

Brand Equity, Brand Loyalty and Consumers' Willingness to Pay: A Linear Approach of Measurement

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Abstract

Since 1991 brand equity measurement is considered as a complex task which takes a huge number of variables and sub variables (Aaker, 1991). Brand equity measurement is also a money intensive task for the marketers till date (Y & R, 2017). In our research work we have considered some variables which can be easily understood by marketers and as well as by entrepreneurs. Secondly we build up a model of brand equity measurement which is simple to compute and by using that we can find out an absolute value of brand equity. Our research is an attempt towards a simple linear model development of brand equity after Multidimensional Brand Equity Scale Model (Yoo and Donthu, 2001). In this article we have established a functional linear relationship between brand equity and brand loyalty; between brand loyalty and consumers' willingness to pay and finally we have formed a simple linear model to measure brand equity of FMCG products. Responses have been collected from Kolkata and adjacent area. In this study primary data is collected through personal interviewing method. Respondents are asked to give their responses based on their attitudes towards different shampoo brands in India. This study has used multiple regression models to examine the linear relationship among the variables. After establishing linear relationship among the variables this study has gone further and developed a weighted average linear equation to measure brand equity of FMCG products. This study also shows relative importance of predictor variables in measurement of brand equity of FMCG products.

Keywords

Brand Loyalty, Consumers' Willingness to Pay, Brand Equity, Linear Relationship, FMCG Products.

1. Introduction

Brand management is complex in nature and brand equity is associated with brand management, it can be said that brand equity is a reflector of a brand's position in consumer's mind. FMCG products are most frequently used consumable products. In 1991 first liberalization reform took place in India since then Indian market is ever growing. In case of FMCG market before 1991 there was only two major players; one is Nirma and another is Cavinkare. After 1991 there are so many big players entered in Indian FMCG market like HUL, ITC, P& G, Patanjali etc. moreover now consumers have the choice to select from wide range of products offering same benefit. In this highly competitive situation gaining and maintaining brand equity is very much important for every player in Indian FMCG market. Proper brand equity management is only possible if the brand equity of a particular brand can be measured. Since 1991 special emphasis has been given to brand equity concept by the marketers and by the academicians till date. In 1991 David A. Aaker developed a model which is associated with 'Brand Equity Ten' where he mentioned ten sets of measures which is further grouped into five categories (Aaker, 1991). In real life it is hard to get accurate response from consumers to incorporate this model. In 1993 Keller introduced Consumermer Based Brand Equity (CBBE) model in which he mentioned direct and indirect approaches to measure brand equity. This model can be incorporated by well educated marketers or by well aware academicians through controlled experiments and Keller has provided six guidelines to measure customer based brand equity (Keller, 1993). Multidimensional Scalling technique to measure brand equity was first introduced by Yoo and Donthu in 2001. They examined 12 brands from three product categories (athletic shoes, film cameras, colour television sets) and developed a multidimensional scale to measure brand equity based on American, Korean American and Korean respondents. In their study they clearly mentioned that when different respondents from different culture and different product category will be considered result will be different (Yoo and Donthu, 2001). Most widely used brand equity measurement tool is Brand Asset Valator model by Y & R, this consulting firm gives service related to brand equity measurement to its clients (Y & R, 2016) but it is highly expensive for a new entrepreneur to avail this service from Y & R.

Under the above mentioned context this study has determined weighted average linear equation model to measure brand equity of FMCG products with special reference to shampoo brands in Indian market. In

the next section we have done literature review mainly based on origin of variables and their definition. In this study literature also been reviewed to identify the research gap of previous studies done in the area of brand equity measurement. Literature review is followed by section 3. data and methodology, section 4. Analysis and result of the analysis and the last section is 5. Conclusions.

2. Literature Review

This literature review starts from 1991 Benchmarking can not only be done in profit related issues but it can also be done in brand building. Objective of each firm is to develop credible measures of brand equity that supplement financial measures with brand asset measures. Brand equity measures should be responsive one a small change in brand equity can be identified by that measure. In this context we can talk about the “Brand Equity Ten”, ten sets of measures grouped into five categories. The first four categories represent customer perceptions of the brand along the four dimensions of brand equity—loyalty, perceived quality, associations, and awareness. The fifth includes two sets of market behavior measures that represent information obtained from market based information rather than directly from customers (Aaker, 1991). CBBE can be measured using both direct and indirect approaches. Two basic approaches to measuring customer-based brand equity are outlined. The indirect approach measures brand knowledge to assess the potential sources of brand equity. The direct approach measures the effects of the brand knowledge on consumer response to elements of the marketing mix. Examples of both types of approaches are provided. Finally, six guidelines for the management of customer-based brand equity are discussed. These guidelines emphasize the importance of taking a broad and long term view of marketing a brand; specifying the de-sired consumer knowledge structures and core benefits for a brand; considering a wide range of traditional and nontraditional advertising, promotion, and other marketing options; coordinating the marketing options that are chosen; conducting tracking studies and controlled experiments; and evaluating potential extension candidates (Keller K. L., 1993). Brand equity is a multidimensional concept and it is a complex phenomenon separated it into two components: Brand Awareness (BAW) and Brand Association (BAS). Strong and positive brand equity means the customers will have high brand-name awareness; they will maintain a favorable brand image and perceive the brand as of high quality, and they will be loyal to the brand Keller(2001). In most of the

cases it has been seen that brand-equity measures are based on proprietary data from Y&R. Y&R's brand-equity measure BAVTM is widely recognized as one of the major brand-equity measures (Keller K. L., 2006). The BAVTM measures are relative measures; that is, all brands are ranked relative to each other, across all industries. Keller has developed the Customer-Based Brand Equity Pyramid to show how you can build a strong brand. The pyramid consists of four different stages. According to (Keller K. L., 2008) the first stage relates to brand identity, and it uses brand salience as a measurement for awareness. In the second stage called brand meaning, it is imperative to establish brand image in the customer's mind. The third stage refers to eliciting the proper consumer response in relation to brand identity and brand meaning. Finally, the aim is to transform brand response into a loyal relationship between the customers and the brand (Keller, 2001). Another approach of measuring brand equity (Pushpendar Nath, 2012) is construction and validation of a multi item scale to measure brand equity of services. Multidimensional Scalling technique to measure brand equity was first introduced by Yoo and Donthu in 2001. They examined 12 brands from three product categories (athletic shoes, film cameras, colour television sets) and developed a multidimensional scale to measure brand equity based on American, Korean American and Korean respondents. In their study they clearly mentioned that when different respondents from different culture and different product category will be considered result will be different (Yoo and Donthu, 2001).

Our study has found out that no uniform measure has been developed to measure brand equity till date so there is ample scope of research in this area of study. Specifically no model has been developed to measure brand equity of FMCG products available in Indian market because Yoo and Donthu in 2001 have mentioned that brand equity can differ based on cultural and categorical diversity. Brand equity measurement models offered by consulting firms are not accessible for all and the service Y&R offers to measure brand equity by using BAV model is comparatively expensive in nature. Moreover it can be said that techniques which are used to measure brand equity is very much complex in nature and some of the techniques are proprietary. FMCG product is different from FMCD products and from services that is why special attention is needed to measure brand equity of FMCG product's brand. A generalized approach for all types of products and for services also may show a faulty picture.

After reviewing important literatures associated to brand equity measurement and pilot study we have considered following variables for our study:

Definitions of variables/ Attributes: The variables which we have used in our research are defined in a specific way in the context of brand equity and related area of study. Following variables have been identified and used in this study:

- **Brand Equity (BE):** In marketing discipline brand equity is defined as the perceived value of a brand which generates favourable outcomes for the owner of the brand. Only a well-known brand can generate brand equity as the consumer is ready to purchase a well-known brand over an ordinary brand (Aaker, 1991).
- **Brand Loyalty (BL):** Brand loyalty is a positive psychological association of a consumer with a particular brand. If a consumer is loyal towards a brand he/she is adverse of brand switching in case of that particular product/service (AMA, 2011).
- **Consumer's Willingness to Pay (CWP):** Willingness to pay is the readiness of the consumer to spend his hard earned money to consume a product/ service (Varian, et. all, 1992).
- **Brand Promotion (BP):** Brand promotion includes all marketing activities which spread and increase brand awareness and brand preference. Some important brand promotional activities are advertising, free sample distribution, endorsement etc (McCarthy, et. all, 1964).
- **Brand Availability (BA):** In simple terms availability of brand means the brand should be available in retail stores, in departmental stores, in online stores whenever the consumer realise a demand for it (Bayron, 2011).
- **Price (P):** Price is defined as the hike in present price of a brand in a said period of time (identified from responses of consumers).
- **Word of Mouth (WOM):** Consumers' peers, family members' shares opinion or experience about a brand. This is called word of mouth, which sometimes regulate consumer's attitude towards a brand. The consumer may or may not be influenced by their opinion (Lang, et. All, 2013).
- **Product Line (PL):** Product line refers to offering of several closely related products to the consumers. A product line can comprises of related products of different colour, size, flavour etc. In simple terms it is the variety of closely related products (Krishnamurthy, 2007).

- **Brand Switching (BS):** Brand switching is the tendency to shift of preference from one brand to another brand of same product category (Nielson, 2013).
- **Quality of the Product (QP):** In marketing product quality is an attribute which is associated with a certain product or brand and it varies depending on the perception and experience of consumers (Drucker, 1985).
- **Self-Image (SI):** Self-image is completely defined by the perception of a consumer about reflection of his or her inner self in front of others (Rogers; et. all, 1977).

Objectives of the Study

The objectives behind this study are:

- Main objective of this study is to find out the relationship among brand equity and other variables for FMCG brands.
- Analysis of customers' response to know their attitude towards a particular brand of FMCG products based on shampoo brands.
- Formulation of linear relationship between brand equity and other predictor variables.

3. Data and Research Methodology

Sampling Procedure: Simple random sampling method is followed in this research study. We have gone to each and every above mentioned spot during the time period of 2014 to 2016. In Kolkata every major location has a "More" which means the junction or most important landmark of a said location. We stood on the footpath of some 'mores' and approached most of the people passing by from 10am to 12pm indifferent days of the above said time period. So many people were passing by among them a very few were ready to respond and filling up the questionnaire. It is evident from the data collection procedure that selection of respondents was completely random and unbiased. Each and every resident of the sample area had equal chance to be selected as a respondent.

Determination of sample size: Kolkata is a major city of India which is characterized by high volume of population. It is difficult for an individual to cover the entire population of Kolkata for the purpose of collection of data to overcome this problem we have decided to follow sampling procedure. We have used a statistical model to find out what should be our required size of sample to reflect the population characteristics (Bill Godden, 2004). If the sample size is more than

50,000 (infinite population) then the formula for determining adequate sample size is:

$$SS = (Z^2 \times (p) \times (1 - p)) / C^2$$

Where: SS= Sample Size

Z= Z- value (e.g. 1.96 for a confidence interval of 95% level)

p= Percentage of population based on choice and expressed as decimal

C= Confidence interval expressed as decimal (e.g., 0.04 = +/- 4 percentage points)

Z- Values represent the values mentioned in standard cumulative normal probability table assuming that the sample will fall within a certain distribution (Bill Godden, 2004).

We have taken 500 respondents for our study which is satisfying these criteria quite clearly.

Sample Adequacy Test:

KMO Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.930

KMO test result shows that the sample size is taken for this study is adequate with a significant value of 0.930. If the value of KMO test is more than 0.70 then it is considered to be adequate sample size for a study.

Data Collection: In our study primary data is collected through one to one interview method. In this respect we have taken help of some predesigned questionnaire which reflect the attitude of consumers towards their preferred brands.

Sample Design: Our sample consists of male and female of different age groups and of different occupations. They are mainly segmented under some predefined demographic categories for the purpose of our study.

Table1: showing frequency and percentage of demographic variables age, occupation, gender of the respondents collected on the basis of their preference about shampoo brands								
Age	Frequ- ency	Percent	Occupat- ion	Frequ- ency	Percent	Gender	Frequ- ency	Percent
24 to 30 years	100	20.0	Working	200	40.0	Female	175	35.0
30 to 50 years	175	35.0	Nonwork ing	150	30.0	Male	325	65.0

50 to 60 years	150	30.0	Student	150	30.0	Total	500	100.0
More than 60 years	75	15.0	Total	500	100.0			
Total	500	100.0						

Reliability of the data to reflect a reliable result:

Case Processing Summary			
		N	%
Cases	Valid	2500	100.0
	Excluded ^a	0	0.0
	Total	2500	100.0
a. Listwise deletion based on all variables in the procedure.			
Reliability Statistics			
Cronbach's Alpha		N of Items	
0.985		10	

Value of Cronbach Alpha is 0.985 which is quite higher and it can be said that the data is reliable and the result we have find out by using this data is reliable.

Test of normality or whether the distribution is normal or not:

According to Central Limit Theorem, parametric approach to inferential statistics assumes that the mean values should be normally distributed across the samples (J. Toby Mordkoff, 2016).

Table: Showing mean values across the sample		
	Mean	N
CWP(μ_1)	6.0740	2500
BP(μ_2)	5.9372	2500
P(μ_3)	6.0416	2500
SI(μ_4)	6.2416	2500
BS(μ_5)	6.3836	2500
QP(μ_6)	6.2160	2500

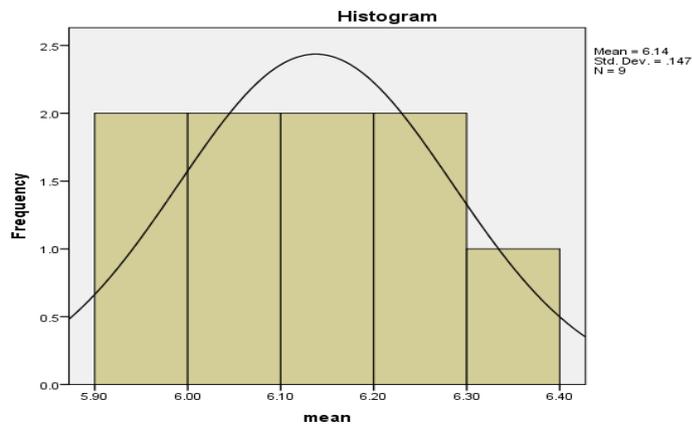
WOM(μ_7)	6.1992	2500
PL(μ_8)	5.9488	2500
BA(μ_9)	6.1960	2500

So we have sample means $\mu_1, \mu_2, \mu_3, \mu_4, \mu_5, \mu_6, \mu_7, \mu_8, \mu_9$ and our large sample mean is μ .

Table: Showing descriptive Statistics		
Mean		
N	Valid	9
	Missing	0
Skewness		0.052
Std. Error of Skewness		0.717
Kurtosis		-0.694
Std. Error of Kurtosis		1.400

Now as per the descriptive statistical measure skewness/std. error of skewness and kurtosis/ std. error of kurtosis should be -1.96 to +1.96 (Susan Rose, Nigel Spinks & Ana Isabel Canhoto, 2015)

- In our case skewness value= $(0.052/0.717)= 0.0725$ and kurtosis value= $(-0.694/1.400)= -0.495$. Now that it is proved that sample means $\mu_1, \mu_2, \mu_3, \mu_4, \mu_5, \mu_6, \mu_7, \mu_8, \mu_9$ are forming a normal distribution so we can say that our data set with mean μ is normally distributed.
- In our sample $N=2500$ which is quite large than $N=30$. Empirical statistical research wise a sample size more than 30 is large and assumed to be normally distributed (J. Toby Mordkoff, 2016).



4. Data Analysis and Results

Part 1: Empirical study shows that there is a functional relationship between Brand Equity (BE) and Brand Loyalty (BRAND LOYALTY).

$$BE = f(\text{BRAND LOYALTY})$$

It can be said that brand loyalty is a variable which reflects brand equity from consumers' point of view. We have collected response from 500 sellers on brand equity and from 500 consumers on brand loyalty. Relationship between brand equity and brand loyalty is determined through simple linear regression. In table 2 it is seen that the value of adjusted R² is 0.854 which means the predictor variable brand loyalty is explaining 85% of the dependent variable.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
0 1	0.924 ^a	0.854	0.854	1.00037

a. Predictors: (Constant), **Brand Loyalty**

In table 3 it is seen that both the variables are significant for this analysis because the p values are .000 for both the variables (p > 0.000). From here we can construct the first equation.

Model		Unstandardized Coefficients		t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error			Lower Bound	Upper Bound
1	(Constant)	0.219	0.057	3.856	0.000	0.108	0.331
	Brand Loyalty	0.908	0.008	120.995	0.000	0.894	0.923

Brand Equity = 0.219+ 0.908 Brand Loyalty.....equation I

Part 2: In this part of research we have taken two hypotheses for our research. These are as follows:

- H₀: There is no relationship between Brand Loyalty and Consumer's Willingness to Pay
- H₁: There is a relationship between Brand Loyalty and Consumer's Willingness to Pay

		Brand Loyalty	Consumers' Willingness to Pay
Brand Loyalty	Pearson Correlation	1	0.971**
	Sig. (2-tailed)		0.000
	N	2500	2500
Consumers' Willingness to Pay	Pearson Correlation	0.971**	1
	Sig. (2-tailed)	0.000	
	N	2500	2500

** . Correlation is significant at the 0.01 level (2-tailed).

Pearson Correlation Coefficient test shows that there is a significant ($p=0.000$) relationship between Brand Loyalty Score and Consumer's Willingness to Pay. The two variables are positively correlated with a high value of correlation coefficient i.e. 0.971. This leads us to the rejection of null hypotheses and acceptance of the alternative hypothesis.

- H_0 : Brand Loyalty does not depend on Consumer's Willingness to Pay
- H_1 : Brand Loyalty depends on Consumer's Willingness to Pay

Table 5 shows model summary where these two variables are involved

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.971 ^a	0.943	0.943	0.63673
a. Predictors: (Constant), Consumers' Willingness to Pay				
b. Dependent Variable: Brand Loyalty				

It is evident from the above table (Table 5) that the predictor variable Consumers' Willingness to Pay is explaining 94% of the dependent variable Brand Loyalty because the value of adjusted R^2 is 0.943.

From this table 6 we can construct our second linear equation because both the variables are significant for drawing the conclusion, $p = 0.000$ which is less than p value > 0.005 .

Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	0.574	0.035	16.635	0.000
	Consumers' Willingness to Pay	0.992	0.005	203.241	0.000

Brand Loyalty = 0.574 + 0.992CWP..... equation II

Part 3: This part of analysis deals with some other attributes of a brand and their relationship with Consumer's Willingness to Pay.

- H₀: Consumer's Willingness to Pay is indifferent with respect to the effects of Availability of the brand (in retail stores, online stores and shopping malls), Brand Switch, Product Line (Variety), Present price of the brand, Word of Mouth, Self-Image, Brand Promotion, Quality of the product.
- H₃: Consumer's Willingness to Pay varies with respect to the effects of Availability of the brand in retail stores, online stores and shopping malls (BA),
- H₄: Consumer's Willingness to Pay varies with respect to the effects of Brand Switch (BS),
- H₅: Consumer's Willingness to Pay varies with respect to the effects of Product Line (PL),
- H₆: Consumer's Willingness to Pay varies with respect to the effects of Price hike (P),
- H₇: Consumer's Willingness to Pay varies with respect to the effects of Word of Mouth (WOM),
- H₈: Consumer's Willingness to Pay varies with respect to the effects of Self Image (SE),
- H₉: Consumer's Willingness to Pay varies with respect to the effects of Brand Promotion (BP),
- H₁₀: Consumer's Willingness to Pay varies with respect to the effects of Quality of the product (QP).

Here we have used multiple regression analysis for this purpose.

Table7: Showing variables Entered/Removed At The Time of Multiple Regression Analysis			
Model	Variables Entered	Variables Removed	Method
1	BA, BS, PL, P, WOM, SI, BP, QP ^b	.	Enter
a. Dependent Variable: Consumers' Willingness to Pay			
b. All requested variables entered.			

From the above table it can be said that all the variables which we have considered after interviewing the respondents are also considered at the time of statistical analysis. Next we are taking model summary for our analysis.

Table8: Showing Model Summary of Multiple Regression Analysis				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.991 ^a	0.982	0.982	0.22073
a. Predictors: (Constant), BA, BS, PL, P, WOM, SI, BP, QP				
b. Dependent Variable: Consumers' Willingness to Pay				

Table 8 shows that the value of adjusted R² is 0.982 which means we can predict the value of Consumers' Willingness to pay with 98% accuracy.

Model	Unstandardized Coefficients		t	Sig.	95.0% Confidence Interval for B		
	B	Std. Error			Lower Bound	Upper Bound	
1	(Constant)	0.172	0.022	7.724	0.000	0.128	0.216
	BP	0.096	0.008	12.088	0.000	0.081	0.112
	P	-0.085	0.008	-9.997	0.000	-0.101	-0.068
	SI	-0.004	0.008	-0.542	0.588	-0.019	0.011
	BS	-0.189	0.007	-28.508	0.000	-0.202	-0.176
	QP	0.579	0.011	51.361	0.000	0.557	0.601
	WOM	0.186	0.007	26.286	0.000	0.172	0.200
	PL	0.222	0.007	29.646	0.000	0.207	0.236
	BA	0.162	0.010	16.261	0.000	0.142	0.181

With the help of unstandardized β coefficients in this stage we are forming the third equation without the variable Self Image (SI) because it is insignificant to predict Consumer's Willingness to Pay (**Consumers' Willingness to Pay**), p value is 0.588 which is greater than 0.005 which

shows variable Self Image is insignificant even at the time of data collection we come to know that respondents are not able to relate their self-image with FMCG brands. Their willingness to pay for a particular FMCG brand is not motivated by the variable self-image because FMCG products are used personally and these products do not demonstrate buyers' purchasing power or economic status unlike FMCD products. Here we are failed to reject null hypotheses.

All other remaining variables are significant because the p values of all other predictor variables are less than 0.005. We are able to reject null hypotheses H_0 and we are accepting $H_3, H_4, H_5, H_6, H_7, H_8, H_9, H_{10}$:

Hence, we are considering only the significant variables to construct the next equation. Therefore our third equation is:

Consumers' Willingness to Pay = $0.172 + 0.096BP + (-0.085)P + (-0.189)BS + 0.579QP + 0.186WOM + 0.222PL + 0.162BA$equation III Where, Availability of the brand in retail stores, online stores and shopping malls (BA), Brand Switch (BS), Product Line (PL), Price hike (P), Word of Mouth (WOM), Brand Promotion (BP), Quality of the product (QP)

Part 4: Now from equation II and equation III we can form equation IV by substituting the value of Consumer's Willingness to Pay (CONSUMERS' WILLINGNESS TO PAY) in both the equations we have:

Brand Loyalty = $0.574 + 0.992(0.172 + 0.096BP + (-0.085)P + (-0.189)BS + 0.579QP + 0.186WOM + 0.222PL + 0.162BA) = 0.744 + 0.095BP - 0.084P - 0.187BS + 0.574QP + 0.184WOM + 0.220PL + 0.160BA$...equation IV

Where,

Availability of the brand in retail stores, online stores and shopping malls (BA), Brand Switch (BS), Product Line (PL), Price hike (P), Word of Mouth (WOM), Brand Promotion (BP), Quality of the product (QP)

Now from equation I and from equation IV we are constructing our main equation

Brand Equity = $0.219 + 0.908 (0.744 + 0.095BP - 0.084P - 0.187BS + 0.574QP + 0.184WOM + 0.220PL + 0.160BA)$

Brand Equity = $0.894 + 0.086BP - 0.076P - 0.169BS + 0.521QP + 0.167WOM + 0.199PL + 0.145BA$ Equation V

Where,

Availability of the brand in retail stores, online stores and shopping malls (BA), Brand Switch (BS), Product Line (PL), Price hike (P), Word of Mouth (WOM), Brand Promotion (BP), Quality of the product (QP)

Part 5: Here is the explanation for the guiding equation and for the predictor variables and their uses to determine the value of Brand Equity. In equation V Availability of the brand in retail stores, online stores, departmental stores and shopping malls (BA) has a positive coefficient because when availability of a brand increases it is placed in visible position in different shops as a result consumers are bound to see these brands which in terms works as stimulator for consumers buying decision. If a brand is always available whenever it is demanded it has a positive effect on consumers' mind which generates brand equity for the brand. At the time of one to one interview we come to know that Brand Switch (BS) has a negative effect on brand equity. When consumer wants to switch a brand then his loyalty towards that brand is reducing so the chance of repeated purchase of that brand is also reducing at the same time. Our data analysis also reflects the same outcome. Price hike (P) is another predictor variable which also has negative impact on brand equity. It is worldwide known fact that if price increases then demand decreases if other variables remain constant. Consumers' willingness to pay for a brand is also face a negative impact if price of a particular brand increases. Word of Mouth (WOM) has a positive and significant impact on brand loyalty, consumers' willingness to pay and in brand equity. If Brand Promotion (BP) is rightly done it also has a positive impact on brand equity. Quality of the product (QP) is very important to gain and maintain brand equity which also evident from our data analysis. Product Line (PL) is very important to gain brand equity because now consumers' are demanding variety from their brand of choice.

Hence we can get the absolute value of Brand Equity when we are subtracting absolute values of Brand Switch (BS) and Price hike (P) from total absolute value of Brand Availability (BA), Product Line (PL), Word of Mouth (WOM), Brand Promotion (BP), Quality of the product (QP) taking together with the use of equation V.

5. Conclusions

Here we have developed a linear equation model to find out Brand Equity of a FMCG brand based on Consumers' Willingness to Pay, Brand Loyalty, Brand Switch (BS), Price hike (P), Brand Availability (BA), Product Line (PL), Word of Mouth (WOM), Brand Promotion (BP), Quality of the product (QP).

- First assumption of this model is its linearity; here we have assumed that consumers' responses are linear in nature (a polynomial with a degree of 1) not quadratic or cubic.

- Second assumption is that all other variable which may influence brand equity are not considered here.
- The model is very simple and any one can find out brand equity of a FMCG brand by using this formula.
- This study is limited to FMCG products.
- More variables can be included to predict Brand Equity.

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