

## EFFECT OF CORPORATE BRANDING ON SALES VOLUME OF SELECTED MANUFACTURING FIRMS IN KANO STATE, NIGERIA.

**Garba Saidu Masoud Ph.D**

Department of Marketing ABU Business School Ahmadu Bello University, Zaria

**Corresponding Address:** [garbamasoud1234@yahoo.com](mailto:garbamasoud1234@yahoo.com)

### **Abstract**

*This study examines the effect of corporate branding on sales volume of manufacturing firms in Kano state, Nigeria. The population of this study is 1168 out of which a sample size of 369 was selected as sample size and a survey research design was employed. The study used multiple regression and the findings indicate that brand awareness significantly affect sales volume of manufacturing firms in Kano state, Nigeria. That there is a positive relationship between brand associations and sales volume of manufacturing firms in Kano state, Nigeria. That perceived quality significantly influences sales volume of manufacturing firms in Kano state, Nigeria. The study concluded that branding enable customers to distinguish between different products and services and recognize what they perceive satisfies their needs the most. The study recommended that manufacturing firms should adopt brand awareness so as to ensure that customers' recall and recognize the brand as reflected by their ability and to identify the brand under different conditions which will promote firms' sales volume.*

**Keywords:** brand; sales volume; perceived quality and brand association.

### **INTRODUCTION**

The emergence of brands probably started at the end of the 19th century (Davis, 2018). Symbols and logos were used to indicate retailer's specialty and exclusiveness of the brand (De Chernatony et al., 2011). In consumer marketing, brands can be critical to the success of companies, as they often provide the primary points of differentiation between competitive offerings. More than simply a name, symbol or a tagline, a brand is a set of associations and expectations with a company or product evoked in the minds of consumers (Kumar et al., 2014). According to Schroeder et al (2016), brands have become vital dimensions of the so-called marketing democracy. Today, brands represent economic entities and sources of power which impose modes of thinking and behaving. The term 'brand equity' emerged in the 1980s and today, most top executives agree that brand equity is one of the most important assets of the organization (Herremans et al., 2017).

Corporate branding is a holistic brand management approach adopted by firms to craft a unique corporate identity (Abratt & Kleyn, 2018). The concept of corporate branding has gained popularity in the marketing literature as corporate brands are said to add value to the products and services offered by the company (Harris & de Chernatony, 2011). In order to develop and sustain a strong brand, it is important to manage the brand correctly and in today's

competitive market, two tools are essential for brand management: brand positioning and brand identity (Kapferer, 2016). Brands have had impact on people's perceptions of the products and also raised the direction of the world's passion to functional products. Brands can represent lifestyles and values (Lexus, Rolex, 2009) and functions such as the meanings of symbols, on the basis that people who are specialists in brands provide the level of quality of the product that cannot always be proven in the lab (Franz & Moriarty, 2019). Aaker and Joachimsthaler (in Chikwe, 2018) showed that the challenges facing companies when they are constructing brands are: to get the brand to be noticed, to be remembered, to change perceptions, to strengthen attitudes and to create a deep relationship with the customers. Because any brand, no matter how strong it was at one point in time, vulnerably and can be destroyed by inadequate brand management such as when changes in market conditions is not considered (Keller, 2002).

Branding attract and keep customers by promoting the value, prestige and a lifestyle. Branding is a technique to build a sustainable differential advantage by playing the nature of human being. Once consumers become habituated to certain brands, they do not willingly accept the substitutes; this means that through developing a brand, brand image and identity has a great importance for brand development (Rooney, 2015). In many businesses, branding is an instrument that passes on item advantages to clients as names or images to which interesting and persuading affiliations are appended.

Companies all over the world whether the service or manufacturing firms, recognize the essential role branding plays in the course of business. In the present-day marketing practice, branding has become an active weapon used by firms to strengthen their competitive advantage and thus, improve the accomplishment of their prearranged objectives (Franzen and Moriarty, 2019).

Extant literature have examined the relationship between branding and sales volume (Muhammad & Muath, 2018; Anjum & Anwar, 2016; Jewel et al., 2018). However, these studies focused on variables such as brand extension, multiple branding, gender, name, logo, symbol, packaging or signage with little attention on the relationship between brand awareness and sales volume, brand associations and sales volume and perceived brand quality and sales volume. This present study therefore bridge this gap by incorporating brand awareness, brand associations and perceived brand quality into the literature as predictors of sales volume.

In addition, consumer behavior in manufacturing industry is becoming increasingly less predictable, more fragmented and less consistent. Customers are demanding value-added products which satisfy their needs and wants apart from having quantity in product. Due to intensive competition, manufacturers started working on research and development as well as branding of the new and existing products in order to get prosperous. Manufacturing companies should be market oriented and required to get much understanding about the market. Although, the development of products is crucial for manufacturing company's ability to meet and sustain customers' demand. There are considerable challenges faced by the

product formulator during product development; these include constraints of finance, manpower, time and the need for continual innovation. The manufacturing companies are required to take into consideration and develop areas like brand development and market orientation. There is also the existence of positive relationship between market orientation and company sales volume. Thus, the study investigated the effect of branding on sales volume of manufacturing firms in Kano state, Nigeria.

This study is organized in five sections. The first section discussed the introduction, the second section reviewed literature on the relationship between branding and sales volume, the third section presents the methodology employed in carrying out this study, the fourth section discussed the analysis of data collected for the study and the five section draw conclusion and recommendation based on the result of the analysis of the study.

The American Marketing Association (2016) defined a brand as "*a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to distinguish them from those of competitors.*" These differences may be functional, rational, or concrete. They may also be more symbolic and emotional in relation to what the brand represents (Kotler & Keller, 2009; Crane, 2010). Asacker (2015) offered that "a brand" is a means of representing and identifying product or range of products. Branding creates a unique identity for a product making it recognizable to its customers (Franzen and Moriarty, 2019). Most definitions emphasized that brands are expected to deliver a range of objectives; the most important is to identify the goods or services from one seller or a group of sellers and differentiate them from those of competitors.

This is an important determinant which can be identified in most models of branding, (Mackay, 2001). Keller (2003, pp 17) defines brand awareness as "*the customers' ability to recall and recognize the brand as reflected by their ability to identify the brand under different conditions and to link the brand name, logo, symbol, and so forth to certain associations in memory*". According to Asacker (2015), there are other higher levels of brand awareness apart from recall and recognition. He added brand dominance, top-of-mind, and brand opinion and brand knowledge. Keller (1993) also added that brand knowledge is the complete set of brand association attached to the brand. Vrontis and Pappasolomou (2017) posit that powerful brands are more likely to benefit when customers' awareness of the brand is high. In addition, brand awareness occurs when a potential buyer is able to identify and recall brands belonging to a product category of a company (Atilgan et al., 2015).

The most accepted aspect of branding is brand association (Aaker, 1992). It represents reason for deciding to purchase and having loyalty for a brand. According to Kotler and Keller, (2006), brand association consists of all brand related feelings, thoughts, images, beliefs, experiences, attitudes and is everything associated with the brand. There are two types of brand association; they are organization association and product associations (Crane, 2010). Research by Hamann et al. (2017) showed that customers most often use and are willing to pay higher prices for branded products when they have the opportunity to choose other products that fall into the same category. Corporate brand association refers to a customers'

evaluation of a brand that is determined by the knowledge stored in their memory, based on past brand-customer interactions.

Another dimension viewed in branding is perceived quality rather than been viewed as part of the overall brand association (Feldwick, 2016). Perceived quality is how the customer judges the overall superiority or excellence of a product or service that is different from its objective quality. The objective quality of a product or service refers to the measurable, technical and its verifiable nature, process and quality controls. A higher objective quality does not necessarily add any value to brand equity (Abratt & Kleyn, 2018). It is difficult or impossible for customers to make correct and complete judgment of objective quality; therefore, they use quality attributes that they can associate with quality.

Sales Volume refers to the number of units your company sells during a specific reporting period. This period could be a month, a quarter, or a year depending on what level of sales volume you're seeking to analyze. Investors frequently look at sales volume to assess the health of a growing or contracting company. Sales volume alone won't indicate much in the way of revenue or net sales. For that, you'd need to utilize the total revenue formula. But sales volume can still inform a large number of sales decisions for your team. It's a great tool to help you understand your sales metrics in regards to customer preference, inform your sales data, and assist in sales forecasting.

Empirical studies were reviewed on the relationship between branding and sales volume. For instance, Muhammad and Muath (2018) investigated the impact of brand elements on creating brand equity of Jordanian Corporations and quantitative approach was adopted in this research. A questionnaire was developed and administered for collecting data from the sample. 160 copies of questionnaire were distributed using cluster sampling method to the Marketing Officers of the Corporations that appeared in the sample, 138 copies were retrieved while 131 were accepted for analysis. Data analysis took place to examine the study variables and test hypotheses using the Statistical Package of Social Science (SPSS). After conducting the analysis of study data and hypotheses, the study found that Jordanian Corporations most frequently used brand elements - name, logo, symbol, packaging or signage and these have positive impact on creating and sustaining brand equity. Based on the findings, it was recommended that Jordanian Corporations pay more attention to branding and brand elements due to the positive influence that they have on brand equity.

Anjum and Anwar (2016) did a study on examining the effects of marketing and branding on sales volume via mediation of employee training in telecom industry in Pakistan. The data was collected from 384 employees and the customers of the telecom sector through self-administered questionnaires through convenience sampling. The data was further analyzed by using multivariate statistical analysis for getting either the acceptance or rejection for the hypotheses. The results showed that marketing and branding practices significantly predicts the sales volume in the telecom sector and also employee training significantly mediates the relationship between marketing skills and sales volume and branding and sales volume respectively. So, the employee who enters a company in start shall be given either on-job or

off-job training to make him/her a worthy and efficient player in the field. This will save lots of efforts and money for the company afterwards as these employees will be well-furnished with marketing skills and branding practices and can bring bounteous sumptuousness and triumph to the company.

Fatima and Muhammed (2014) did a study on the impact of branding on consumer behavior. Brand knowledge is a very important factor. As the consumer is more aware of the brand and has all the knowledge about its price, quality etc.; the more he will be attracted towards that brand, the loyalty level increases with the age. Family is the most influential reference group. The consumers who are more social are affected by their friends like on Facebook. The consumers who are more status-conscious are more status conspicuous than those who are not status-conscious. According to the research, all the factors are statistically significant, but gender is the only variable which is not statistically significant, and its value is different from the 0.05 In the reliability table, it was calculated that the research validity and reliability is 89.6% which is great. In the end, it was concluded that branding impacts the consumer behavior in relation to the different dependent and independent variables.

Jewel et al. (2018) conducted a study on the effect of branding on marketing sales volume of companies in the mobile phone industry (Case Study of Techno Ghana, Accra). The purpose of this study was to analyze the impact of marketing mix elements on brand loyalty. The present study is applicable in terms of objective and descriptive survey in terms of data collection. To identify the challenges associated with branding at Techno Ghana, identify the importance of branding in the marketing of Techno Products, determine the branding strategies adapted by Techno Ghana and ascertain the relationship between branding and the sales volume of Techno products in Ghana, descriptive research design was used, and data was collected from a sample size of 50 with the aid of questionnaires. Convenience sampling method was used for the selection of the respondents. Results revealed that lack of branding know-how and insufficient branding guidance for entrepreneurs are major challenges in techno Ghana. Also, the results indicated that, brand impacts on the purchase decision of customers, helps customers to identify the source of products, and communicates features and benefits while developing and maintaining branding activities through both internal and external agency. Brand extension and multiple branding are the major branding strategies used by Techno Company. Finally, the findings showed that the company employs logos, jingles and packages and communicated them through TV campaigns and events.

This study anchored on choice and rational choice theories. Choice theory emphasizes the individual's control over his or her own feelings and actions and teaches the concept that all behaviour is chosen (Kotler & Keller, 2009). The theory states that all human behaviour is driven by the desire to satisfy five basic human needs (Crane, 2010) the need to be loved and accepted, the need to be powerful, the need to be free, the need to have fun and the need to survive. Conflict arises because humans can only control their own behaviour. Another offshoot of choice theory, rational choice theory states that people make decisions based on

analyzing the pros and cons of a situation (Muhammad & Muath, 2018). This means that people weigh the costs and benefits of potential choices before settling on a course of action. Originally conceived as an economic theory, it was a way to understand how people make decisions to maximize their money (Anjum & Anwar, 2016). As time has passed, however, rational choice theory has evolved to include all areas of human decision making, including sociology and political science. Under this assumption, all human behaviour can be seen as a way to meet individual needs (Muhammad & Muath, 2018). According to rational choice theory, human interaction is a transactional process where the perceived gain is emphasized over other motivations.

## METHODOLOGY

The study was carried out using survey design. Primary data was obtained through the use of questionnaire. The population of the study was 1168 drawn from employees of the selected manufacturing firms in Kano state Nigeria. The firms are BUA Flour Mills PLC and Innoson Technical and Industry Limited Kano state, Nigeria. A sample size of 396 was determined from the population using Cochran's sample size determination method. The instrument used for data collection was questionnaire structured in 5- point Likert scale and validated with content face validity. The reliability test was done using test-retest method. Three hundred and sixty nine (369) copies of the questionnaire were distributed and three hundred and ten (310) copies were returned while fifty nine copies (59) were not returned. The three hypotheses formulated were tested at 0.05 level of significance.

## DATA ANALYSIS AND DISCUSSION

The data obtained from the field were presented and analyzed with descriptive statistics, Pearson's Correlation analysis and Regression analysis at 0.05 alpha level.

### Descriptive Statistics

This section is primarily concerned with the descriptive statistics for the variables used in the study. Descriptive statistics in the form of means and standard deviations for the variables of this study were computed. Table1 presents the result of the analysis

**Table 1: Descriptive Statistics of the Studied Variables**

Construct	N	Mean	Std. Deviation
Brand Awareness	310	2.65	0.76
Brand Association	310	3.43	0.56
Perceived Quality	310	3.45	0.60
Sales Volume	310	3.63	0.55

The descriptive statistics for all the variables of this study are as shown in Table 4.5. All these variables were measured using a five-point Likert scale. From the table, a mean response of 2.35 and standard deviation of 0.76 were recorded for brand awareness. This is above the average value (2.5) of the Likert scale used in the study. Also, a mean of 3.43 and standard deviation of 0.56 were recorded for brand association which is also higher than the average value of 2.5 measured by the Likert scale used in this study. Likewise, the study recorded a mean value of 3.45 and standard deviation of 0.60 for perceived quality. Lastly, the mean and standard deviation of 3.63 and 0.55 respectively were recorded for Sales Volume. In summary, the result indicated that the branding variables selected for this study are well practiced in BUA Flour Mills PLC and Innoson Technical and Industry Limited Kano state, Nigeria and the management of these firms used them greatly to enhance their sales volume.

### Correlation Analysis

Correlation analysis was conducted to establish the relationship between the variables of this study. Table 2 presents the result.

**Table 2: Correlation Analysis**

Construct	DJ	PJ	IJ	CB
Brand Aware.	1			
Brand Assoc.	.449**	1		
Perceived Qual.	.228**	.640**	1	
Sales Volume	.351**	.612**	.581**	1

As shown in Table 2, the correlations between the constructs were sufficiently below the suggested threshold values of .90 or more, which suggests that the constructs were independent and not highly correlated. Secondly, following the examination of correlation matrix for the constructs, it can be observed that brand awareness was positively correlated with brand association, perceived quality and sales volume. In the same vein, brand association was positively correlated with perceived quality and sales volume. Lastly, Perceived Quality has a positive relationship with Sales Volume. The correlation result implied that the higher the practice and implementation of these branding measures by the management of BUA Flour Mills PLC and Innoson Technical and Industry Limited Kano state, Nigeria, the better their sales volume.

### Multicollinearity

Multicollinearity increases the variance of regression coefficients and threatens to the validity of the regression equation. The Multicollinearity diagnostics was checked using the VIF and tolerance value. Table 3 presents the result.

**Table 3: Multicollinearity Test**

Constructs	Tolerance Value	VIF
Brand Awareness	0.792	1.262
Brand Association	0.493	2.028
Perceived Quality	0.585	1.708

The result in table 3 shows no multicollinearity between the independent variables. Furthermore, our variance inflated factor (VIF) and tolerance value shows no potential problem of multicollinearity. It is generally believed that any variance inflation factor (VIF) exceeds 10 and tolerance value lower than 0.10 indicates a potential problem of multicollinearity (Hair et al, 2010).

### Regression Result

The regression result shows the effect of each independent variable to the dependent variable. This section also presents the F statistics, R<sup>2</sup> and adjusted R<sup>2</sup> of the model. Table 4 presents the summary of the regression result.

**Table 4: Regression Results**

Dependent Variable: CWB				
Variable	Coefficient	Std. error	t-statistic	prob.t
(Constant)	0.120	0.157	7.592	0.079
Brand Awareness	0.346	0.035	2.521	0.003
Brand Association	0.332	0.060	5.708	0.001
Perceived Quality	0.120	0.051	5.972	0.037
R- squared	0.447			
Adj. R- squared	0.441			
F-statistics	82.347			
Durbin-Watson	1.608			

**Source: Computed using SP**

Table 4 shows regression results of the model. The model consists of dependent variable which is Sales Volume and independent variables which are brand awareness, brand association and perceived quality. In the model the multiple coefficients of determination R<sup>2</sup> is 0.447. This means that 44.7 percent of change in Sales Volume was caused by changes in the combined effect of brand awareness, brand association and perceived quality. The remaining 55.3 percent can only be accounted for by other factors not included in the model of this study. The f-statistics is 82.347 with p-value of 0.000 which is less than 0.05 and is statistically significant which mean the model is fit, because it accounts for the variation in the dependent variable.

Furthermore, the effect of brand awareness on sales volume is positive with coefficient value of 0.346, meaning that a unit increase in the brand awareness while other variable remains constant lead to an increase in sales volume of BUA Flour Mills PLC and Innoson Technical and Industry Limited Kano state, Nigeria by 34.6 percent. The result also revealed a significant

effect of brand awareness on Sales Volume ( $P < 0.05$ ). The study therefore rejected the hypothesis that states that brand awareness has no significant effect on Sales Volume. Furthermore, the effect of brand association on sales volume is positive with coefficient value of 0.332, meaning that a unit increase in the brand association while other variable remains constant lead to an increase in sales volume of BUA Flour Mills PLC and Innoson Technical and Industry Limited Kano state, Nigeria by 33.2 percent. The result also revealed a significant effect of brand association on sales volume ( $P < 0.05$ ). The study therefore rejected the hypothesis that states that brand association has no significant effect on employee sales volume. Lastly, the effect of perceived quality on sales volume is positive with coefficient value of 0.120, meaning that a unit increase in the perceived quality while other variable remains constant lead to an increase in sales volume of BUA Flour Mills PLC and Innoson Technical and Industry Limited Kano state, Nigeria by 12 percent. The result also revealed a significant effect of perceived quality on sales volume ( $P < 0.05$ ). The study therefore rejected the hypothesis that states that perceived quality has no significant effect on employee sales volume.

## CONCLUSION AND RECOMMENDATIONS

The study concludes that brand help companies to differentiate themselves from competition and to attract certain groups of the market. Branding also enables customers to distinguish between different products and services and recognize what they perceive satisfy their needs the most. Brand equity is the added value to the firm, the trade, or the consumer with which a given brand gives a product. There are liabilities and assets linked to brand and these brand assets can provide value to both the company and customers in form of brand equity. Based on the findings of this study and the conclusions drawn, the following recommendations were made: Manufacturing firms should adopt brand awareness so as to ensure that customers' recall and recognize the brand as reflected by their ability to identify the brand under different conditions which will promote firms' sales volume. Also, manufacturing firms should practice brand associations because it refers to a customer's evaluation of a brand that is determined by the knowledge stored in their memory, based on past brand-customer interactions which add value on firm sales volume. Lastly, manufacturing firms should ensure that the perceived quality of their products must stand the test of time that help in boosting firms' image.

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