

Impact of Brand Recognition on Consumer Attraction: A Study of Telecom Sector

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ABSTRACT

This research presents an empirical investigation on the contexts of brand recognition and consumer brand attraction from the perspective of the telecommunications sector. Not focusing on any specific cultural, social, or national context, a sample of 215 respondents actively using telecommunication services was developed. Questionnaires were distributed across the respondent population. The results of the research develop four essential themes in the telecom context that lead to heightened brand recognition and customer attractiveness towards telecom brands. Recognition is most dominantly affected by brand's CSR programmes, technology-adherence, and affordability. In concurrence, customer attraction is dominantly affected by technology-adherence, affordability, and reliability.

Keywords: Telecom; brand; recognition; consumer.

INTRODUCTION:

Around the world, telecommunication sectors engage in tougher competition over highly saturated markets; most consumers are already in the coverage net. As there are no longer unconnected groups and communities to target, telecommunication organisations now engage in fierce pricing and social acceptance wars to win over consumers from competitors. Amidst this growing competition, it is important to recognise what convinces and compels consumers to make the switch. Do they look for competitive pricing and offers? Do they seek socially responsible and charitable organisations? Or do they seek organisations with the best and innovative technology? Understanding these demand spectrums will help create a better understanding of consumer attitudes for telecommunication sectors around the world.

SIGNIFICANCE TO TELECOM SECTOR:

Being a services-oriented sector with direct interactions with the end-consumers, it is essential for telecom sector organisations to offer a popular, recognisable, and attractive proposition and service/product quality to consumers. Unlike industrial or agricultural markets with limited consumer interaction, the sales of services organisations are highly influenced by how well they interact, and offer products/value to consumers.

Rationale:

The empowering rationale for this research is to determine the extent to which the variables *brand recognition* and *consumer attractiveness* impact consumer trends, attitudes, and preferences in the telecom sector.

Research Aims:

The following fundamental questions and objectives are reached for this research to achieve and complete.

Questions:

- Do consumers prefer telecom organisations of high brand recognition?
- Do consumers prefer telecom organisations that offer competitive product value and quality?
- What traits do consumers seek the most in telecom organisations?
- What factors influence consumer’s trends, attitudes, and preferences towards telecom sector products?

Objectives:

- To conduct an empirical study covering the consumers of telecom sector organisations.
- To understand the various consumer trends potentially affecting the telecom sector.
- To elaborate the importance of brand recognition and attractive in context to the telecom sector.

Hypothesis:

Therefore, to retain competitiveness, drive revenue growth, and achieve organisation objectives, telecom organisations must ensure that their brand is highly presentable, attractive, and recognisable to consumers. The failure of this may thereafter limited the organisation’s potential to grow.

SCOPE OF THE RESEARCH:

Not restrained by any cultural, social, or national preferences, the scope of this research is intended to be global. This research dominantly deals with trends that split appropriately across socio-economic hierarchies, are mostly consistent globally. The results of this research therefore are intended for academic and practical application across all nations of the world where telecom technology is implemented.

LITERATURE REVIEW:

What is Brand Recognition?

A brand is defined as “*A product or service which can be distinguished from its competitors.*” (Hankinson & Cowking, 1996). Visibility to consumers is an essential element of business success in a competitive business environment; a business needs constantly to make itself visible and open to consumers, embedding in their minds with strong value propositions and service quality that consumers feel compelled to purchase the organisation’s products or services, when appropriate time to do so arrives (Brennan & Babin, 2004). The ideal scenario of recognition is one when a consumer associates an entire product or service category with the specific brand, i.e. a common notion when searching the Internet is to ‘Google’ the internet. The correct term is to search the internet, but the ‘Google’ brand is so recognisable that the brand name is used synonymously with the actual service.

According to (Aaker, 1991), there are three stages of brand recognition; (i) recognition, (ii) recall, and (iii) top-of-mind. At the first stage, consumers only recognise the brand through aided recall such as an external stimulus. In recall, consumers can recall brand’s product and function without the need of external stimulus, but the brand does not define the product category itself. Finally, at top-of-mind, consumers equate the brand with the category, i.e. the Google example defined above.

Brands improve their recognition by various means, i.e. offering superior quality or competitive priced products, offering innovative products, or marketing. Recognition develops as per public perceptions of the brand; ergo not all recognition is good (Dhar & Werten, 2000; Statt, 1977). A brand developed on premise of strong service/product render and strong value proposition may be recognised positively, proportionate to the quality and value rendered. In stark comparison, a brand offering poor value and quality will be recognised for its lack of value (Schembri, Merrilees, & Kristiansen, 2010).

Consumer Attractiveness:

Consumer attractiveness is the measure of how much consumers are attractive towards a certain product,

service, or brand (Mittal & Lassar, 1998). This attraction is based largely on, as explored earlier, the value proposition and service/product quality rendered. The formula to success here, contrary to general perception, is not to render best in-class value and quality, but rather to appropriate value and quality rendered as per targeted markets (John, 2003).

According to many studies, attractiveness of a brand stimulates the consumer to purchase it when they need that specific product category (Diecidue, Rudi, & Tang, 2012; Jang, Prasad, & Ratchford, 2012). The brand's attraction is an important part of inspiring that condition in a consumer. Similarly, (Shah, et al., 2012) defines it as a sort of decision-making that inspires the consumer to reason if whether they should buy a specific brand's product.

Targeting the lower-income category with an expensive, high-quality product or service will not increase the brand's attractiveness in that area. Similarly, offering a low-quality proposition to a high-income market will only decrease attractiveness. Therefore, attractiveness is a concept relative to targeted markets – the effectiveness of brands therefore depends on how well they understand their products/services and their targeted consumer group (Kim & Ko, 2012; Statt, 1977; Zeithaml, Bitner, & Gremler, 2006).

METHODOLOGY:

The underlying philosophy behind this research is empirical – to collect, analyse, and interpret data that has practical and factual value, free from speculations or doubt. Therefore, the results of this research are useful to both the academic and practical contexts. A quantitative methodology is applied here, as this research concerns with generating data based on consumer input, which fundamentally requires a voluminous participation not efficiently supported by deeper methodologies. The consumer's concern and opinion were also only valid appropriate to the questions proposed, given their non-expert nature over telecom operations.

Data Collection:

A quantitative methodology is applied in this research, facilitated through a questionnaire tool implementing a Likert-type scale. This tool allows for gathering information from a large respondent population, with each question appropriately answered relevant to what each individual feel about it. This is a flexible approach that allows a broader and detailed examination of the research context.

The distribution and collection methodology itself is to collect data from respondents through the internet, their eligibility automatically verified through their access to a telecommunication medium, i.e. the internet. This strategy allows for efficient distribution, collection, and interpretation of data over a larger scale.

Sampling Strategy:

This paper employs a simple random sampling strategy, giving free and regulated access for respondents of all demographic and geographical categories to participate. Therefore, when all respondents share the same access, there is an even likelihood that the entire, broader population is represented in a balanced manner. This approach therefore conforms with the scope and aims of this research earlier specified.

Interpretation:

A range of statistical analyses will be applied to the collected and compiled data, facilitated through the SPSS v23 software, which would allow for the creation of interpretable data. This data will thereafter be interpreted for context, making a comparison between the acquired conclusions and the research aims and questions specified in the first chapter.

Ethical Considerations:

Being a sector-specific research with reaching implications, various ethical considerations are emplaced to ensure an ethical and credible completion of this research. Foremost, this research is motivated as a project of academic curiosity and practical necessity, and not through any sort of funding from any telecom organisation. Therefore, the conclusions acquired through this research are not meant to falsely create or reinforce any trends or dispositions that might thereafter affect the financial performance of telecom organisations.

Furthermore, other considerations, including respondent anonymity, ethical handling of data and its destruction, and the principle of informing respondents about the implications of their participation, are emplaced. Respondents were also given an option to redact their contribution to the research before a specific date.

FINDINGS & DISCUSSION:

This paper presents the results acquired from the empirical analysis of this research, completed according to the methodology described in the chapter above. Each result is presented in a table, with individual interpretation accompanying all tables.

		Count
Age	18-24	93
	25-39	69
	40-64	42
	65+	11
Gender	Male	109
	Female	106
Occupational Status	Employed	101
	Unemployed	38
	Self-Employed	65
	Retired	11
Marital Status	Single	98
	Married	87
	Divorced	14
	Widowed	16
Education	None	28
	High School	61
	Undergraduate Degree	107
	Graduate Degree	19

The table above details the demographic statistics of the respondent population; a balanced population was achieved through the sampling procedure, allowing for input of individuals from various demographic variables in a fair manner.

What telecom product/service do you use the most?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Internet	134	62.3	62.3	62.3
	Voice	42	19.5	19.5	81.9
	Messaging	39	18.1	18.1	100.0
	Total	215	100.0	100.0	

What do you seek the most in telecom services?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Reliability	51	23.7	23.7	23.7
	Affordability	56	26.0	26.0	49.8
	Latest Technology	61	28.4	28.4	78.1
	Tariff Flexibility	47	21.9	21.9	100.0
	Total	215	100.0	100.0	

How many times do you use telecom services in a typical day?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10 or less interactions	48	22.3	22.3	22.3
	30 or less interactions	53	24.7	24.7	47.0
	100 or less interactions	92	42.8	42.8	89.8
	More than 100 interactions	22	10.2	10.2	100.0
	Total	215	100.0	100.0	

What raises your attraction to a telecom service?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Technology	47	21.9	21.9	21.9
	Branding	38	17.7	17.7	39.5
	Corporate Social Responsibility	60	27.9	27.9	67.4
	Affordable Pricing	44	20.5	20.5	87.9
	Exclusive Offers	26	12.1	12.1	100.0
Total		215	100.0	100.0	

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Brand recognition is important for your telecom service selection?	215	1.00	5.00	3.6233	1.32285
You purchase only from highly recognised and prominent telecom operators?	215	1.00	5.00	3.7767	.88414
You purchase only from telecom brands attractive to you?	215	1.00	5.00	3.6930	1.12686
Valid N (listwise)	215				

The tables listed above demonstrate the various conclusions achieved through this research. At the foremost, we establish the dominant consumption trends, Internet followed by Voice. Likewise, *latest technology*, *affordability*, and *reliability* were established, respectively, as the most dominant consumer expectations and demands. These three principles can therefore be considered the dominant factors necessary to create an attractive profile, interpreting based on the Pareto principle. Consumer consumption was also voluminous, with most respondents recognising at least 100 interactions per day, i.e. message sending, calling, browsing, and etcetera. A 10% of population also recognised performing more than 100 interactions.

The dominant factors that raises one’s attraction to telecom services were also recognised, again employing the Pareto principle, the main factors that consumers look for are: *corporate social responsibility portfolio*, *technology*, and *affordability*, respectively. This demonstrates that telecom organisations must develop a strong trend of returning to the community through CSR programmes. The least dominant factors were exclusive offers, thereby hinting that general tariff is a more dominant attractor.

The Likert-type questions demonstrate similar results. Most respondents recognise that they prefer to look for brand recognition and prominence when evaluating telecom services. Respondents also preferred to purchase only from brands that were publicly recognisable and had a good history of performance, both in terms of speed and social prominence. This trend is complemented with the result that consumers prefer to purchase from brands that are attractive to them. The factors of attraction were explored in the earlier paragraphs, being technology, affordability, and reliability. Therefore, this leads us to a conclusion that if telecom organisations offer technologically advanced service, with reliable coverage and affordable tariff, they will be more attractive to consumers. In converse, telecom organisations can generate a good public image and brand recognition through partaking in corporate social responsibility measures, as well as offering top-tier technology under an affordable domain.

CONCLUSION:

The previous section has interpreted and established the various conclusions arising from the research process. This section determines if whether the study aims, objectives, and questions are fulfilled. Focusing on the specified objectives; an empirical research has been conducted to determine the trends and preferences of telecom consumers. A wide range of trends have been acquired from this research, including the factors that influence brand recognition and brand attractiveness in consumers, separately. Finally, the importance of recognition and attractiveness from an academic and theoretical perspective was rendered in the first chapter. Focusing on the specified questions, the following trends of recognition and attractive are reached. Recognition receives a positive boost when a brand is actively engaging in social measures, i.e. CSR programmes, as well as when it demonstrates adherence to latest technologies (i.e. offering fastest speeds, tech features, and devices),

under affordable rates (competitive pricing). Consumer attractiveness is also boosted by three dominant themes; *technology*, *affordability*, and *reliability*. Therefore, we are led to conclude that the questions over consumers' demands, expectations, recognition factors, and attraction factors are effectively answered. The practical implications of this research and results are discussed in the following section.

RECOMMENDATIONS:

Four dominant themes have been established from this empirical assessment, two of which are common in both recognition and attractiveness scores. Therefore, practitioners and organisations are recommended to implement these measures broadly across the operational spectrum. These dominant themes are *technology* and *affordability*. Interestingly, both factors are categorised as measures of competitive capacity and value generation – an organisation that optimises both variables for their target population will render the best value. As seen through the results, the presence of these competitive factors will boost both brand recognition and consumer attractive. The other two powerful themes are dominant in their own domains, i.e. recognition and attractiveness.

One is reliability (Attractiveness, less dominant) which for telecom organisations represents the geographical coverage of networks, as well as strengths of the offered networks. If a network is weak, attraction will decrease. The other theme is Corporate Social Responsibility (Recognition, most dominant). It can be argued, however, that appropriate broadcast of CSR measures, i.e. without excessive embellishment, will also lead to the highest positive effects towards public recognition and perception about the brand (Campbell, 2007).

LIMITATIONS:

The effectiveness of this research is constrained by a variety of factors. These limitations include the non-location specificity of this research, through which it attempts to cover a global perspective on the recognition and attraction elements that affect telecom organisations. This limitation leads to the second; generalising. This research assumes that all demographic groups around the world function in the same manner discarding any social or cultural modifiers. At their core functions, this assumption is mostly correct.

Likewise, another limitation is that the economic potential of respondents is not properly addressed. The affording potential of consumers, and its effects of their attraction and recognition, is not properly covered in this research.

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