

EFFECT OF BRAND IMAGE ON YOUNG CUSTOMERS IN DEVELOPING ECONOMIES

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ABSTRACT

The following paper explores the influence of brand image on young consumers in developing economies. The topic has been discussed from theoretical and empirical perspectives depending on secondary sources from different published papers and journals. While scrutinizing the impact of brand image on young customers in several developing nations, the factors that might contribute to shaping the brand image, dimensions that form a brand image in the minds of consumers, the effect of culture, and the connection between brand image and brand loyalty as well have been examined. The research examines the impact of brand image on young consumers in several developing countries from different parts of the world which is an interesting field to be explored since these developing economies have a considerable population of young customers who can be a great source of benefit to the local and foreign brands due to having strong buying power.

INTRODUCTION

A brand has been thought of as a set of values that were first created to set the goods being sold apart from those of rival companies (Eriksson, 2022). With the advent of globalization and the entrance of a huge number of brands in the global markets and increased customer expectations building a solid brand, and keeping customers loyal to it in the long term has become arduous and convoluted, and many businesses are becoming irrelevant to their customers. Hence building a solid brand image has become crucial for the companies. This paper aspires to explore the concept of brand image, the dimensions that form a brand image, and in the next step, the influence that it can have on youngsters and their buying behavior in emerging economies. Moreover, the elements that can assist in shaping a positive brand image in the hearts and minds of young customers are investigated and after analyzing the findings, useful suggestions are provided for the business in emerging markets. The study is significant since it brings together the findings from several emerging markets in one paper with a focus on young customer segmentation since the population of youths in such developing nations is considerable and their contribution can be vital for the success of businesses.

THEORETICAL LITERATURE REVIEW

Brand Image

A brand can be widely described as a notion in business or marketing that aids in identifying a particular good or service, company, or person. It is how the public views a particular individual or an organization (Worden, 2021). As per Zhang (2015) Brand image is a significant element that pushes brand equity. It indicates the comprehension and emotions of customers towards a brand and affects how they behave (Cited in Işoraité, 2018, p117). Yuan et al (2016) believe that the Brand image is originally created by the corporations, however, its success

and recognition depend on the customers` opinions, emotions, and associations about it(Cited in Karste and Guzmán, 2020). According to David (1991), brand image can assist buyers in gathering information, distinguishing across different brands, developing good feelings, and finding a reason to purchase(Cited in Mabkhot, Hasnizam, and Salleh, 2017, p73). Overall, six dimensions shape the brand image that is shown in the figure;

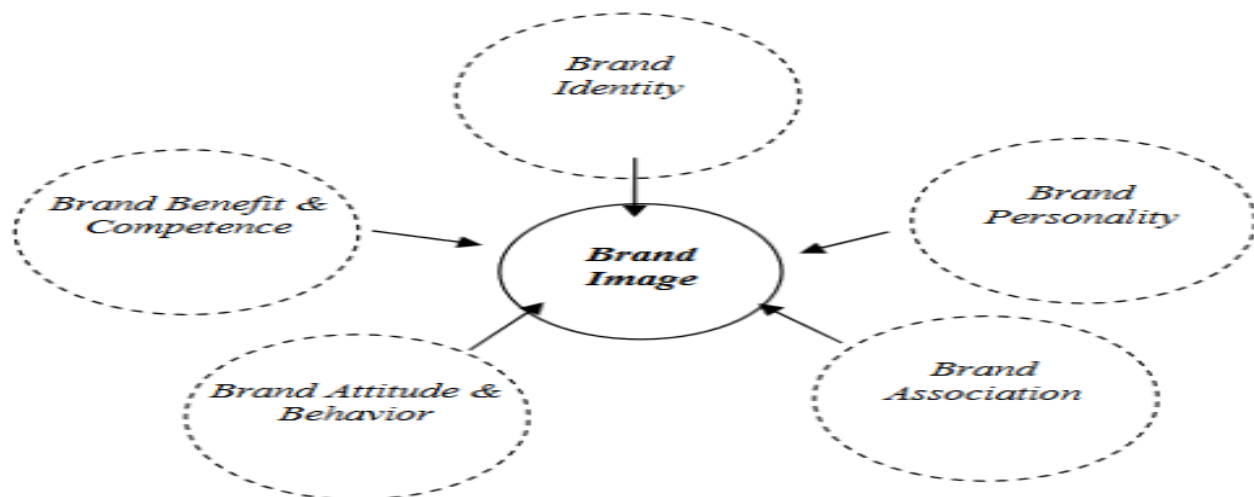


Figure 1: (Wijaya, 2013)

A brand`s physical identity is the one that aids customers to differentiate and identify one brand from other brands quickly is known as brand identity and is the first dimension. On the other hand, the unique and distinctive essence and personality that makes a brand different from others like a human being is referred to as brand personality which is the second dimension of the brand image(Wijaya, 2013). The third dimension is brand association which refers to anything that is deeply placed in the customer`s mind about a brand. The next significant dimension which affects a brand image is the brand attitude. It is all about how clients and customers think and feel about a specific brand based on their own perceptions. In other words, it scrutinizes why customers have a particular feeling toward a brand and how much they value products produced by a brand(Priyadharshini, 2017). The brand benefit and competence make up the final dimension of the brand image. When a brand solves an issue for a customer, it offers values, benefits, and unique competencies that allow the customer to profit since the brand meets their requirements, wants, ambitions, and interests(Wijaya, 2013). Knowing the mentioned dimensions is crucial for brands to shape a positive brand image among their target customers.

Young Customers

Young customers are currently playing a bigger role in the functioning of the economy. This can be attributed to their growing influence on household spending choices and their increasing purchasing power due to their access to enough cash to spend(Rudawska, 2013). Despite the fact that youngsters are incredibly flexible, brave, amiable, and passionate brand enthusiasts, it is crucial for manufacturers of goods and services catering to this particular demographic to establish a relationship with them well. They can be difficult to engage with and persuade to buy from, though, when they show themselves to be dependable, they are very important. To gain their trust and loyalty, businesses need to consider a variety of

factors(Budac and Baltador, 2014). Young customers are persons who buy or use products or services, usually around the ages of 13 and 25. When referring to the businesses they connect with and the goods they purchase, these people frequently have particular requirements, tastes, and interests. Young customers' buying choices are influenced by a number of elements, such as the brand, the price, the quality of the item in question, referrals from relatives and close friends, social networking, and the general brand impression. In comparison to older customers, they might be more likely to give priority to elements like price, comfort, and socially conscious behavior(Worstell, 2023).

Developing Economies

The biggest generation of youngsters in history, with an estimated 1.8 billion individuals, is currently around the ages of 10 and 24. A significant portion of the overall population, almost 90% of them, reside in emerging economies(Ibrahim, 2020). This itself indicates the importance of investing in such countries by the brands and businesses. Developing economies are crucial for the global economic growth and prosperity. The expansion of developing countries and emerging economies has been remarkable in recent years. According to Rapp and O'Keefe (2022), China will overtake the United States as the economic powerhouse of the globe in the year 2030, and as per PwC (2017) in the year 2050, Indian, Indonesian, Brazilian, and Mexican economies are anticipated to stand among the ten greatest economies in the entire globe(Cited in worldbenchmarkingalliance, 2022, p2). Considering that 60% of the globe's GDP comes from emerging nations and developing economies and fueling more than one-third of the rise in GDP, these nations are vital to the world's economic growth. Nevertheless, the difficulties these countries encounter frequently eclipse their abilities(FindevCanada, 2023). The mentioned nations are not the only developing economies. Many other emerging economies in other parts of the world such as Central Asia also arising. Based on the newest survey carried out by the European Bank for Reconstruction and Development (EBRD), Central Asian economies are expected to retain growth during 2024 and 2025 despite some natural catastrophes and issues within the region(Daryo, 2024). As mentioned in the beginning due to the presence of considerable youngsters in developing countries and a high potential for huge benefits, many brands expand their business in such markets, however, establishing a positive brand image considering the high competition among a variety of local and international brands needs a proper understanding of the mentioned economies, the targeted segment and a comprehensive marketing strategy. In the empirical part of this paper, an attempt has been made to dive into the topic by reviewing the examples from developing economies.

Empirical Literature Review

In this part, the cases from several developing economies are assessed to determine the impact of brand image on young consumers' buying behavior. Research carried out among 210 Chinese youngsters mainly located in Beijing and Shanghai to find out the relation between brand image and brand loyalty, plus, the connection between brand image and culture of origin and design style indicates a positive connection between brand image and these two. Moreover, the findings show the tight and strong relationship between brand image and customer loyalty.

The research discovered the fact that foreign fashion brands have a higher positive image among Chinese customers and their willingness to buy foreign brands in case if they can afford it(Zixun Peng, 2016). A survey in Bangladesh to find out the factors and elements that affect the young customers' intention in terms of buying smartphone brands as well confirms the significant impact of brand image on the buying decision of youngsters in the country(Rakib et al., 2022). A similar result has been indicated in Malaysia when the effect of brand image on Malaysian millennials' buying behavior in the fashion apparel industry was investigated. The investigation results demonstrate the positive impact of brand image on younger segments of consumers` purchasing choices. It also indicates the special attention that Generation Y consumers have on brand image before making any kind of purchase. Hence this proves that young Malaysian consumers purchase highly advertised and famous fashion brands that could form a positive and pleasing image in their minds(Jack, Poh and Dada, 2022). A study in metropolitan areas of India which have considerably younger populations as well confirms the relationship between brand image and consumers` buying behavior while stressing on significance of customer care as a major factor that can improve brand image besides quality(SATTI, 2022).

The growth and success of a brand are greatly influenced by its image, which is linked to the company's credibility and solid reputation. This good name serves as a benchmark for the target market when it comes to trying out an offering and generating a unique experience that can either make the customer an opportunity seeker or a long-time advocate of the company(Wijaya, 2013). Moreover, improving brand image among youngsters demands rejuvenation of the brand. A study carried out in China to explore the factors that potentially could attract young Chinese towards luxury brands suggests that brands should focus on five characteristics such as creativity in the design of goods, closer brand collaboration, selecting more influential ambassadors and celebrities, emphasizing offline digital experiences and online social media advertising, and devoting greater emphasis on localizing the brands(Dong and Huanug, 2024). A similar study in the sportswear industry also illustrates word of mouth and entertainment as the two key social marketing activities that shape positive brand image among customers and the connection between brand image and brand loyalty. It indicates that if a company`s brand image boosts, the loyalty level of its customers toward the brand also increases and both of them have an influence in shaping the consumer`s buying behavior(Johansson and Hiltula, 2021). A survey in the Kurdistan region of Iraq indicates the positive effect of two variables, customer satisfaction, and brand image on younger customers` loyalty. The study reveals interesting facts about two generations of customers (younger and middle-aged) customers. As per the findings of the study, while brand identification is the main trigger for customer loyalty among youngsters, factors like social value and emotions play a vital role in driving loyalty toward brands among middle-aged customers which contributes to establishing a positive brand image(Rebwar, 2021). In the end, the influence of culture as well should not be forgotten. Research among female customers below the age of 40 in Indonesia elaborates on the vital role that culture plays in shaping the buying decisions of customers in the retail industry. Since the country is collectivist relatives, and friends` referrals and insights are crucial before the customers make the final decision to buy a particular brand`s product or service. Therefore, it can be concluded that brands mostly

recommended by relatives may shape a positive image in the minds of consumers in the country (Sudaryanto et al., 2021).

METHODOLOGY

Since the paper is part of a bigger ongoing PhD Dissertation, with a slight modification in the topic title. At this stage, only secondary sources are used to delve into the topic by exploring the related published papers and journals that consist of useful existing information about brand image, young customers, and developing economies. However, primary data collection methodology will be used in the next stage as the PhD dissertation nears the end to fill the gaps and remove limitations in gathering information.

RESULTS

Overall, the study confirms the influence that brand image has on younger customers in emerging markets. It also reveals the firm and solid relationship between brand image and brand loyalty as an improvement in the brand image can be the indication of a rise in brand loyalty among youngsters. Brand satisfaction also contributes to brand loyalty as satisfied customers may remain loyal to the brands that can satisfy their needs. Culture also plays a crucial role in determining the younger customers' buying behavior. As mentioned in the empirical part of the study, customers from collectivistic nations tend to buy from brands that are referred by relatives, family and friends. Hence, brands used by relatives and family members may have a more positive image in the minds of youngsters due to cultural factors that can affect their purchase decisions later on. Yet, the study has some gaps that can be filled in the future by the researcher by gathering primary information within one or several developing economies since the sources used in it are only secondary information generated by other researchers. Additionally, the sample size of the surveys used as a base for analysis in this study was small and may not thoroughly represent the opinions of the youngsters in all the emerging markets.

DISCUSSION

The findings above necessitate the brands to take some measures to develop a positive image in the minds of younger customers in developing markets and differentiate themselves from opponents. To keep the credibility and reputation among customers they need to focus on customer satisfaction and customer loyalty. To do so implementation of brand rejuvenation is a must. As the situation in markets are dynamic and customers expectations are altering continuously, the companies need to improve their brand identity and brand image through several marketing activities. As elaborated in the literature review, creativity in the design of the products, their quality, brand collaboration, influential brand ambassadors, offline digital experiences, online social media advertising, localization, and considering the impact of culture on younger customers are the key actions that companies need to take to establish a positive image in the minds of the growing young populations in the emerging markets who have a considerable purchasing power.

CONCLUSION

To conclude, this paper explores the influence of brand image on younger consumers and their purchasing behavior in emerging economies. Through examining the existing secondary sources this study offers effective insights for companies and brands that are looking to establish strong brand image and form lasting effects on young customers and their purchase choices.

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