Brand attitude essay

Business, Decision Making

Internship Report Spring-2006 A RELATIONAL STUDY ON CONTROLLED COMMUNICATION, UNCONTROLLED COMMUNICATION, BRAND NAME AND BRAND ATTITUDE IN THE CONTEXT OF BANGLINK™ by Fida Habib ID: 0010126 An Internship Report Presented in Partial Fulfillment of the Requirements for the Degree Bachelor of Business Administration INDEPENDENT UNIVERSITY, BANGLADESH April 2006 A RELATIONAL STUDY ON CONTROLLED COMMUNICATION, UNCONTROLLED COMMUNICATION, BRAND NAME AND BRAND ATTITUDE IN THE CONTEXT OF BANGLINK™ by Fida Habib ID: 0010126 has been approved April 2006

_____ Mr.

Sohel Islam Lecturer School of business Independent University, Bangladesh April 23, 2006 Mr. Sohel Islam Lecturer, School of Business Independent University, Bangladesh Dear Sir, It is a great pleasure and honor for me to submit my internship report " A relational study on controlled communication, uncontrolled communication, brand name and brand attitude in the context of Banglalink™. I am submitting this report as a part of my internship in Banglalink. This report will help the organization to find out the factors which influences brand attitude. This is the first time that I have done correlational study in a complete form, and I have tried my level best to conduct this in a professional manner. It is true that, it could have been done in a better way if there were not limitations. I hope you will asses my report considering the limitations of the study. Your kind advice will encourage me to perform better research work in future.

Yours sincerely, Fida Habib ID# 0010126. Acknowledgement In the preparation of this internship report, I would like to acknowledge the

encouragement and assistance given to me by a number of people. I am most grateful to the management of Banglalink™ for giving me the opportunity to complete my internship in their organization. I would like to express my gratitude to my supervisor Mr. Sohel Islam, for providing me detailed feedback and support on this report. Without his contribution, it would not have been possible for me to conduct this research work. I would like to render my special thanks to Mrs. Rumana Reza, Director, Customer Care Department of Banglalink™.

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Tanvir Mahmud Sharif for helping me in many different ways during my tenure in Banglalink. Table of Contents Page Executive Summary 1. 0 Introduction 1. 1 Statement of the Problem 1.

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Executive SummaryThe purpose of this paper is to investigate the relationships between controlled communication, uncontrolled communication, brand name and brand attitude in the context of Banglalink™ a GSM mobile telecom operator in the mobile telecommunications industry of Bangladesh. Sufficient literature review and discussions suggest that the avenues of communications (controlled and uncontrolled) and the brand name influences the attitude that consumers have regarding a brand (brand attitude). The literature review and the data from the study suggest that correlation does exist between the above mentioned study variables. Data was collected by distributing a total of 106

questionnaires to the subscribers of Banglalink™ that visited the Customer Care Center in Gulshan. Collected data was analyzed using SPSS 12. 0.

Correlational analysis and stepwise regression analysis were performed for testing the hypotheses and both provided full support in proving the hypotheses. The study showed that the attitude and perception that consumers in the mobile telecom industry formulate about a brand are influenced by the messages that are communicated by marketers together with information that they receive from other non-commercial ources and also the name or familiarity of the brand. The findings suggest that controlled communications, uncontrolled communication and brand name are pivotal in establishing consumer expectations, thus brand attitudes. Therefore, these types of advertising should be utilized to communicate realistic service experiences, while brand names should reinforce consumer confidence, trust and safety in usage. Positive WOM advocating proven reliability and consistency of the brand should be encouraged and rewarded to encourage new usage and reusage behavior. 1. 0 Introduction In September of 2004 Orascom Telecom Holding S. A.

E. (“ Orascom Telecom”) a leading mobile telecommunications company operating in nine emerging markets in middle East , Africa and South Asia acquired Sheba Telecom (Pvt) Ltd. at a cost of US $ 60 million. As Sheba Telecom, the worst performing network operator in the industry, the company had only 30, 000 subscribers. To dispel this image, OTH had re-branded Sheba as Banglalink™ in an attempt to give it a completely new image. The Bangladesh GSM mobile telecommunication industry is led by

Grameen Phone with over 6 million subscribers followed by Aktel with 4 million and Banglalink™. Banglalink™ is currently ranked third by being the fastest growing mobile telecommunications company in the world by increasing the 30, 000 subscriber base of Sheba to 1.

7 million Banglalink™ users and expanding it's network coverage to 61 districts in just over 1 year. The oldest mobile telephony operator CityCell uses CDMA technology with a customer base of less than 1 million. The socio economic condition of Bangladesh in a way limits expansive growth of the mobile telephony industry and thus operators have to rely heavily on drawing competitor's subscribers in order to expand their own customer bases. So there is a need for studying the factors attributing to the attitude of consumers towards a brand (Brand Attitude) in this case Banglalink™, in order for Banglalink™ to get a clear understanding on how to gain and maintain market share in the GSM telecommunications industry in Bangladesh.

1. 1 Statement of the Problem. The growing competition in the mobile telephony industry in Bangladesh has meant that subscribers now have more choices and can easily switch to the brand that appears favorable to them. In order to thus gain and maintain market share Banglalink™ needs to understand the factors attributing to the brand attitude of customers towards Banglalink™. 1. 2 Purpose of the Study The purpose of this study was to examine the effect of two communication variables (controlled communications, uncontrolled communications) and brand name on brand attitude. By understanding their relationships we can better determine those

avenues of communication that exert the most influence on consumers and the significance that the name of a brand plays as they make their decisions and formulate their attitude towards service brands. The findings will enhance our existing knowledge of the relationships that exist between marketing communications, brand name and decision making of service consumers, thus enhancing both our practical and theoretical understanding of communication effects.

1. 3 Limitations of the Study The study was limited by a number of factors. Firstly the research was limited only in Dhaka city. Secondly the sample size may be considered too small to represent the present scenario. The time constraints for the study and also the limited knowledge of the researcher may be considered as limitations. . 4 Research Timeline 2006 2006 February March Research Proposal Writing. Literature Review.

2006 2006 2006 2006 2006 March April April April April Development of conceptual framework. Data collection procedure. Data analysis and interpretation of the findings.

Submission of draft copy. Submission of research paper. 2. 0 Literature Review 2. 1 Controlled communication Controlled communication implies the messages that the marketer delivers to the consumers. The marketer has full control on the message content, when and how the message will be delivered and to whom it will be delivered.

Advertising and other promotional activities undertaken fall under this category. Issues related to the advertising of services have been at the

forefront of research in more recent times. Such research has focused on the examination of services advertising in terms of intimacy theory (Stern, 1997), the difference between businessto-business and consumer services advertisements (Turley and Kelley, 1997) and the effect of services advertising on brand salience and brand image (Miller and Berry, 1998). In terms of services, controlled communications such as advertising are argued to be an important tool used to communicate the service. For example, service advertisements adopting a rational or informational approach have been shown to reduce uncertainty and increase the likelihood of future purchase intentions (Stafford and Day, 1995), while research concerning the advertising of experience goods shows that advertising can enhance perceived quality (Cobb-Walgren et al. , 1995).

While the objective of any controlled communications, such as advertising, is to communicate information to consumers, we know that it is the degree to which the information is meaningful to consumers that is important. Therefore, the more favorable the consumer's feelings and attitudes are towards the communications; the more likely it is that the communications will be effective in transferring relevant meaning about the brand. This being the case, it is the consumer's attitude or feelings towards the controlled communications that will ultimately influence their response to the brand, as manifested by their satisfaction with, attitude towards or intentions to use the brand. 2. 2 Uncontrolled communication Uncontrolled communication primarily consists of word-of mouth (WOM) behavior and nonpaid publicity.

Largely derived from personal sources, WOM communications are an important source of information for service consumers prior to patronage. For example, it has been shown that WOM communications significantly affect consumer purchasing behavior (Mangold et al. , 1999) and influence both short-and long-term judgments (Bone, 1995). In the context of services, it appears that WOM is particularly important, as consumers tend to rely on WOM to reduce their level of perceived risk and uncertainty often associated with the purchase of services (Mangold et al. , 1999). In fact, Murray's (1991) findings concerning personal sources of information regarding goods and services support this claim, in that service consumers have greater confidence in WOM and a greater propensity to purchase after engaging in WOM than purchasers of goods. Another form of uncontrolled communication comes in the form of non-paid public relations. Often referred to as " publicity", this form of message communication is similar to WOM in the sense that negative publicity is said to have a greater influence on consumer response than positive publicity.

In a similar vein to WOM, publicity is also viewed as a credible source of information that is more influential than marketer-driven communications (Ahluwalia et al. , 2000). Furthermore, Hauss (1993) advocates that, regarding the attitudes of people towards political parties, there is not doubt that good and bad media coverage has a profound effect. While adverse publicity can lead to negative perceptions, positive publicity can enhance attitudes (Hauss, 1993).

2. Brand name 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 (Chan and Huang, 1997). In fact, many have noted the importance of brand names in consumer evaluations of brands, in that, brand names assist the consumer in recalling brand benefits (Janiszewski and van Osselaer, 2000), in making product inferences and evaluations (Zinkhan and Prenshaw, 1994) and they play an important role in reputation and choice (Holden and Vanhuele, 1999).

Therefore, the argument that brand names are a valuable source of information to consumers cannot be disputed. In fact, Zinkhan and Martin (1987, p. 170) found that “ based on product name alone, customers form instant, non-neutral attitudes about the product that may prove difficult to change through the use of subsequent communications”. Degeratu et al. (2000) note that the brand name is weighted as even more important when there is lack of available information, as the brand name ecomes a surrogate for attribute information that is missing.

Given the nature of services where little information is available to consumers in their pre-purchase evaluations, the brand name may well prove to be an important source of information. In fact, Turley and Moore (1995) advocate that due to the difficulty in service evaluation, the service brand name becomes a crucial component of the brand and important source of information to the consumer. In fact, as pointed out by Stern (1983, p. 3), “ a good brand name can save millions of dollars over the

product’s life because it carries its own meaning, describes the product’s advantages, is instantly recognized and serves to differentiate the product significantly from other competitors”. In addition, in the context of services, brand names are argued to be a crucial component of the brand and important source of information to the consumer because, in many cases, service attributes are difficult to communicate via other means (Turley and Moore, 1995). This being the case, the brand name should be recognized for the more proactive role it plays in communicating he brand, rather than simply being viewed as a component of the brand. Although it could be argued that the brand name, in itself, represents a controlled communication, for the purpose of this study, which examines different communication avenues (or means of information transference), we argue that essentially the information transmitted by the brand name is not completely controlled by the marketer. For example, with advertising and promotional decisions, issues such as targeting, message creation, media selection and campaign evaluation are completely controlled by the marketer.

However, with the brand name, while its initial inception and communication (via advertising) is under the control of the marketer, the meaning that is attached to or transmitted by the mere mention of the brand name comes also from other sources. For example, the consumers’ personal experiences and what is known of others’ experiences with the brand will result in information and meaning being attached to the brand name in memory. 2. 4 Brand Attitude Defined as “ the consumer’s overall evaluation of a brand whether good or bad” (Low and Lamb, 2000, p. 352), brand attitudes

encapsulate the meaning that consumers attach to brands, which in turn ffects their purchasing behavior (Low and Lamb, 2000).

Therefore, positive brand attitudes are vital to the long-term success and sustainability of brands (Hoek et al. , 2000). 2. 5 Relationship between controlled communication and brand attitude In terms of controlled communications, advertising has long been proclaimed as an important avenue by which marketers can make their offerings to customers tangible. In fact, the perceived risk associated with many service purchases emphasizes the importance of controlling and transmitting messages that assist in reducing consumption apprehension (Grove et al. 1997). However, in many cases, service consumers rely heavily on information from commercial sources (advertising communications) in order to make their brand choices.

In terms of controlled communication, advertising has been consistently found to play an important role in creating positive brand attitudes (Kempf and Smith, 1998). 2. 6 Relationship between uncontrolled communication and brand attitude In terms of uncontrolled communication, service consumers rely heavily on information from personal sources (WOM communications) in order to make their brand choices. In fact, it is argued that a single positive WOM communication can result in the formation of a favorable attitude toward the brand (Swanson and Kelley, 2001) implying uncontrolled communications can exert considerable influence on consumer brand decisions. Marketers expend considerable effort on creating and maintaining positive attitudes towards their brands and this is usually

achieved through the brand's communications. As uncontrolled communication, WOM and non-paid publicity has been consistently found to play an important role in creating positive brand attitudes (Swanson and Kelley, 2001).

However, it appears that uncontrolled sources such as WOM, while playing a significant role in enhancing positive brand attitudes, can just as easily diminish brand attitudes through negative WOM and publicity (Ennew et al. , 2000). Argued as having an even stronger influence on brand attitudes are uncontrolled communications such as WOM and non-paid publicity (Swanson and Kelley, 2001). This is so because communications that are not marketer-driven are perceived to be more credible (Mangold et al. 1999). In examining the effects of service brand communications terms of uncontrolled communications, brand attitudes are enhanced through positive WOM and publicity (Bansal and Voyer, 2000 ???? or diminished through negative WOM or " bad" publicity (Ennew et al.

, 2000). With regard to the latter (negative WOM and publicity), the effect on brand attitude, in many cases, is argued to be stronger than that resulting from positive uncontrolled communications (Ennew et al. , 2000). 2. Relationship between brand name and brand attitude The ultimate goal of marketers, in satisfying customers and creating positive brand attitudes, is to induce the desired behavioral response towards the brand. While much attention has focused on advertising and WOM, the brand name is also a powerful communications tool that can be utilized to create strong brand attitudes. The ability of brand names to evoke feelings such as trust,

confidence and the like indicates that brand names should not be overlooked as a valid and useful avenue of communication in the creation of brand attitudes (Turley and Moore, 1995). .

0 Operational Definitions Summaries of the operational definitions of measured variables are given below in Table 1. Table 1 Operational definitions of measured variables Measured Variables Uncontrolled communication Operational definitions has been operationally defined by Bansal and Voyer, 2000. Controlled communication has been operationally defined by Hallbrook and Batra, 1987. Brand name has operationally defined by Grace and O'Cass, 2005. Brand attitude has operationally defined by Yoo and Donthu, 2001. 3. 1 Proposed Conceptual FrameworkTo give direction to the investigation, the researcher developed a conceptual framework based on insights gain from the literature review.

While a number of theories and issues pertinent to the study were discussed in the literature review, the following concepts were chosen as the basis of the analysis of the research problem. These were uncontrolled communication, controlled communication, brand name and brand attitude. According to Ticehurst and Veal (2000), " a conceptual framework indicates how researcher views the concepts involved in a study – especially the relationships between concepts". Greater clarity in understanding the concepts addressed in this study indicated the relationships between the studied variables (Cooper & Schindler, 1998; Kumar, 1997). Uncontrolled Communication Controlled Communication Brand Attitude Brand Name Figure 1: Conceptual Framework of Research Variables and their

relationships Following the development of the conceptual framework, specific research questions and hypothesis were established to address directly to the research problem In the following section the research question and hypothesis are stated. 3. 2 Research Questions and Hypotheses .

2. 1 Research Questions 1. Is there any significant relationship between uncontrolled communication and brand attitude in the context of Banglalink™? 2. Is there any significant relationship between controlled communication and brand attitude in the context of Banglalink™? 3. Is there any significant relationship between brand name and brand attitude in the context of Banglalink™? 3. 2. 2 Hypotheses 1.

There is a significant relationship between uncontrolled communication and brand attitude in the context of Banglalink™. 2. There is a significant relationship between ontrolled communication and brand attitude in the context of Banglalink™.

3. There is a significant relationship between brand name and brand attitude in the context of Banglalink™. 4. 0 Methodology 4. 1 Research Design The graphical presentation of the proposed framework (Figure 1) depicted the pattern and structure of relationships among the set of measured variables.

The purpose of the study was to measure correlations among the variables. This study intended to investigate the relationships of uncontrolled communication, controlled communication, brand name and brand attitude in the context of Banglalink™. Here uncontrolled communication, controlled

communication, and brand name act as independent variables, and brand attitude as a dependent variable.

The researcher has conducted a correlational study to investigate the existence of relationships between the measured variables. When a researcher investigates the effects of measured variables and analyses the relationships among the variables, the design is known as correlational. A correlational study examines the extent to which differences in characteristics in variable are related to differences in once or more other characteristics or variables. A correlation exists if, when one variable increases, another variable either increases or decreases in a somewhat predictable fashion. In correlational analysis, the researcher has no control over the values of the variables under study. Instead the researcher merely observes how the variables of interest vary in the natural environment.

As the current study was carried out in the natural environment of the organization, the researcher interfered minimally with the normal flow of the events. With this in mind, the present study used correlational to discover or establish the existence of relationship, association or interdependence between the measured variables. The researcher also used step-wise regression analysis for identifying which independent variable(s) individually and collectively provides a meaningful contribution towards the explanation of the dependent variable. 4. 2 Sampling method In this study the researcher collected information from the subscribers of Banglalink™. The sample frame for this study was the entry list of subscribers at the customer care centre in Gulshan.

Through non-probability convenience sampling a sufficient number (106) of questionnaires were obtained to meet the requirements of the statistical techniques. 4. 3 Survey Instrument Due to lack of secondary data (e. g. articles, journals, and telecom publications) in the case of Banglalink™, it was required to investigate primary data's for analyzing the problem. To collect data from primary sources, a set of structured questionnaire (25 questions , 5 point likert scale) were distributed among the subscribers when they visited the customer care center in Gulshan for bill payment and other purposes. The questionnaire was a useful method to collect data from subscribers for the following reasons: 1.

The current study was about brand attitude, brand name, controlled & uncontrolled communication and subscribers might feel reluctant to discuss these issues through a time consuming interview specially when they have a problem to solve. In such a situation, a questionnaire is the better choice as it ensures anonymity (Zikmund, 2000). 2. The researcher has conducted the survey on 106 respondents.

To interview such a large sample of subscribers would have been time consuming and difficult. For this reason the survey was conducted through a structured questionnaire rather than direct interview. 3. The postal system of our country is very slow. Hence, mail survey would have been too time consuming and difficult to be feasible for this country. 4. The internet facility is not widespread in our country. Therefore, online survey will also be in-appropriate for this study.

5. In earlier studies on the measured variables previous researchers had used questionnaires. A structured questionnaire has been used in this research to collect data. Each of the questionnaires had 4 sections. Controlled communications was measured by using 6 items (Section 1, Question 1-6) developed by Hallbrook and Batra, (1987) and the reported reliability of this variable was 0. 92.

Uncontrolled communication has been measured by using 10 items (Section 2, Question 7-16) developed Bansal and Voyer, (2000) and the reported reliability of this variable was 0. 91. Brand name has been measured by using 5 items (Section 3, Question 17-21) developed by Debra Grace and Aron O' Cass, (2005) and the reported reliability of this variable was 0.

92. Brand attitude has been measured by using 4 items (Section 4, Question 2225) developed by Yoo and Donthu, (2001) and the reported reliability of this variable was 0. 94. Since the instrument was measuring respondents brand attitude, brand name, uncontrolled and controlled communication a 5 point Likert scale was used to determine how strongly respondents agree or disagree with each item (1= strongly disagree and 5= strongly agree) (Zikmund, 1997).

4. 4 Data Collection Due to lack of journals and telecom publications, it was required to analyze primary data to investigate the research questions. The researcher used a 25 item, 5 point likert scale structured questionnaire to collect data from primary sources. 4. 5 Data Analysis The proposed study was a correlational study. As a result, after collecting data from the

respondents the researcher used a correlational matrix to identify whether relationships exist between the measured variable or not.

Besides that, stepwise regression of all constructs were calculated to identify the level of influence each has on the dependent variable (brand attitude). For this research SPSS version 12 has been used as the statistical data analysis tool as it offers greater flexibility in data analysis. 5.

0 Results 5. 1 Reliability and Descriptive statistics of the Instruments The reliability coefficients, means and standard deviations of all the constructs in the current study are displayed in Table 2. The coefficient alphas for the different constructs were computed using the reliability procedure in SPSS (version 12. 0). The most highly recommended measure of internal consistency is provided by coefficient alpha (? or Cronbach's alpha (1951) as it provides a good reliability estimate in most situations. The nearer the value of alpha (?) to 1, the better reliability.

If the value is low, either there are too few items or there is very little commonality among the items. Nunnally (1978) suggested that for early stages of any research the reliability of . 50-.

60 is sufficient. The reliabilities of all the constructs in this study found to be above the standard set by Nunnally (1978). Table: 2 Descriptive statistics, and Reliability Coefficient of uncontrolled communication, controlled communication, brand name, and brand attitude.

Scale No. of Items Alpha Mean SD Controlled communication Uncontrolled communication Brand name Brand attitude Note: n= 106 Mean scores have

been computed by equally weighting the mean scores of all items. On a five point scale mean score for controlled communication is 4. 15 (sd = . 49).

The mean score for uncontrolled communication is 4. 03 (sd = . 57). The mean score for brand name is 4. 12 (sd = . 61). The mean score for brand attitude is 4. 18 (sd =.

61). It indicates that people’s attitude towards brand (Banglalink) is favorably high. 6 10 5 4 0.

68 0. 82 0. 76 0.

74 4. 15 4. 03 4. 12 4. 18 0.

49 0. 57 0. 61 0. 61 .

2 Correlation Analysis A correlation analysis was conducted on all the variables to explore the relationships between the measured variables. In interpreting the strength of relationships between variables, the guidelines suggested by Rowntree (1981) were followed. His classification of the correlation coefficient (r) is as follows: 0. 0 to 0. 2 0.

2 to 0. 4 0. 4 to 0. 7 0. 7 to 0. 9 0. 9 to 1. 0 Very weak, negligible Weak, low Moderate Strong, high marked Very strong, very high The bivariate correlation procedure was subject to a two tailed test of statistical significance at two different levels highly significant (p