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THE ROLE OF BRAND KNOWLEDGE AND BRAND LOYALTY IN CREATING BRAND EQUITY IN THE TELECOMMUNICATION INDUSTRY

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ABSTRACT

The study of brand equity is important for service providers in the telecommunication industry to examine their marketing efforts. Competition is more intense in the telecommunication industry in Sri Lanka. Sri Lanka Telecom, Dialog Axiata, Mobitel, Hutch, Airtel and Etisalat are the major players in the industry. While these competitors are competing with each other intensively, marketers in the telecommunication industry need to understand the outcome of their marketing efforts. Specially, the role of the brand image, brand awareness and brand loyalty. Thus, the major objective of this study was to investigate how the brand awareness, brand image and brand loyalty in the telecommunication industry create brand equity. The methodology was quantitative in nature. Questionnaires was used as tool for primary data collection. Convenient sampling techniques was used for this study. Questionnaires were administered among 268 customers in the telecommunication industry and response rate was 76.5 per cent. Collected data was fed into the SPSS and correlation and multiple regression were used to analyze the data. Factor analysis was done for data reduction and all items were with communalities more than 0.5. Results revealed that all variables under study are contributing to create brand equity in the telecommunication sector. Further, brand knowledge in the industry shows significant contribution to the brand equity in the industry. Companies in the telecommunication can enhance the brand equity by increasing brand image and in turn the brand loyalty will also be enhanced.

Keywords: Brand Equity, Telecommunication, Brand knowledge, Brand loyalty