INVESTIGATING THE RELATIONSHIP BETWEEN BRAND DEVELOPMENT AND COMPANY IMAGE ;( CASE STUDY: NIVEA PRODUCTS)

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Abstract
The present article studies the relationship between brand development and company image. This study is correlational descriptive and the population of the study is the consumers of NIVEA cosmetics in Tehran city. The samples were selected using clustering method and total number of 384 samples were selected based on the volume determined in Morgan and Krejcie’s table. Research instrument was a questionnaire developed by the present researcher which included 26 questions in Likert scale. Data were analyzed using the statistical method of Pearson correlation, multivariate regression and one-way variance analysis (ANOVA). The results of the study indicated that there is a significant and meaningful relationship between the company’s primary image variables, company’s secondary image, perceived balance, perceived quality of the original brand and perceived quality of the generalized brand. Furthermore, the results of multivariate regression indicated that the share of the perceived variable of the generalized brand and primary image of the company and perceived balance is meaningful in predicating the secondary image of the company but the share of perceived quality of the original brand is not significant in predicating the secondary image of the company. Other result of the study showed that the secondary image of the company is same among different groups in terms of education, age and average shopping costs.

Keywords: brand, brand development, image, perceived quality of the original brand, perceived quality of the developed brand.

Introduction
One of the main tasks of the manager of brand is creating a proper image and then reducing the space between image relationship and the reality of the product. Image of the company includes image pictures that are perceived selectively. Total collection of these features is perceived as image of the company. The managers of the successful brands create a good image of the brand in the mind of the customers as a launch pad for introducing the new products (George et al, translated by Bandarian, 2010).

The importance of company image refers to its concepts and if the concept is proper and important for the company the side concepts should be related to that concept and how they effect on the mind of the customers about the company brand. So, the side concepts related to the main concept are important and have to be taken into account since in some cases they affect the main concept individually.

Each company has an image in the mind of its stakeholders and this image affects their understanding and perception of the actions and performance of that company and the industry of
the original country (George et al, Translated by 2010). The image of the constructing country is one of the stable competitive advantages for the companies (Vrontis & Thrasso, 2007). Recognition or incentive factors affect the influence of the constructing company (Maheswaran, 2006).

Today, the companies use different strategies for naming their products and also reducing their financial risks and brand development strategy is the most common of them. Brand development is using the brand in the company that is used for introducing the new products in a class of products (Seltene, M & Brunel, 2008). The advantages of this strategy include: credit and fame of the previous product, reducing the heavy costs due to shared brand, increasing the probability of previous customers’ support of the new product and reducing the risk of introducing the new products in case of correct usage of the brand development strategy.

One of the main disadvantages of this strategy is that the failure of new products can endanger the position of previous products (quoted in Rnajbarian & Mohammadzade, 2007). Improper use of development strategies can cause harm to previous and new products at the same time. In other words, not paying enough attention in this case can cause not welcoming the product by the customers and harming the brand. Tuber introduced the fitness idea for the first time.

Fitness idea is referred to the amount of fitness between the mother brand and developed perceived balance. The results of the research showed that by increasing the fitness between original brand and developed product the probability for accepting it from the customers increases, too (Lahiri & Gupta, 2005) and the chance for company’s success will increase, too (Volckner & Sattler, 2007). Dusin and Smith (quoted in Hamidizade et al, 2011) have found that the most important development aspect is maintaining the quality in all classes of products related to the brand. Evaluation and judges of the customers about the priority of a product is called the perceived quality while Bottomley & Hold (quoted in Hamidizade et al, 2011) found some evidences based on direct effect of quality on mother brand. Acker and Keller (2007) found some evidences of no relationship between mother brand perceived quality and evaluation of development.

Several internal and external companies in Iran have used the brand development strategy. NIVEA is one of the foreign companies that have used development strategy. NIVEA has started its activity by developing the health and cosmetic skin products especially for ladies and then developed their activities and considered development of cosmetic and health products for men, too.

According to the necessity of studying the customer evaluation of the brand development and effective factors on accepting or rejecting it, this study aims at determine the relationship between brand development and image of the NIVEA Company and demographic factors affecting the image in the mind of the customers. So, the following hypotheses include:

**Main Hypothesis**
- There is a meaningful relationship between the primary perceived image of the company, perceived fitness, and perceived quality of the original brand and generalized brand with the secondary image of the company.

**Secondary Hypotheses**
- How much is the share of the primary image of the company, perceived fitness of the original brand and generalized brand, perceived quality of the original and generalized brand on the secondary image of the company?
• There is a significant and meaningful relationship between the secondary image of the company in different groups in terms of age, educational level and average purchasing cost.
• There is a significant difference between the secondary image effects on different groups in terms of average purchasing costs of cosmetic products.
• There is a significant difference between the secondary image effects on different groups in terms of gender and marital status.

2. Literature Review and Theoretical Framework

Brand is a name, term, sign, logo or design or some combination of them that is used to identify the goods or services of one seller or group of sellers and to differentiate them from the goods or services used by competitors (Kotler and Armstrong, translated by Forouzande, 2007).

Richard Koch defined brand as: a visual design or the name given to a product or service (By agency) to differentiate its products from competitors and customers to ensure that the product is of excellent quality and sustainability (quoted by Comber, 2002).

A brand is also a part of the brand sign that cannot be performed but can recognize the good (Kutler, Translated by Forouzande, 2011).

The value of the brand from the customers' view is a collection of advantages that a product, good or service gives them minus the costs that they have to pay. In many markets brand creates a special identity for the owner of the product and link them to a social class.

According to Acker (1996) the special value of a brand is a collection of properties and responsibilities related to that brand, name and symbol that reduces or adds a value to the product and service.

Psychologically, the products with valuable brands create trust and personality for the customer in addition to appearance and make them ready to pay any cost for these products. Furthermore, the superior brand unconsciously means the superior quality for the customer.

Customer can have different perceptions and understanding from a brand. The efficiency of a brand points to the advantages of that product. These advantages are more accessible than the product features due to their advantages and remind more in the mind of the customer.

Rio and colleagues (2001) have done a research in the field of brand perception and considered four functions for the brand:

- Guarantee: the customer perceives this function as a guarantee for the quality and evaluates them with factors of qualitative efficiency, high performance, credit and satisfying their expectations (Ambler, 1997).
- Personalization: this function enables the customer to recognize himself with the brand and empathize with and more dependence on the product.
- Social feature: it is based on the fact that a brand can act as a communicative tool so that the customer can consider it as his own or social belonging (Long, 2000).
- Degree: defines the prestige and a feeling that the customer obtains using a brand (Solomon, 1999).

Branding strategy is important for both the customers and producers. In branding strategy the company delivers its product by the chosen brand. In this strategy two “individual” and “unified” methods are used for selecting the brand.

In brand strategy, the companies sell the products with that brand. In generic branding strategy the producer delivers its products without the special brand and just by mentioning
the product features. In mixed branding the producers sell the products with the brand of their own company.

Each company acts in one of the four ways below in determining the brand strategy:

For the product domains of that brand, they use various brands and new brand.

According to Keller (2003) when an agency uses a brand to introduce the new product, it is doing brand development. One of the advantages of brand development is that it lets the customers to act based on their knowledge about the performance of the new product and conclude or form their expectations. Development can define the meaning of the brand for the customers and clarify the name and limits of competition. However, if brand development is an attractive method for introducing the new product, the fact that a brand can fail is true. Development of a brand can impede an image in the mind of the customer and reduce the share of product in the mother market (Pitta & Katsanis, 1995). Success of failure of brand development depends on some factors including: the customers’ imagination, associating the new product with the brand of the company and perceived quality (Acker and Keller, 1990). Type of information that is developed along with the brand name is innovation and creativity used in developing the brand (- Salinas & Perez, 2009) and the amount of knowing the mother brand (Martinis et al, 2009; Sheinin, 2000).

By improving the proper features of an existed brand, brand development can increase the public information about the existed brand and improves its recognition and remembering (Morin, 1999).

Definition of American Marketing Association from image is the understanding of a brand in the mind of people. Image of a brand is a mirror that reflects the brand personality. All the marketing brands including the product development, marketing research, advertisement and others are done to create an image in the mind of people.

After informing the customers about the brand, the managers have to create a collection of positive inferences in the mind of the customers. This is the extract of creating a positive image in the mind of customers about the brand. Image of a brand be reflected and defined with perceptions about the brand by images in the mind of customers (Keller, 1993).

American Marketing Association has provided a description for attitude:

It is the general evaluation of the customer from a concept and effective response including the related feeling and proper attitude. Proper attitude of people toward a product indicates their tendency to buy. In fact, attitudes or views are defined as a collection of ideas about the product by the customers that are associated with beliefs evaluation (whether good or bad). One of the main issues is that most of the beliefs considered positive can be dominated by a few negative beliefs. For example, when customers of a non-alcoholic drink considered it as tasty and without calorie, their evaluation of these feature and the general evaluation will be positive but if they believe that the sweeteners are causing cancer, their evaluation may be so negative that they may avoid buying the product completely (Pitta and Katanisan, 1995; quoted by Tajzadenamin and Colleagues, 2012).

The image of the brand manufacturer country has a direct and significant influence on brand loyalty, perceived quality, and associations / knowledge (Zarei et al, 2013). The primary mental image has the most influence on attitudes towards brand development and secondary image of new products (Tajzadenamin et al, 2013; Salinas and Perez, 2009).
Perceived fitness, perceived quality and brand strength on the mother brand can affect consumers’ assessment (Hamidizade et al, 2011). For development of brand, customers pay less attention to nonpractical features such as cost and symbolic features. So, these features must be emphasized in advertising (Rabiee, 2004). Martinis and colleagues (2008) found that the development strategy of brand weakens the image in the mind of customers. The study of Eliot and Percy (2007) showed that the brand is created due to the perceived information by the customers that create associations in the mind of the customers. This causes a strong feeling in the customers and leads them toward accompanying with the brand. When information about a brand is more, the brand is more dominant and as a result the probability for buying the product will be more. So, this factor affects decision making of the consumers. Previous studies have shown that the customers, who recognize a brand, are more probable to prefer that product over others (Nedungadi, 1990).

3. Research method and data collection instruments
The present research is descriptive based on how to collect required data. Since the aim of the present research is defining the role of brand development strategy on image of the customers by evaluating the service quality and fitness among the introduced services by the company and the research is type of correlation and regression analysis. Data gathering instrument was questionnaire including 26 questions. In this research 5 point Likert scale from completely agree to completely disagree was used. Since the questionnaire was modified after little changes in statements, appearance and their relation with the measuring factor that is space and ease of understanding and then confirmed by the professors and experts it has sufficient content validity. The reliability of the questionnaire was determined by Cronbach alpha as 0.78 which shows the acceptable reliability. Population of the present study includes all the customers of NIVEA products in Tehran. So all the individuals who lived in Tehran and used NIVEA product were the population of the present study. In order to select the sample and because the customers with different cultural and economic background participate in this study, clustering method was used. First the city was divided into five regions of north, south, east, west and center and a cosmetics shop was selected from each region and then in each store the samples were selected and by using the Morgan Krejcie chart, 384 samples were selected.

6. Data Analysis Method
In order to analyze the data, Pearson correlation, multivariate regression and t-test of dependent groups and one way ANOVA was used.

7. Results
Based on the correlation matrix table, there was a meaningful relationship among the variables of primary, secondary image, conceived fitness, perceived quality and generalized quality.