



## IMPACT OF INTEGRATED MARKETING COMMUNICATION ON CUSTOMER BASED BRAND EQUITY OF MOBILE OPERATOR SERVICES IN BANGLADESH

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### ABSTRACT

The purpose of the present study was to investigate the impact of integrated marketing communication activities on consumer based brand equity of mobile telecommunication sector. This study was predominantly quantitative in nature. Three mobile operators (Grameenphone, Banglalink and Robi) were purposively selected for this study. The respondents for this study were selected using convenience sampling method. The primary data for this study were collected through structured questionnaire from 81 respondents. Five dimensions (each dimension include six question) of integrated marketing communication (Advertising, Personal selling, Sales promotion, Public relation and Direct marketing) were considered and a five-point Likert scale (1 = strongly disagree and 5 = strongly agree) was used to evaluate the respondents opinion. The regression analysis results supported three out five hypotheses such as: advertising ( $\beta=.036$ ,  $t= 3.734$ ,  $p=0.000 < 0.05$ , sales promotion ( $\beta=.062$ ,  $t= 2.785$ ,  $p=0.003 < 0.05$ ) and direct marketing ( $\beta=.182$ ,  $t= 1.537$ ,  $p=0.001 < 0.05$ ) was positively impact on consumer based brand equity.

**Key words:** Advertising, brand equity, direct marketing, personal selling, sales promotion,

### INTRODUCTION

Bangladeshi telecom industry is going under dramatic changes. More and more competition is emerging in this sector. Recently, the competition of telecommunication market is shifting from price to promotion and brand building. The mobile operator now emphasis on their promotional activities, grab the attention of customer and try to gain greater market share. Thus, an appropriate marketing strategy is necessary. Here, brand equity is a concept in the field of marketing which plays an important role for developing businesses. Brand equity is one of the most important concepts in marketing science, and it has well-recognized as one of the most valuable intangible assets by any firms (Erenkol and Duygun2010). Brand equity is seen as the outcome of long term marketing efforts operated to build a sustainable differential advantage relative to competitors. Any marketing actions will affect on customers brand knowledge such as psychological perception, which is result in a positive or negative impact on brand equity (Xuand Chan 2010).

In the face of sophisticated and cluttered market condition every firms attempt to speak with clear voices about the benefits of the brand as well as firms goods and services. With so many choices

available and so many media bombarding potential customers with messages, it is vital that what should be communicated is reaching buyers in a clear and consistent manner. In very beginning stage many companies are striving to develop the marketing strategies in order to gain the brand identity, sale growth and point of difference in the competitive environment. The appearance of integrated marketing communication is becoming very sophisticated tool for formulating the marketing strategies (Clow and Baack 2004).

There are five types of integrated marketing communication activities (Advertising, Personal selling, Sales promotion, Public relation and Direct marketing) which can affect on the perceptions of consumers as well as brand equity. Ashaduzzaman *et al.* (2011) said that these communication mix elements are the most popular marketing promotion activities that mobile operators apply frequently in when marketing their products and services. Therefore, the main objective of this paper is to investigate and identify the most important integrated marketing communication activities impact on organization brand equity on Bangladesh mobile telecommunication sector.

## **MATERIALS AND METHODS**

This study was predominantly quantitative in nature. Three mobile operators service center from Rajshahi district (Grameenphone, Banglalink and Robi) were purposively selected for this study. The population of the study was the users of three mobile operators in Rajshahi district. There are 40 (fourty) Grameenphone customer service point ([www.grameenphone.com](http://www.grameenphone.com)), 26 (twenty six) Banglalink service point ([www.banglalink.com.bd](http://www.banglalink.com.bd)) and 15 (fifteen) Robisheba point ([www.robi.com.bd](http://www.robi.com.bd)) in Rajshahi district. Within them 02 (two) customer service point were selected from each operator using purposive sampling method. 96 Respondents (46 from Grameenphone, 29 from Banglalink and 21 from Robi) were selected on the basis of convenience of data collection from three mobile operator users who came to the customer service point for getting service. The primary data for this study were collected through structured questionnaire. Five dimensions (each dimensions include six question) of integrated marketing communication (Advertising, Personal selling, Sales promotion, Public relation and Direct marketing) were considered and a five-point Likert scale (Likert 1932) (1 = strongly disagree and 5 = strongly agree) was used to evaluate the respondent opinion. Questionnaires were distributed among 96 respondents and 81 completely filled up questionnaire were returned from them. Besides primary data, secondary data were collected from manuscripts, various books, journals, articles, research papers, news papers, internet web site etc. Collected quantitative data from the respondents were analyzed using the Statistical Package for Social Science (SPSS) software. Descriptive statistics was used to find out the mean, standard deviation, correlation of the variables. Regression analysis was used to identify the impact of integrated marketing communication on customer based brand equity. We check the reliability of all variables. Reliability refers to the consistency in the research in case of replication. Reliability is usually measured by Cronbach's alpha, which shows internal consistency. Cuieford (1965) argues for a Cronbach value beyond ( $\alpha = 0.7$ ) to be acceptable and reliable. Results are considered as reliable when its values are greater than 0.5. For this purpose reliability of each construct is shown in following table.

The Cronbach,s Alpha value of brand equity is 0.731, advertising is 0.844, personal selling is 0.792, sales promotion is 0.810, public relation is 0.643 and direct marketing is 0.720 respectively. It shows that all variables have the reliability in acceptable range.

**Table 1.** Dimensions and Cronbach's Alpha

Dimensions	Cronbach's Alpha
Brand equity	0.731
Advertising	0.844
Personal selling	0.792
Sales promotion	0.810
Public relation	0.643
Direct marketing	0.720

Source: Field survey data, October-December- 2016

## RESULTS AND DISCUSSION

This study is related to identify the impact of integrated marketing communication on customer based brand equity. The following table shows the demographic characteristics of the respondents.

Most of the respondent 79.01% are male and 20.99% are female. The age of the respondent mostly 41.97% belongs 18-24 years. 38.27% are student, where 11.11% respondents are unemployed. 35.80% respondents have postgraduate degree and 8.65% respondents are below SSC. 50.62% respondents are Grameenphone, 27.16% respondents are Banglalink and 22.22% respondents are Robi user respectively.

In this study we used correlation method to judge the relationship between the variables. The Table-3 shows mean, standard deviation of the variables and coefficients regarding to Pearson's correlation among these variables. The value of correlation lies between -1 to +1. The Positive value shows that the relationship exists between the variables.

We have used the linear multiple regression analysis to find out the impact of integrated marketing communication on customer based brand equity. Integrated marketing communication variables are independent variables and brand equity is dependent variable here. Results summarized in Table-4 the R Square value is .482 which indicates that the five independent variables contribution 48.2%. It is also found  $F = 27.73$  and  $p = .000 < 0.05$ , means dependent variable (Brand equity) significantly influence by five independent variables (advertising, personal selling, sales promotion, public relation and direct marketing).

### **Hypothesis 1: Advertising activities positively impact on consumer based brand equity**

Advertising is the most popular marketing communication activities, it can create long-term brand image for a product and service or trigger quick sales, as well as it may positive effects on all elements of the brand knowledge (Kotler and Keller 2006). Advertising may have the potential to contribute to brand choice among consumers (Latif *et al.* 2011). Advertising plays significant role to build the brand image in the eyes of customers (Mubushar *et al.* 2013). From Table- 4 it is found that the integrated marketing communication factor such as advertising activities positively impact on consumer based brand equity in mobile telecommunication sector ( $\beta = .036$ ,  $t = 3.734$ ,  $p = 0.000 < 0.05$ ). So, the hypothesis is supported.

**Table 2.** Demographic characteristics of the respondents

Demographics	Number of Respondents	Percentage
<b>Gender wise</b>		
Male	64	79.01
Female	17	20.99
Total	81	100
<b>Age wise</b>		
18-24	34	41.97
25-34	21	25.93
35-44	17	20.99
45+	9	11.11
Total	81	100
<b>Profession wise</b>		
Unemployed	9	11.11
Student	31	38.27
Service	20	24.69
Business	15	18.52
Others	6	7.41
Total	81	100
<b>Educational qualifications wise</b>		
Below SSC	7	8.65
SSC	9	11.11
HSC	11	13.58
Graduate	25	30.86
Postgraduate	29	35.8
Total	81	100
<b>Connection wise</b>		
Grameenphone	41	50.62
Banglalink	22	27.16
Robi	18	22.22
Total	81	100

Source: Field survey data, October-December- 2016

**Table 3.** Mean, Standard deviations and Pearson correlation coefficients

	Mean	Std. Dev.					
1. Brand equity	3.834	1.106					
2. Advertising	3.269	1.012	.732**				
3. Personal selling	3.641	1.040	.417**	.392**			
4. Sales promotion	3.295	1.057	.433**	.671**	.582**		
5. Public relation	2.243	1.264	.312**	.219**	.286**	.348**	
6. Direct marketing	3.428	.873	.466**	.326**	.421**	.406**	.330**

\*\*Correlation is significant at the 0.01 level (2-tailed).

**Table 4.** Coefficient of the multiple regression analysis on impact of integrated marketing communication on customer based brand equity

	Standardized Coefficients		
	Beta	t	Sig.
1(Constant)		7.251	0.000
Advertising	0.036	3.734	0.000
Personal selling	0.058	0.623	0.315
Sales promotion	0.062	2.785	0.003
Public relation	0.123	0.241	0.154
Direct marketing	0.182	1.537	0.001
R Square	0.482		
Adjusted R Square	0.356		
F	27.73		0.000

Dependent variable: Brand equity

### Hypothesis 2: Personal selling positively impact on consumer based brand equity

Personal selling sometimes called last '3' feet of selling function (Clow and Baack 2004). This is personal presentation by the firm's sales force for the purpose of making sales and building customer relationships (Kotler and Armstrong 2008). Personal selling has a valuable impact on the brand loyalty which contributes to the brand equity (Hsieh and Li 2008). In our study we found that personal selling does not have positive impact on consumer based brand equity ( $\beta=.058$ ,  $t=.623$ ,  $p=0.315 > 0.05$ ). So, the hypothesis is rejected.

### Hypothesis 3: Sales promotion positively impact on consumer based brand equity

Sales promotion is seen as temporary incentives to encourage the trial or use of a product or service that firms have utilized frequently in order to make a stronger and quicker buyer's response (Tong and Hawley 2009). From Table- 4 it is found that sales promotion has a valuable

impact on consumer based brand equity in mobile telecommunication sector ( $\beta=.062$ ,  $t= 2.785$ ,  $p=0.003 < 0.05$ ). So, the hypothesis is supported.

#### **Hypothesis 4: Public relation positively impact on consumer based brand equity**

Public relation is viewed as among the most important marketing communication activities, it has become an effective communication tool for building or enhancing brand awareness, brand image, corporate image, and directly stimulating products sales, it also can inspire customer's loyalty (Poon *et al.* 2012). In our study we found that public relation function does not have positive impact on consumer based brand equity ( $\beta=.123$ ,  $t= .241$ ,  $p=0.154 > 0.05$ ). So, the hypothesis is rejected.

#### **Hypothesis 5: Direct marketing positively impact on consumer based brand equity**

Direct marketing activities are fastest growing form of marketing. Direct marketing create the perception among the customers that company has a variety of products (Rios *et al.* 2008). Direct marketing is a low-cost and reliable way of spreading information or experiences regarding products or services thus it is believed as a key issue in information or experience diffusion in consumer markets as well as shaping consumers expectation (Lim and Chung 2011). We also found from our study that direct marketing activities positively impact on consumer based brand equity ( $\beta=.182$ ,  $t= 1.537$ ,  $p=0.001 < 0.05$ ). So, the hypothesis is supported.

### **CONCLUSION**

From the above discussion we can conclude that, this is a challenging job for any organization to select the right communication mix elements for the particular business at right time for achieving a good result. A company cannot make dream to be a well known brand until they invests in their communication activities. In our study we have used to find out the impact of five integrated marketing communication activities on consumer based brand equity on mobile telecommunication sector. According to the study result advertising, sales promotion and direct marketing has positive impact on consumer based brand equity. On the other hand personal selling and public relation does not have a positive impact on brand equity. These communication activities increase the brand awareness of the customer, enhance the company image, create satisfied customer and increase the loyalty level of the customer. Therefore, the telecommunication company's should concentrate the communication activities as a brand creating factors.

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