the results of this study.

- 
- [Ragavendran et al. ()] 'A Study on Brand Awareness of Shampoo Products'. P Ragavendran , G Devakumar , S Upadhyay . *Department of Management Studies* 2009. 8 (2) p. .
- [Yoon and Kim ()] 'An empirical validation of a loyalty model based on expectation and disconfirmation'. J Yoon , H Kim . *Journal of Consumer Marketing* 2000. 17 (2) p. .
- [Sarjana (2019)] *Binus University Available at*, Sarjana . Accessed: 21 st. February 2019.
- [Forbes (2019)] *Building brand equity*, Forbes . <https://www.forbes.com/sites/propointgraphics/2017/07/08/building-brand-equity/#d2432e36e8f8> 2019. Accessed: 21 st February 2019.
- [Keller ()] 'Conceptualization, measuring, and managing customer-based brand equity'. K Keller . *American marketing association* 1993. 57 (1) p. .
- [Petrick (2002)] 'Development of a multidimensional scale for measuring the perceived value of a service'. F Petrick . <https://www.prophet.com/2016/09/brand-equity-vs-brand-value> *Journal of Leisure Research* 2002. 21 st February 2019. 34 p. . (Prophet (2016) Brand equity vs. brand value: what's the difference)
- [Hameed and Kanwal ()] 'Effect of brand loyalty on purchase intention in cosmetics industry'. S Hameed , M Kanwal . *Research in Business and Management* 2018. 5 (1) p. .
- [Vo and Nguyen ()] 'Factors influencing customer perceived quality and purchase intention toward private labels in the vietnam market: the moderating effects of store image'. T Vo , C Nguyen . *International Journal of Marketing Studies* 2015. 7 (4) p. .
- [Thajudeen (2011)] 'Growth in self-expressive products is surging in Sri Lanka'. T Thajudeen . <http://www.sundaytimes.lk/110313/BusinessTimes/bt17.html> *Business Times*, 2011. Accessed: 2 nd May 2019.
- [Grigali?nait? and Pilelien? ()] *How do brand associations affect purchase intentions? A case of organic products*, V Grigali?nait? , L Pilelien? . 2017.
- [Habib and Aslam ()] 'Influence of brand loyalty on consumer repurchase intentions of cocacola'. S Habib , S Aslam . *Business and Management* 2014. 6 (14) p. .
- [Chandani ()] *Measurement of Customer Based Brand Equity For Shampoo Products in Jakarta*, Chandani . 2012.
- [Tsiotsou ()] 'Perceived quality levels and their relation to involvement, satisfaction, and purchase intentions'. Tsiotsou . *Marketing Bulletin* 2005. 16 p. .
- [Saleem et al. ()] 'Product Perceived Quality and Purchase Intention with 15. Consumer Satisfaction'. A Saleem , A Ghafar , M Ibrahim , M Yousuf , N Ahmed . *Global Journal of Management and Business Research* 2015. 15 (1) .
- [Mbaskool and Com (2019)] *Purchase intention*, Mbaskool , Com . <https://www.mbaskool.com/business-concepts/marketing-and-strategy-terms/10976-purchase-intention.html> 2019. Accessed: 25 th February 2019.
- [Oliver ()] *Satisfaction: A behavioral perspective on the consumer McGraw Hill*, R Oliver . 1997.
- [Suryadi ()] 'The impact of brand equity towards purchase intention on PT. X's candy. iBuss'. D Suryadi . *Management* 2015. 3 (2) p. .
- [Schultz ()] 'The loyalty paradox'. E Schultz . *Marketing Management* 2005. 14 (5) p. .
- [Aaker ()] 'The value of brand equity'. D Aaker . *Journal of business strategy* 1992. 13 (4) p. .
- [Aaker ()] 'Will consumers' learning motivation affect their brand loyalty? Research on moderating role of brand cognition'. D Aaker . *American Journal of Industrial and Business Management* 1991. 6 (11) .