Perceived Brand Equity Affecting Consumer Buying Decision of IKEA Stores

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ABSTRACT

Abstract— This research aims to study difference in demographic characteristics have difference in consumer buying decision of IKEA stores, and to study perceived brand equity affecting consumer buying decision of IKEA stores. This research was a quantitative research. The sample group used in this research was 400 consumers who came to use the service at IKEA Mega Bangna branch and IKEA Bang Yai branch. The sampling used a convenience sampling method and used questionnaires as a tool to collect data. The statistics used in the data analysis were percentage, mean, standard deviation, independent sample t-test, one-way ANOVA, and multiple regression analysis. The hypothesis testing results showed that difference in demographic factors including age, education, occupation, and income have different consumer buying decision of IKEA stores. In addition, perceived brand equity in terms of brand awareness, perceived brand quality, and brand loyalty influenced consumer buying decision of IKEA stores. While perceived brand equity in terms of brand association did not influence consumer buying decision of IKEA stores. The forecaster with the highest multiple regression coefficient was brand awareness, followed by brand loyalty, and perceived brand quality, respectively, which all variables can together predict consumer loyalty by 50.41 percent.

Keywords— Consumer buying decision, IKEA stores, Perceived brand equity

INTRODUCTION

Furniture industry is one of the industries that are very important to the country's economy in terms of creating added value, employment and exports. It is an ongoing industry that connects the agricultural sector to the industrial sector that creates added value for products. In the past, the government has continually formulated various policies and measures to develop and support entrepreneurs in the furniture industry. However, due to the outbreak of the COVID-19 virus and the government's lockdown measures. This causes consumers to have less purchasing power and affects the demand for furniture. Consumers buy only essential furniture or choose to use old furniture instead of buying new. It also resulted in consumers changing their behavior and choosing to shop through more online channels to keep social distance. Therefore, it is expected that this year will see furniture entrepreneurs accelerate to adjust and turn to more aggressive marketing through online channels including offering quality furniture with new innovations to meet the changing lifestyles of consumers (The Government Savings Bank Research Center, 2021)

IKEA (IKEA) is a specialty retailer selling furniture and home furnishings. Today, it is the world leader in furniture and home furnishings. It has become one of the most well-known home furnishing brands in the world. Today, IKEA has hundreds of outlets around the world in 44 countries, with most of them located in Europe. and some parts in America, Asia and Australia. In Thailand, there are 2 branches, namely IKEA Mega Bangna branch which is the first branch and Bang Yai Branch. It opened in March 2018 as the 423rd IKEA Store and the world's first store with a checkout counter on every floor. The building structure of every IKEA store is large. It has a unique dark blue color. Within IKEA, there will be a one-way shopping walkway for customers to walk around and see the products thoroughly. There are 3 main areas, which are parking areas, self-service warehouse zones. and exhibition zone. With 22 product categories to choose from. IKEA's marketing blends well with Thai shopping culture because there are no employees to follow. It is connected to a shopping center. This allows customers to walk in both IKEA and department stores at the same time. The design of all IKEA products emphasizes simplicity and can be matched with every style of home. Adhere to the principle of using good quality materials. but reasonably priced.

Electronic Transactions Development Agency, the Ministry of Digital Economy and Society revealed the results of a survey of internet users in Thailand in 2020, found that Thai people use the Internet by a leap of more than 150 percent. Resulting in Thailand currently have 47.5 million internet users, or about 70 percent of the total population using the Internet on average 10 hours 22 minutes a day, an increase of 17 minutes from 2019. The group with the most Internet use is Gen Y (19-38 years old). Most of them, more than 91.2 percent, use the Internet with social media (Facebook, Line, Instagram), and also found that 98.5 percent of Thais prefer to use LINE to communicate, followed by Facebook Messenger, FaceTime and WhatApp, respectively networking (Electronic Transaction Development Agency, 2021). The results of the survey indicated that Internet users are increasing rapidly resulting in doing business on the Internet can continue to grow.

Due to the impact of the COVID-19 epidemic, business sales have declined. However, businesses must adapt to survive in such situations. The way businesses should focus on adapting is brand leveraging compared to other brands in the market. Aaker (1991)'s brand equity concept was adopted as a strategy to keep the product above competitors. It includes brand awareness, perceived brand quality, brand loyalty, and brand association (Aaker, 1996). The product is therefore a value that is in the minds of consumers and is considered the overall perception of the consumer towards the brand. Including the relationship between product quality Customer satisfaction and loyalty is also the overall brand value that relates to the feelings of consumers, customers, employees and all shareholders. It also has an impact on the brand (Aghaei et al., 2014, Kotler & Keller, 2016).

For this reason, the researcher is interested in studying the issue of brand perception influencing consumer loyalty at a niche retailer like IKEA based on a study of customers who use IKEA Bang Yai branches. The results of the study will inform consumers' attitudes towards IKEA brands in order to effectively manage their marketing efforts. ultimately lead to consumer loyalty. As a result, the business can be operated with profit in the long run. and continue to grow and progress in the future

LITERATURE REVIEWS

Brand equity

Brand means a symbol, identity and assets that are related to the brand. The brand can help to continuously add positive value to the brand owner and consumers (Kotler & Armstrong, 2017). The general product properties can be perceived externally such as product packaging, property label and the benefits of the product, etc., It also creates financial value to occur between the brand owner and the consumer.

Brand equity is value that can be perceived by consumers, users and purchasers. It makes the importance of the brand happen and results in positive consumer behavior. Consumers perceive that brand equity will have a positive effect on that product as well (Keller, 2013). Brand equity is an important marketing tool for building a strong brand which is necessary for marketers to study and use as a guideline in formulating a strategy to make the product different and unique characteristics that meet the needs of consumers. In addition, branding is an important marketing strategy for building relationships and brand engagement with consumers as well. Consumer perception of brand equity consists of 4 components (Aaker, 1991) as follows.

Brand awareness means that the target consumers can remember or remember any brand and can link the relationship between product categories and those brands (Aaker, 1991). Brand awareness refers as recognizing or remembering the brand of the consumer which is an important element in building brand equity because when consumers become aware of the brand, consumers will become familiarity in that brand, make the product trustworthy or reliability, credible and reasonable quality, and is the main reason for the final purchase decision. In which consumers choose to buy well-known brands rather than brands that consumers are not aware of. In addition, brand awareness is a strength that arises in the minds of consumers.

Perceived brand quality refers to how consumers perceive the overall quality of the target consumer towards the product. The perception of quality will lead to financial success and business strategy execution including other marketing activities of the brand as well (Aaker, 2010). In addition, the perception of quality also means that a brand is perceived as a whole or superiority of a product or service. It is determined by the purpose or functional properties of the product and perceived quality is measurable but intangible because it is the overall feeling towards the consumer's brand (Aghaei et al., 2014).

Brand association refers to the ability of target consumers to associate a brand with images, activities, or symbols of the brand which connects components of the brand to the memories of consumers. This relationship

will help create a positive attitude for the brand and become a link between consumer sentiment and that brand (Keller, 2013). Consumers' connection with a brand helps to create brand equity by extracting brand-related information from memory and help differentiate the brand.

Brand loyalty means commitment. confidence Popularity mania and the integrity that consumers have with any brand, with the consumer using the same brand repeatedly or forever. Brand loyalty is a representation of the consumer's commitment to the brand where consumer brand loyalty is an important component of brand equity. This will reflect the likelihood that consumers will switch to other brands or not. Brand loyalty is also related to the purchase and experience of using the product (Kotler & Armstrong, 2017). It also helps reduce marketing costs, build bargaining power, attract new customers, make consumers buy again, reflect the market potential of that product as well as helping to protect from the threat of customer loyalty to competitors (Suwunniponth, 2017).

METHODS

The target population used in this research were consumers who come to use the services of specialized stores such as IKEA Mega Bangna branch, and IKEA Bang Yai Branch, which cannot know the exact population. Therefore, to determine the size of the sample group in this study, obtained by calculating the spheroidal size using the formula of (Yamane Taro, 1973) case of unknown population determines the level 95% confidence, the sample group size is 385 people. The sampling data used a convenient sampling method, which will collect data on a field sample from those who use the service. The researcher distributed questionnaires by choosing a convenient time to collect data. Scheduled to collect data on weekdays from 11:00 a.m. to 2:00 p.m. and 4:00 p.m. to 7:00 p.m. and on Saturdays and Sundays from 11:00 a.m. to 5:00 p.m. and 100 questionnaires will be collected per day for a total of 4 days.

The instrument used in this research was a questionnaire. It consists of questions based on the characteristics to be measured. The researcher conducted a content validity test by 3 experts who obtained the index of consistency between the questions and the objectives (Item-objective Congruence Index: IOC). The IOC value is between 0.67-1.00 and the overall score is 0.915, which is more than 0.5 indicates that the question is consistent with the research objectives. The reliability test was conduct by pre-testing 40 sets of questionnaires, Cronbach's alpha coefficient was between 0.714-0.903 and total confidence was 0.886, which was greater than 0.7. passed the criteria that the questionnaire could be used to collect data (Hair et al., 2010). The researcher used descriptive statistical analysis such as frequency, percentage, mean and standard deviation. To distribute the properties of the variables studied, including inferential statistical analysis. Independent sample t-test, one-way analysis of variance, and multiple regression analysis were used.

RESULTS

Descriptive results
The results of the research can be concluded that the sample group is consumers who have shopped through social media and live in Bangkok, total of 400 samples. Most of them are female, age between 21-30 years old, marital status, educational level at the bachelor's level, worked as employees of private companies, monthly personal income between 15,001-30,000 baht.

Demographic characteristics of 400 people who use the service at specific stores such as IKEA Mega Bangna branch, and IKEA Bang Yai Branch, found that most of the respondents were male, age between 31-40 years old, bachelor's degree, marital status, working as a private company employee and have monthly income between 30,001-50,000 baht

Characteristics of the variables studied were perceived brand equity and consumer buying decision of IKEA stores. The results of the analysis of the mean and standard deviation of the perceived brand equity and consumer buying decision of IKEA stores found that most of the sample group had a high level of opinion on the perceived brand equity, overall at the high level. The most important aspect was brand awareness with an average of 4.25 at the highest level, followed by perceived brand quality, brand association, and brand loyalty, respectively. Overall were at a high level.

Hypothesis testing results

Hypothesis 1: Consumers with different demographic characteristics comprising gender, age, educational level, occupation and monthly income differed in consumer buying decision of IKEA stores.

The hypothesis test results showed that consumers with age, education levels, occupations, and incomes different affect consumer buying decision of IKEA stores was significantly different at 0.05 level. Including, consumers of different genders and statuses had consumer buying decision of IKEA stores is no different.

Hypothesis 2 Perceived brand Equity consists of brand awareness, Perceived brand quality, brand loyalty and brand association affect consumer buying decision of Ikea stores.

The results of data analysis using multiple regression analysis found that the factors of Perceived brand Equity in the aspect of brand awareness, Perceived brand quality and Brand loyalty affected consumer buying decision of Ikea stores. While Perceived Brand Equity in the aspect of brand awareness did not affect consumer buying decision of Ikea stores. It was statistically significance at the value of F=56.528 and all 4 variables could explain the variance of consumer buying decision Ikea stores (R^2) at 51.98 percent.

CONCLUSION AND FUTURE WORK

Conclusion and discussion

The study found that consumers of different ages, education levels, occupations and incomes had different consumer buying decision of IKEA stores, and found that consumers of different gender and status had not different consumer buying decision of IKEA stores. This is consistent with some of the research by Changjaikla (2019) found that consumers with different age, status and average monthly income. There is different consumer buying decision of IKEA stores. Including the research by Phuangpoo and Kulis (2017) found that consumers with different occupations have different purchasing decisions for IKEA furniture. This may be because IKEA is a shop selling specialized products such as furniture, utensils and home decorations. The demand for products and behavior of using and purchasing products will depend on age, education level, occupation and income in line with the concept of Sereerat (2007) stated that different ages of consumers will have different needs for products or services. This results in different purchasing behaviors. In addition, education, occupation, and income are indicators of consumers' ability to make purchases. The consumer gender and status different, there is no difference in the consumer buying decision of IKEA stores. This may be due to the products being sold as goods related to the fundamentals of human needs. Therefore, all genders and statuses have the same demand for products. Marketers should link different demographic criteria to more clearly define their target market.

The study found that the factors of perceived brand equity in the aspect of brand awareness, perceived brand quality and brand loyalty affected consumer buying decision of Ikea stores which is consistent with the relevant research by Phuangpoo and Kulis (2017). It was found that brand awareness in terms of brand awareness product and brand loyalty It is related to the decision to buy IKEA furniture. And research by Meekangwan (2017) found that the sample group had a perceived value of the IKEA brand in terms of brand awareness at the level of recall and at the level of recognition was support the concept of brand equity. Aaker (1996) stated that brand equity is the added value of the brand beyond away from the actual properties of the product and service. From a consumer perspective, equity is used to interpret, process and remember the vast amount of information about the brand which the brand is valuable enough consumers will see value that is superior to competitors. This gives consumers a positive attitude and has a direct influence on consumer buying decision. Research has shown that brand awareness has the greatest effect on consumer buying decision of IKEA stores. Because IKEA is a well-known brand make customers feel confident in their purchase while brand loyalty comes from good past experiences. leading to behavioral loyalty.

Recommendations and future work

Recommendations obtained for applying the research results were that entrepreneurs can apply consumer demographic characteristics to market segmentation and target market to develop marketing strategies that meet consumer needs. There should develop strategies that will enable different gender, levels of education, occupation and income to had knowledge of products and businesses as an alternative for consumers to use the service according to different needs. Moreover, entrepreneurs should develop and improve consumer perception of brand equity in terms of brand association. There should be made about brand features and the benefits of the IKEA brand. Entrepreneurs may adopt influencer marketing strategies in their communications to associate the

distinctive features of the brand and build confidence and pride in decorating homes for consumers. Influencers will be thought leaders to connect brands to businesses. such as people who are famous or accepted by society, individuals with specific knowledge and expertise who are able to present authentic content in the product, including those on social media. which is a general person who gets experience from using real products and reviews them for other consumers to know, etc.

For further research should be studied in conjunction with other relevant or expected factors influencing purchasing decisions in order to gain more insights covering all dimensions such as factors of marketing mix, brand image, service quality and word-of-mouth marketing, etc. In addition, it should study in other population groups or other areas to get wider and more comprehensive information and compare the differences of each area.

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