

# Negative Brand Equity Incurred By Firms in Pakistan: A Marketers' Strategic Issue Identified By Islamic Business Ethics

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**Abstract:** *The role of methodology fitness and interplay of theory and research approach in the developing world has kept most of the conceptual endeavor of business science areas away from maturity. Most of the conceptual underpinnings of business management, in general, and marketing subject fabricin particular, have been at the nascent stage. This is also evident from the trend that mainly Asian researchers borrow theory from the western ones and just try to fit the conceptual architecture into their own maps of studies, which only gives a glimpse of the solution as far as the local implementation and theoretical fitness is concerned. Having all this in mind, the researchers have carried out the qualitative descriptive mode of research, as previous work depicted that the problem at hand has relations with an area of marketing that is in nascent stage as per the Asian perspective. Interview sessions of the experts at national level were carried out up till maturity and exhaustiveness of knowledge streams and its enrichment maturity stage. The study depicts that Islamic Business Ethics surrounds the complete operationalization of constructs of brand equity.*

**Keywords:** *Brand equity, Islamic work ethics, qualitative research, Pakistan*

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## I. INTRODUCTION

Brand management has been one of the least researched areas at Asian Level which means that a considerable form of business wealth has been not used by the business community for their benefit. The comparison of east and west tells us that new reservoirs of wealth have to continuously searched for sustainable business by firms, whether they are established at developed or developing countries. The literature dictates that, out of many novel means of wealth, brand equity management has been characterized as one of the most vital areas of intangible wealth in contemporary marketing science (Drucker, 1999; Keller, 2013, p.35, 40-47, 133, 548-549). This intangible wealth has transformed into intellectual property assets and rights (Leont'ev, 2012). From the work of Drucker (1999), intangibles have been the sweet spot for futuristic researchers for capacity building of firms for being independent and domestic driven, a case that is part of the national plan of many developing countries. For this very reason, many of the researchers are of the view that valuable intangibles are vital for firm business growth (Falvey et al., 2006; Leont'ev, 2012). In Pakistan, Intellectual property organization of (IPO) Pakistan came into being for the very reason, to safeguard the intangible wealth of businesses (IPO, 2009).

In addition to this, there have been numerous studies that have portrayed the positive effects of intangibles, presented in the shape of global index called Global Innovation Index rankings. Pakistan's ranking at this index reflects the level of wastage of intangibles due to its underutilization, backed by unnoticeable identification and recognition (Kaufmann et al., 2010; Khalique et al. 2012; Global Innovation Index rankings, 2012). Many researchers have worked on intangible wealth in the shape of intellectual capital or intellectual property rights, at various industries, and have reflected its positive effects on the business firms. This research work ranges from banks to pharmaceuticals (Rehman et al., 2011; Makki et al., 2008; Makki et al., 2009; Bharathi, 2010; Latif et al., 2012). From brand equity management being grey area of research in Asia to having its importance as an asset and intellectual capital, the researchers have carried out an endeavour to see the negative brand equity in terms of the marketer perspective and the role of Islamic business ethics. This study is the integration of many researchers who worked on brand equity and its connection with business in terms of assets, rights, competitive advantage, employees, ethics and religion (Ismaeel & Blaim, 2012).

## II. LITERATURE REVIEW

Brand Awareness is the means through which the firms educate the consumers about their product to consumer. This factor is pivotal in providing the consumers all they want, from pictures to features of the product, so that they could identify the brand amongst others and make comparison as per what is indoctrinated by the firms to them. Brand associations is the network of value creating streams that the brand holds like the usage of that brand in various ways, the memories that the consumer hold as per the brand and the culture that is made by the brand. Brand association also reflects in efforts that brands make to establish groups and communication channels between them as per different segments of society that admire, use or advice their brand (Lange & Washburn, 2012; Short & Payne, 2008; Crossan et al.1999; Bagley, 2008; Hatch & Schultz, 2001).

Counterfeiting is the act of imitation of products of services as if they belong to the copier but in reality that is only a disguised business and imitated service or product is of low quality that in turn shatters the overall brand equity of the firm. Overall brand equity has been defined as what so ever the firms had done or can do for increasing their market share by having customer satisfaction by providing trust, access and consistency in service or product quality to the customers. Brand equity investments can range from advertising themes to changes in business plans for increase in equity of the business on the front of brand (Markman et al., 2009; Dean & Kretschmer, 2007; Nambiisan, 2002; Tallman et al., 2004; Rhee & Valdez, 2009).

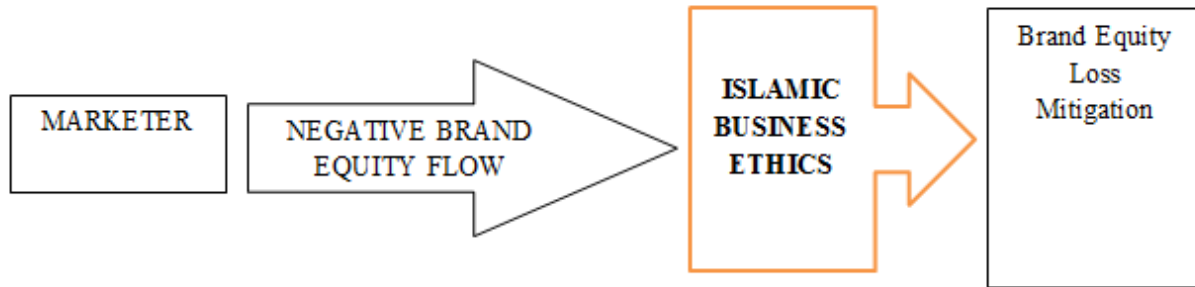
Discussing about the ethical dimension of business, firstly, Ethics is a tricky factor of society along with its collective reservoir of behaviors, as the hedonic consumers who are only focusing on the pleasure dimension of the product with minimal approval from the society at large is a problem in itself (Abdallah, 2010). Secondly, Ethics in terms of business means to have a way forward for mapping the ideas, actions, and plans as per the ethical codes, many of which are made by the local governing bodies, NGOs or by the company itself. Moreover, the definition of ethics at large, connected with business, integrates with religion (Wilson & Liu, 2010). This has been left by numerous vintage scientific works on ethics. Many theories of ethics touch different parts of the ethics and its effects on the consumer behavior like theories focusing on consequential part depicted that consumer is controlled to an extent by the consequences that he would have to face by the action he makes. Other theories that gave importance to virtue don't only talk about the consequences or external pressures on the consumer but rather observe the inside out effect of the personality and personal values (Possumah et al., 2012). Religious values, as of Islam can be a source of integration of consequential, virtuous, deontological ethical dimensions. In other words religious dimension of ethics can explain that how ethical codes make ethical controls supported by corresponding personality types. Moreover, the current work on the consumer well-being and satisfaction depicts that it revolves around the character and values of the consumers as much as it is connected to consumption patterns. This further extends the argument that consumer well-being, which is related to brand equity, firm financial and intangible wealth has to be viewed from the other dimensions rather than the traditional ones. This means that the current theories need to discuss this matter seriously for better future of marketing science related to negative brand equity particularly (Abdallah, 2010; Wilson & Liu, 2010; Rice, 1999; Possumah et al., 2012; Dusuki, 2008; Jonsson, 2011).

### Gap Analysis/Significance

Brand management has been one of the most under researched areas in Asia as recently researched by management scientists at China (Japutra et al. 2014). This has inhibited the capacity of the so called third world to utilize the wealth of intangibles which can be observed throughout the work of Keller (2013) and brand scientists who considered unseen/non-financial wealth to be the future of marketer's potential at firm level (Rehman et al., 2011; Makki et al., 2008; Makki et al., 2009; Khaliq et al. 2012). The marketer may not only enjoy the benefits of intangible wealth but also the goodness of ethical business dimension that is valued by the society at large as well as customers/ consumers as per the depictions of the researchers (Ismaeel & Blaim, 2012; Jonsson, 2011; Bagley, 2008; Hatch & Schultz, 2001).

## III. THEORETICAL FRAMEWORK

Equity flows from marketer to consumer where the marketer is the driver of equity as per the marketer perspective whereas it moves in the opposite direction as per the customer perspective. The researchers have adapted the marketer perspective to study the flow of brand equity from marketer towards the consumer, observing the role of Islamic business ethics in decreasing the negative brand equity.



## IV. METHODOLOGY

### Research Design

The primary research question that paved the way and served as a compass for direction to the researchers was “What is the extent of negative brand equity in firms observed through Islamic business ethics?”. The proceeding sub questions that funneled & filtered the study were:

1. What loss the marketer bears in terms of ethics-business-fit?
2. What is the set of core obstacles concerned with mitigation of firms’ brand equity loss?
3. What identification process Islamic business ethics system has for brand equity management?

The objectives of the research endeavor were:

- To investigate the core shortfalls that firms are having in terms of strategic brand equity management
- To study the factors affecting brand equity and classify the ones that are the most notorious in this aspect
- To observe the brand equity loss and identify it in terms of Islamic ethics of business

Qualitative research work design was adapted by the researchers by having descriptive study of the problem at hand. Secondary data was used only for the support of observation of the primary one. Unstructured and semi-structured sessions of interviews were carried out with the interviewees. The theme, behaving as the paradigm spectacle for the researchers had been the equity lost by the marketer due to counterfeiting and how to encounter it through Islamic Business Ethics. This theme was the basis for clarity in ideation, connectivity in streams of thinking patterns and cohesiveness in the overall study. Thematic content analysis was applied to see through the data for the description of the problem at hand. (Cohen et al., 2007; Edmondson & McManus, 2007; Maanen, et al., 2007).

### Instrumentation

Nvivo Software: Nvivo will be used, as being the most widely used software in this aspect. The nodes (meaning groups or constructs) have been primary level have been extracted from the theory and detailed as follows: Nodes Selected for Nvivo as per the theoretical research:

1. Brand Awareness
2. Brand associations
3. Counterfeit
4. Overall brand equity
5. Halal

### Sampling

Stratified non-probability purposive sampling will be used as the most suitable according to the researchers’ experience, study of literature concerning methodological-fit by analysis, interplay of theory and method and nature of samples in qualitative descriptive studies where knowledgeable key respondents are need for information thickness up till the maturity level when new node (idea concept group) ceases to form from the primary data provided by the respondents (Edmondson & McManus, 2007; Maanen, et al., 2007).

### Sample Size

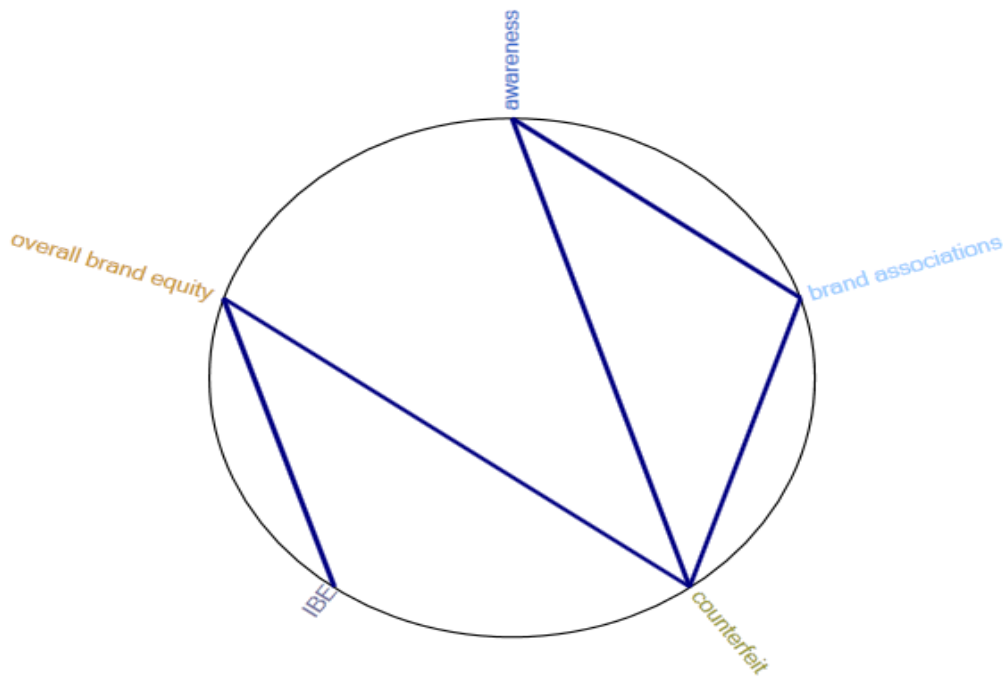
It will be determined as per data maturity when new construct/ stream of knowledge cease to appear in the open-ended & unstructured interviews from the information thick respondents.

Sample Selection: Stratified sampling is nested sampling. For example: first level of the sample is university and second is university subject expert of the research area concerned. The interviewees have been one of the most knowledgeable personalities in their firms or fields for enriched and knowledge thickness of data.

### V. DISCUSSION AND ANALYSIS

As it is evident from the cluster figure output from the Nvivo that there is no direct connection of the concept of ‘Halal’ or Islamic Business Ethics in the overall scenario rather it surrounds the overall network of connections. Overall Brand Equity is connected with awareness and counterfeiting that dictates that the negative brand equity which is initiated by counterfeit products is mainly the result of low brand awareness. The harnesses the fact that communication is of much value in brand equity maximization due to which brand associations is connected with awareness.

Figure 1: Cluster Diagram



The coding of the interviews as per the nodes reflects that the negative brand equity is initiated by merely neglecting the ethical side of business in terms of concept of Halal. Moreover, this results in counterfeit practices that affect the overall brand equity. The end result is that the consumer whose behaviour has been infected by the counterfeit product will carry that perception without any further enquiry about that brand.

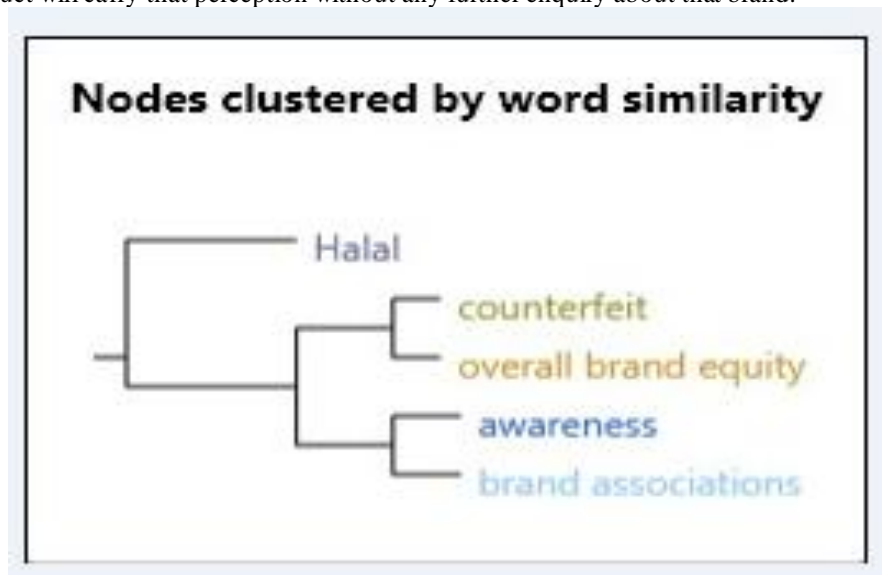


Figure 2: Tree Diagram (Pearson Correlation Coefficient)

The Jaccard's coefficient used for the cluster analysis depict that it's not the consumption of the counterfeit product that makes that perception of the consumer and generated negative marketer brand equity. The starting is the awareness that has been carried out by the marketer in the shape of their strategy. The researchers do not negate the cluster analysis based on Pearson Correlation Coefficient but the later one explains about the problem in a better manner. The lacunas in the awareness of the brand while not considering the Islamic business ethics give rise to weak and untrue brand associations that become the bases of consumer psyche for going towards the counterfeited products.

Figure 3: Word frequency Query analysis

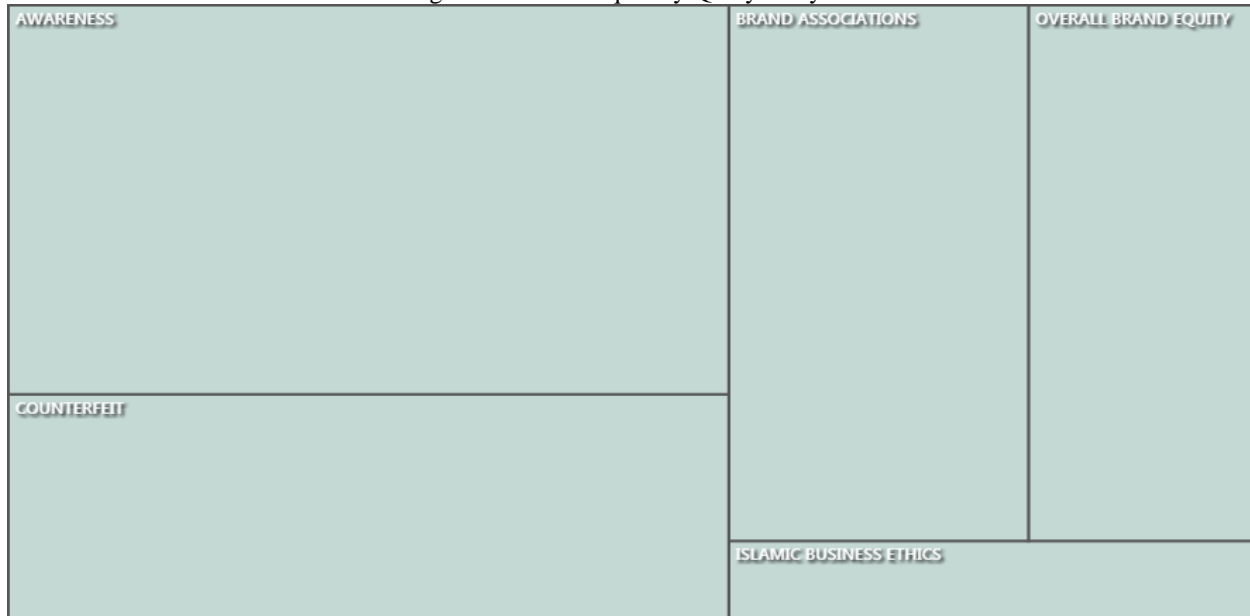
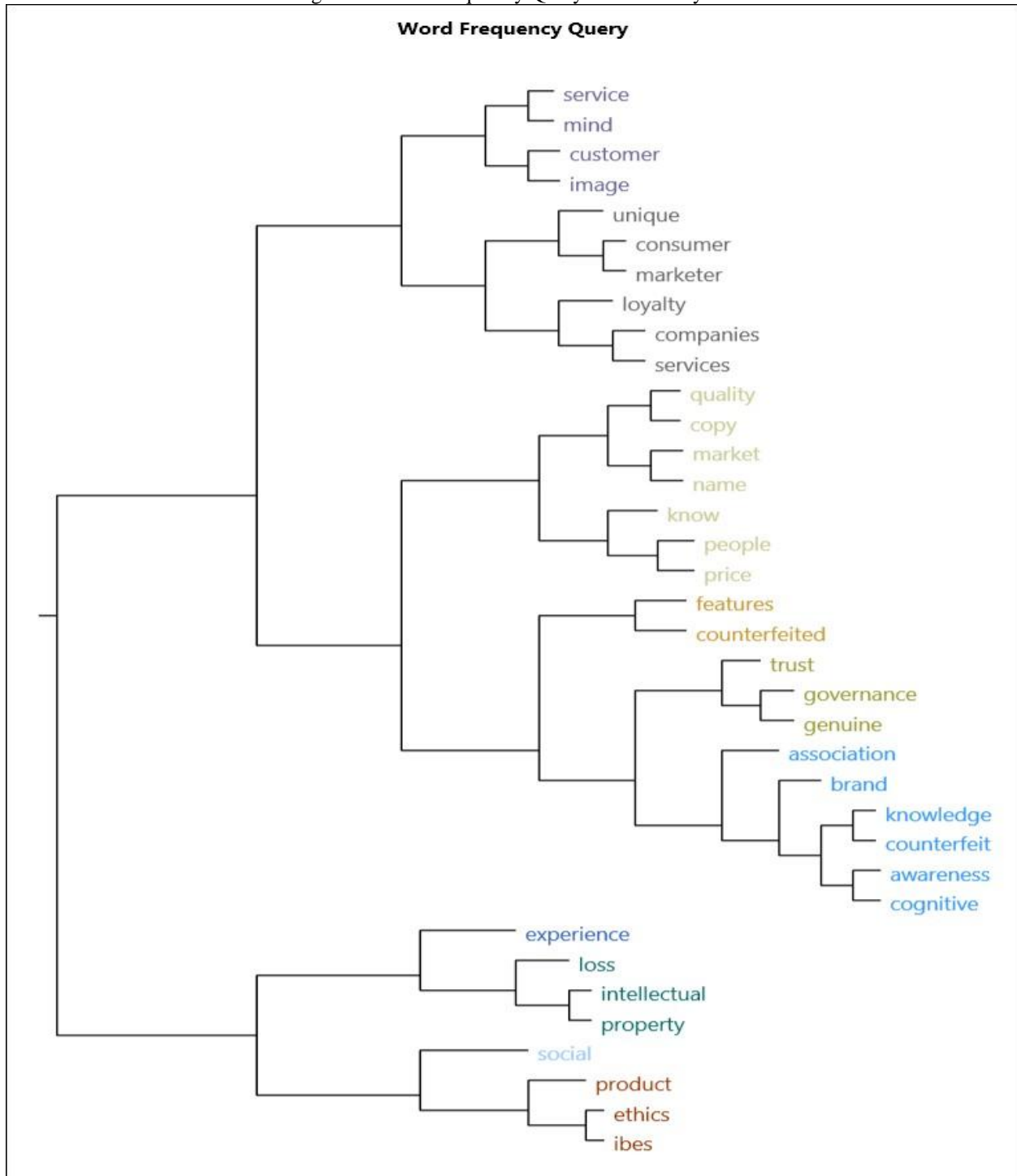


Figure 4: Word Tag Cloud Analysis

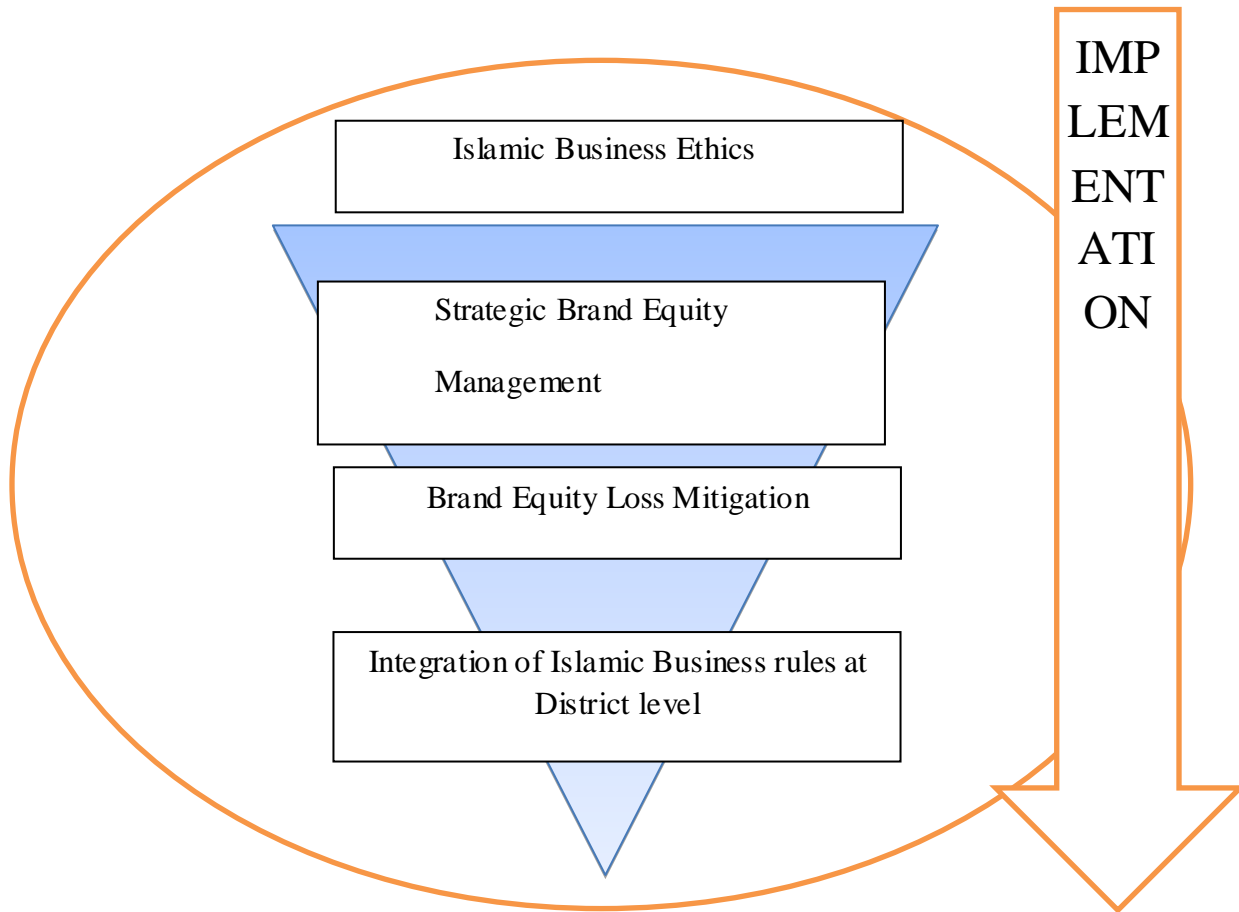


Figure 5: Word Frequency Query Cluster analysis



## VI. CONCLUSION

### PROPOSED ISLAMIC BRAND EQUITY MANAGEMENT MODEL



The proposed Model is the reflection of mainly the Word frequency Query analysis, Word Tag Cloud Analysis, Word Frequency Query Cluster analysis, tree and cluster analysis (Figure 1 to 5). It suggests that consumer can become the advocate and custodian of the product if the concept of Halal is injected into the marketing campaigns and serious efforts are made for its implementation at strategic level. Interesting insights have been the new ideas that could be studied as constructs like role of Ethical Enforcement groups (NGOs), SMEDA's role for Islamic business ethical codes implementation at district level and developing the society on the basis of Islamic ethical codes by PEMRA. Nevertheless, Islamic business ethics has been identified as a concept that is the basis for root level integration of work activities for mitigation of negative brand equity management.

#### **Theoretical Contribution**

The theoretical extension in the present research work on brand equity is based on reconsidering the traditional method, based on the valuation of customer wellbeing, rather investigating the ethical underpinnings of religious values that makeup the business strategies.

#### **Future Research**

Further study is needed in the dimension of how Asian societies differ in terms of religious business ethics and its connection with brand equity management. Moreover, the regional and international laws of intellectual property rights can be studied to observe the interdisciplinary areas in terms of brand equity.

#### **Methodological Contribution**

The deviation from common practice of borrowing the variables from west and applying them on the eastern business market, without any market-fit analysis, cannot be feasible any more as qualitative research;

powered by softwares, globalization concept and territorial specialisation in subjects is negating it to a considerable extent.

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