

Assessment and Prioritizing Branding Factors Effective in the Furniture Industry

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The present paper aims at assessment and prioritizing of branding factors affecting the furniture industry and offering appropriate solutions to branding in furniture industry. To this end, after basic studies and review of other researches, 23 patterns and sub-patterns under 5 basic criteria of brand equity, effect of brand, client satisfaction, promotions, and the effectiveness of the brand were recognized, and prioritized through hierarchical analysis procedure method (AHP). Results showed that the factors of client faithfulness, appropriate quality, understood quality, appropriate price, exhibitions, and client-friendliness have respectively the highest scores, and also solutions, the training of skilled managers, as well as the influence of brand and effect of brand have respectively been the most appropriate solution and the most sensitive criteria.

Key words: furniture industry; branding; client satisfaction; hierarchical analysis procedure (AHP)

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INTRODUCTION

Today's business world is a world of prominence and superiority. The time of resemblance and sameness has been passed, and creativity, innovation, and prominence of the leaders are decisive in business markets, and brands, that hold those characteristics, are the incessant market leaders. Powerful brands stimulate the formation of institutional innovation. Today, brands are regarded to be parts of institutions' priorities and main plans. Investing in trademarks is beyond annual marketing costs, and is one of strategic priorities for all enterprises. Brands may create value for the business by way of optimizing the performance and offering competitive advantages (Saeedniya 2012). Kotler and Armstrong (2008) concisely define brand as a name, expression or idiom, mark, sign, design, or a combination thereof that aim to introduce goods or services rendered by a seller or a group of sellers whereby to offset the product among rivals' products. Branding is the creation of appropriate competition between manufacturers and exporters so as to increase real competitive ability among them. The establishment of brands in the furniture industry not only helps the Iranian consumers choose the best domestic products, but it also paves the way for expansion into other countries and helps develop export. Many authors appreciate the branding and its merits. Lee and Back (2009), for instance, believe that the brand equity enables enterprises to claim more amounts for their brands in addition to retaining their market share. Roulac (2006) declared that brands may distinguish the price or the demand for the concerned goods or services. With respect to the advantages of branding, this may be utilized in export development.

Chinguwa et al. (2013) stressed that furniture manufacturers should gather information from the furniture market in order to be aware of the market situation, and also to be able to optimize their products according to the needs of the customers (Norzanah et al. 2012). Ghazanfari (2008) stated that from the point of view of export, which is 50% of commerce, most challenges faced by exports arise from the non-existence of brands. According to the report of Malaysian International Furniture Exhibition (2012) Malaysia has resorted to a brands strategy to optimize the picture of the domestic furniture market. The Malaysian government makes manufacturers focus on design and quality of their products to capture markets as planned. Fathollahzade (2006) studied international trade in the field of Iranian furniture, concluding that the most important problems faced by the furniture production industry are lack of sustained production policy, lack of appropriate financing by the banks for manufacturers, lack of skilled work force, worn-out equipment, and lack of attention to innovation. Also, he regards lack of observation of production standards, low quality of export-grade products, lack of knowledge on target markets, as well as lack of export-oriented vision and culture among manufacturers as the most fundamental problems faced by the export sector of the industry. According to the European Furniture Manufacturers Syndicate (2010) competitive factors in furniture industry include ability to manufacture, quality, design, and brand name. Noorzanah et al. (2012) reported that all developing countries had presently moved toward branding to compete in the field. There is currently only one Malaysian brand among global brands. The brand SFIC¹ in Singapore is able to actively compete in the global furniture market. The country is developing a brand to quickly respond to changes in furniture market. In his 2009 report titled "Bangladesh furniture industry and export advancement", Nahid has named the following as factors contributing to increase in export: improvement of quality; improvement of mental picture that exists of Bangladesh in social and external contexts; increase in Bangladeshi design, brand and trademark capacity; understanding the international market and categories of export; increase in the yield of production by taking appropriate paths; and executing advanced specialized plans. Mavrogiannis et al (2008), and Leonidou et al. (2002) regard factors contributing to export as product design, composition of trademark (name, insignia, and design), after-sale services, customer services before and after sale, and advantages of the product (luxury, quality, trust, etc.). The furniture industry of India has gradually undergone a change by branding. It has become more systematized, has developed a competitive sector, and has the ability of competing in global markets by engaging in branding and its management thereto. Lages and Lages (2003) indicate design, brand's shape, innovation and distinguishability in production, quality of products, and services as factors that contribute to increases in exports. According to Norzanah et al. (2012), Asian manufacturers with global trade will not succeed without trademarks. As regards the employment of Analytical Hierarchy Process (AHP) method in the processes of decision-making, Azizi (2008) used the method to determine factors effective in decision-making for the appointment of production manager of a furniture manufacturing firm. In his thesis titled "Comparison of chain store customers' loyalty", Karimi (2011) employed AHP, whereby he found that customers' trust, satisfaction and loyalty do not have a meaningful differences and that the factor that determines the supremacy of a store is quality. Khorshidi and kardgar (2009) identified and ranked factors that contribute most to customers' loyalty, using multi-criterion decision-making methods.

¹ Singapore Furniture Industry Council

The present research aims to assess and prioritize branding factors affecting the furniture industry, and offering appropriate solutions to branding in furniture industry. That being said, the questions are: what are the most important branding factors in the furniture industry? And what are the effective solutions to apply those factors throughout Iran? In this respect, it could be supposed that customers' loyalty and appropriate quality are among the most important factors affecting branding in the furniture industry, and that the training of skilled managers has top priority over other solutions.

1. Customers' loyalty and appropriate quality are among the most important effective indicators of branding in the furniture industry.
2. Training of skilled managers has top priority over other solutions; and influence of brand and effect of brand are the most sensitive indicators.

EXPERIMENTAL

In order to identify factors that contribute to the effect of branding in the furniture industry, after library researches and studies on researches conducted by others, 23 factors were identified and were divided into five categories of brand equity, effect of brand, customers satisfaction, advertising and influence of brand (figure 1). Some indicators may be described as the following:

Awareness of Brand

Aaker (1991) defines awareness of brand as consumer's ability to identify or remember a brand in one level of a certain product. Keller (2003) notes that the awareness of brand, with the merits of learning, attention and choice, plays an important role in consumers' choice of purchase. A brand that has long been consumed by the household creates a high level of awareness in the consumers. This results from the long-term consumption of the brand, which may be regarded as a certain type of learning at home (Olsen 1993). Awareness may intensify the learning ability of consumers, to the point that those brands may also appear in the shopping basket of the household's younger members (Gil et al. 2007).

Management of Brand

Management of brand is the employment of marketing techniques for a certain product or product line. It pursues the increase of value for the customer and finally the increase in the sale volume. Marketeers regard brand management as a tool for raising the quality expected by the customers, increasing the purchase and creation of loyalty in customers. One of the most important advantages of brand management for a firm is the possibility of raising the prices of goods and services in a certain market, without losing the customers. Brand management is in fact a distinguishing tool (Ahmadi et al. 2009).

Strategy of Brand

By designating a strategy, firms establish a specific, or unwritten, identity. The establishment of such an identity and its development create a special value for the customers, whereby the firm is distinguished and will be safe among rivals. Brand strategy paves a specific way for the managers and leads and controls organizational branding plans, and consequently creates profit and productivity margin. In other words, it will result in more profit (Iranian Marketing Park 2012).

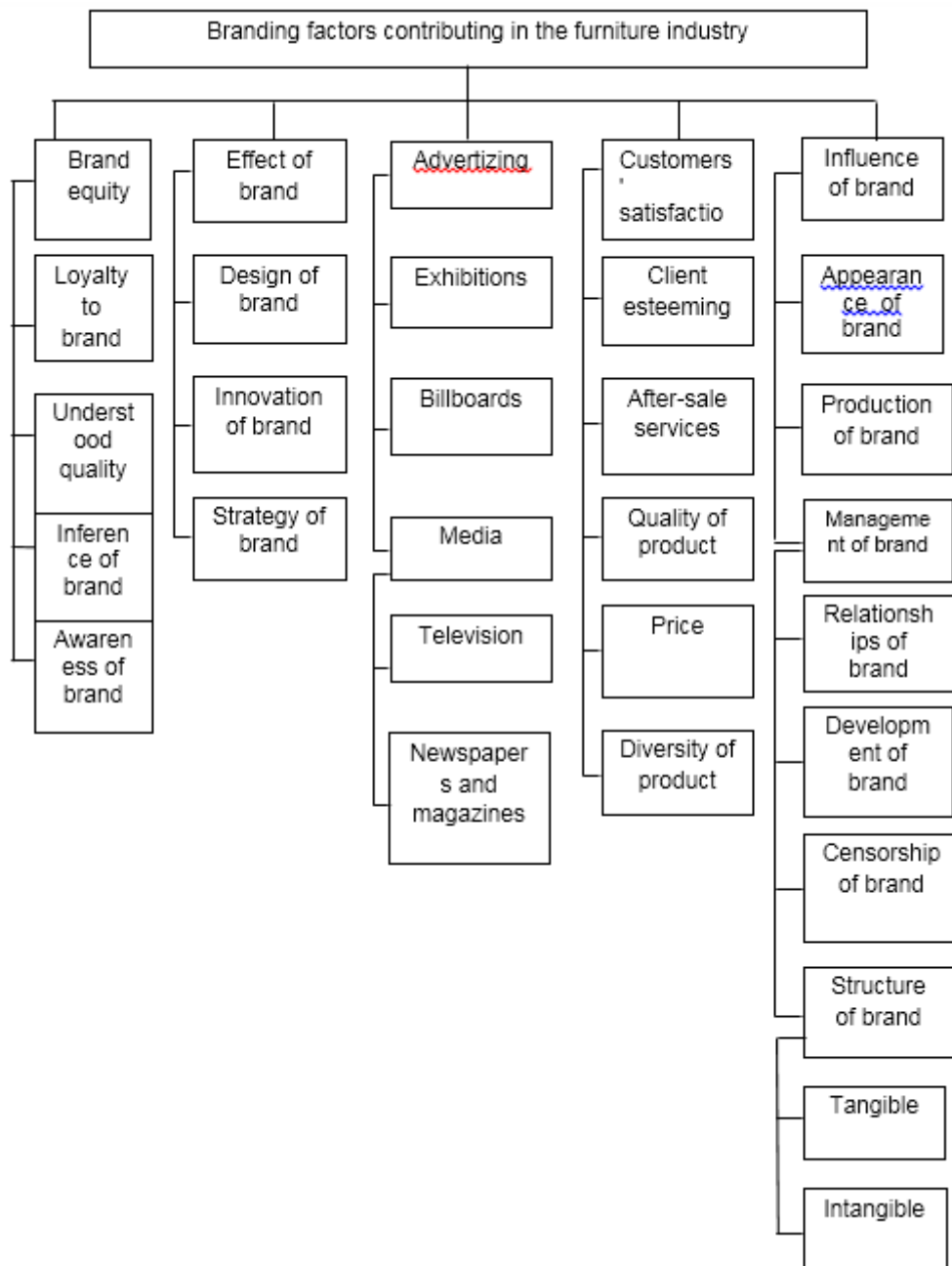


Fig.1. Hierarchy of branding indicators and sub-indicators effective on branding in the furniture industry

Creativity

Creativity of brand distinguishes it from rivals, and this discrimination seals the brand on the minds of customers. A brand that includes a new concept, meets the needs of customers and is creative (Saatchi 2000), by itself attracts the customer. Creativity is a key to above factors which all require appropriate execution of the brand.

Inference of Brand

Aaker (1996) states that awareness of a brand has a close relationship with inference of brand. He defines brand inference as a relationship between memory and

the brand. According to Gil *et al.* (2007) inference creates a value and feeling about brands that distinguishes them from other brands. Furthermore, consumers store a picture in mind of the product they purchase or consume in the household, which may not necessarily be the product's name. The picture may include the shape of binding, certain design or photos, or anything else that is able to create a mental picture. Besides, the awareness in the mind of the customer, as well as connection with a strong, positive inferrer is regarded as an advantage for the brand. Atilgan *et al.* (2005) stress that the inference of brand influences customers' loyalty and creates value for consumers and firms.

After designating effective indicators, a chart of decision-making for the hierarchy of these indicators and sub-indicators was designed, as per figure 1. In order to dual-compare the indicators and sub-indicators for identifying each one's level of priority, a questionnaire was designed and distributed among 25 furniture manufacturers and experienced professional in wooden furniture industry. Upon collecting the questionnaires, the weighting value of each indicator and sub-indicator was determined, using Expert Choice software. Considering the branding problems in furniture industry, solutions were offered based on the research conducted. A second questionnaire was designed and distributed among furniture industry manufacturers and experts, in order to weigh and prioritize choices in proportion to indicators (Fig.2).

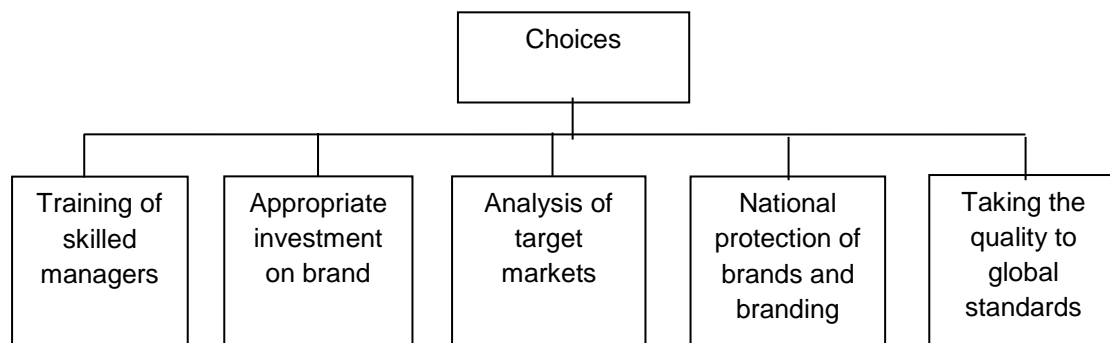


Fig. 2. Hierarchical structure of choices

RESULTS AND DISCUSSION

Results show that the brand equity indicator, and accordingly customers' satisfaction indicator are the top priorities, which indicates the importance of the sub-categories of these two groups of indicators in branding (Fig. 3). Final prioritizing of effective branding indicators identified in the furniture industry shows customers' loyalty and subsequently appropriate quality, understood quality and so on as gaining priorities (Fig. 4). General inconsistency rate of comparisons was 0.02, indicating high stability and consistency of the results.

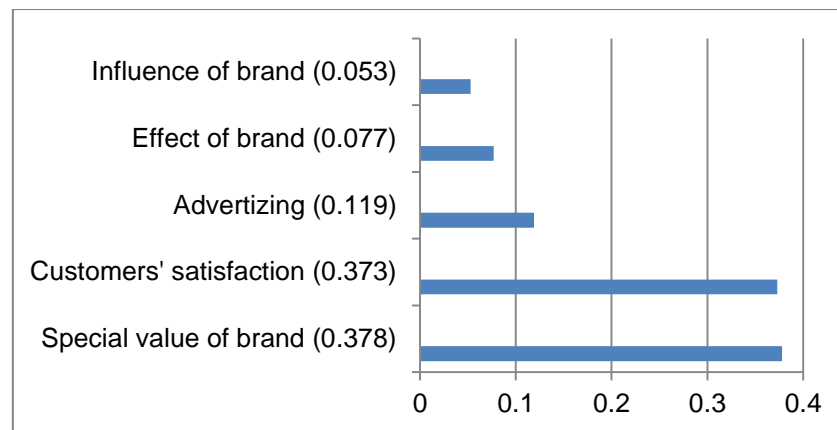


Fig. 3. Result of the geometrical average of pair comparison relative to the target (main tier).

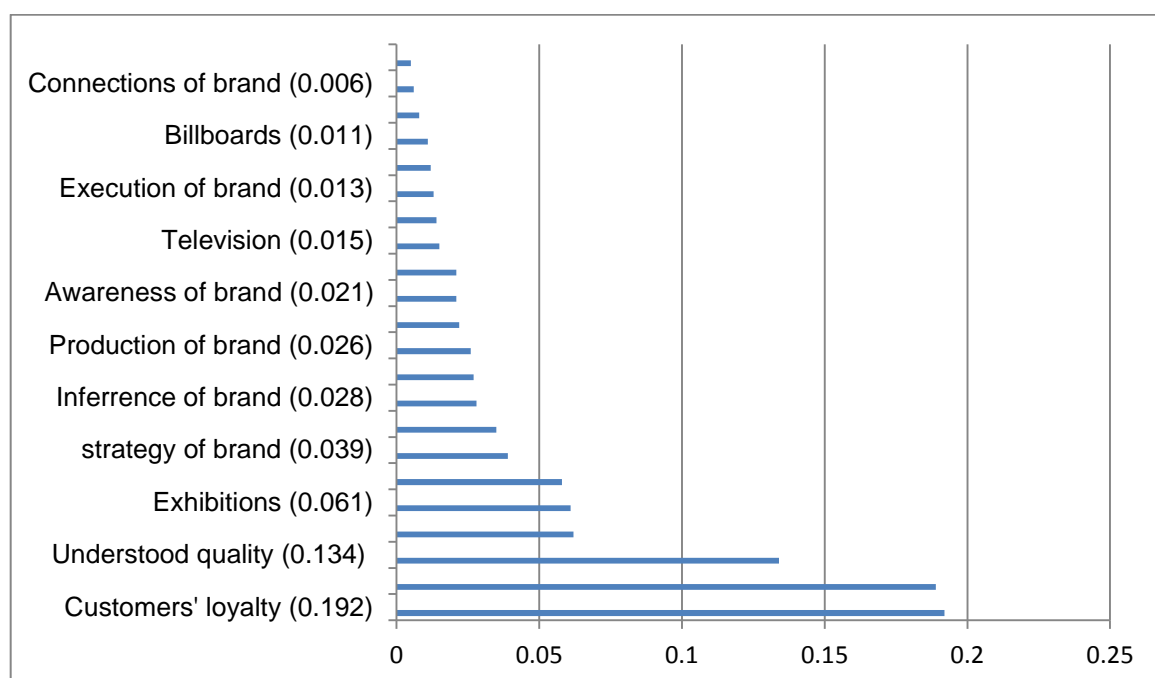


Fig. 4. Final prioritizing of 23 branding sub-indicators effective in the furniture industry.

In the analysis of the reasons for the heavy weighting and high importance of these indicators from the point of view of furniture industry experts and manufacturers, the following are some highlights:

Customers' loyalty (0.192)

Present studies researches show that customers' satisfaction is no longer sufficient, while the important factor is retaining the customers and increasing their loyalty (Ashtiani and Mehrabadi 2011). Aaker (1996) defines loyalty to the brand as "a customer's fondness of a brand." Loyalty to a brand plays an important role in creating long-term profit for an organization, for with loyal customers there will be no need to employ extensive promotional efforts. Loyal customers are willing to pay more to receive the advantages and qualities of their favorite brands (Clotey et al. 2008). The reason for the importance of customers' loyalty is the tense competition in the service sector, which is now focused on the relationships between customers and organizations (Osayawe 2006). Institutions and firms may gain a bigger share of the

market by customers' loyalty to the brand, because customers steadily purchase the brand and resist situational factors and rivals' marketing activities (Yoo 2008). In addition to increasing market share, loyalty triggers more demand for higher prices than those of rivals, increasing positive, verbal promotion among customers (Lee and Back 2009). Regarding the economic situation of the country, furniture brands should seek loyal customers in order to survive in the market. Therefore, appropriate planning on brands and marketing may create such loyalty.

Appropriate Quality (0.189)

Increasing the quality of goods and services pertains to customers' loyalty. The most skilled experts appreciate that customers should be regarded as unique and their replacement is costly. It is more cost-effective to retain a customer by rendering satisfactory services than to find new customers every now and again. Customers do not like to be told; rather they prefer to be shown in practice (Allame and Noktedan 2010). Customers remain loyal not because of sale-increase and marketing plans, but for the value they receive (Gummesson 1994). Research has indicated that the quality of goods and services is among the most important factors contributing to the increasing of customers' satisfaction and, consequently, loyalty (Allame and Noktedan 2010). Quality is a set of characteristics that result in the success of goods or services, in meeting the customers' needs and gaining control of the market. Making right decisions to increase quality is the only means of survival in domestic and foreign markets (Tayyar 2012). Having appreciated the quality of the product, customers prefer to purchase the brand that was already purchased and its quality was satisfactory. In fact, in addition to involving customers' loyalty, appropriate quality advertises the brand by itself.

Understood Quality (0.134)

Understood quality is not only the quality of the product itself, but it is also a mental assessment of the product by customers. Aaker (1991) defines understood quality as customers' understanding of the overall or superior quality of the product or service with regards to the related target. Zeithaml (2000) believes that understood quality is the understanding of the customers of the superiority of goods or services over the performance of the rivals. Therefore, high understood quality leads the consumer to choose a brand over rival brands (Gil et al. 2007). Consequently, increase in the understood quality by customers will result in increasing the brand equity. Quality received by the customer pertains to the information assessment and loyalty to a brand, and also heavily influences the consumer at time of purchase (Gil et al. 2007). Hence, understood quality may be a reason for buying the brand again, which will result in customers' loyalty.

Appropriate Price (0.062)

All organizations as firms determine a price for goods and services they produce, but by equalizing the quality of the products of different firms and the intensification of competition, the price has become one of the most important factors that determines retaining and attracting customers and their loyalty and satisfaction (Bakhtaei and Golchinfar 2007). Researchers regard this factor as a creator of competitive advantage and an advertising determiner (Butters 1977). Santoso (2002) regards appropriate pricing in line with advertising as a factor contributing to customers' loyalty. If products of a brand have both appropriate price and appropriate quality, then they satisfy the customers and convince them to refer to the same brand

in the future. After gaining customers' loyalty, customers will be no longer sensitive to price changes and will rely more on the brand.

Exhibitions (0.061)

As a key determinant of the combination of marketing and communications, exhibitions are the only media to direct the customers straight to the institution, so as to create face-to-face communication and response to the potential questions of the customers. No other medium can enable a firm to meet a number of goals by taking a single action (Cox 2003). No mass media have as multidimensional performance as exhibitions. In addition to attracting new customers, and improving relationships with existing ones, exhibitions enable the industry to gather information on customers' change of behavior, and, at the same time with direct contact with potential buyers and understanding tastes of customers, provide the customers with information on the quality of the product, how to work with it, after-sale services, and so on (Cox 2003). On the other hand, success of the exhibitions and increase in the sale of firms and presentation of a satisfactory image of them relates to the factors present in the exhibition halls: factors such as architecture of the building, interior design of halls, layout of the pavilions, design of the pavilions, manners of persons in charge of pavilions and exhibition and so on (Haghighi et al. 2011). Exhibitions make the presentation of firms possible. In this respect, public interests should be utilized to meet targets such as visualization, location and brand identification (Kerin and Cron 1987). Exhibitions have three major advantages: introduction of new products and services, sale, and management of communications with old and potential customers (Kerin and Cron 1987). Therefore, exhibitions are tools to introduce brands to customers in domestic and target markets, enable communication with customers and collecting their comments on products and the brand, and on the other hand, enables communication with other firms and brands, and creates international popularity.

In prioritizing the solutions based on each indicator, management training gained the top priority, with raising the standards to a global level, appropriate investment on brands and branding, analyzing the target markets and national protection of brands and branding ranking second to fifth (Fig 5).

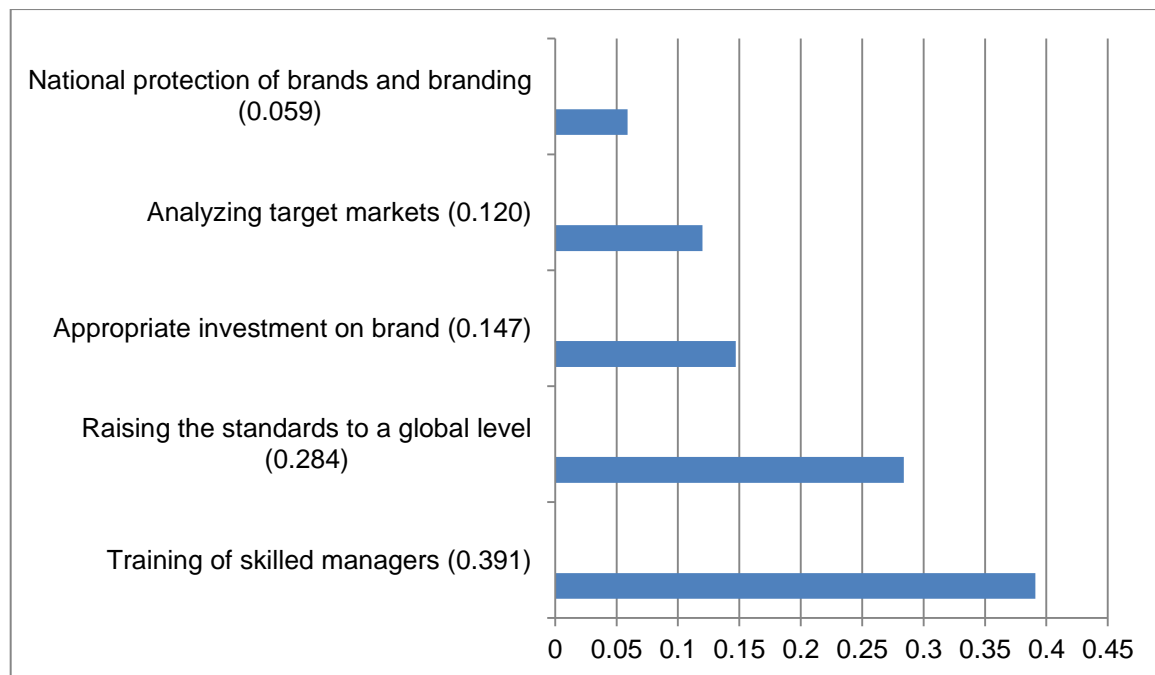


Fig. 5. Prioritizing the solutions based on indicators effective on branding in the furniture industry.

In the analysis of the reasons for the heavy weighting and high importance of the highest priority factors from the point of view of furniture industry experts and manufacturers, the following are among highlights:

Training Skilled Managers

Training skilled persons in branding and brand management is a solution to develop exports, because the execution of the brand by itself will not result in success. The success is the outcome of brand's management and manner of handling. And this requires skilled experts in the field. Trademark management tries to create value for the trademark and retain and improve the value by setting goals, planning, executing and control (Karimi et al. 2006). The science of brand management enables managers to correctly plan to meet the goals of the brand, so as to maximize the access to the goals without wasting resources (Karimi et al. 2006). If skilled persons are trained in the fields of branding and brand management, branding will be successful, whereby ensuring the success of brand and export development. In other words, each of the said indicators which hold top priorities, will be realized by the training of managers skilled in branding, so that they have appropriate planning for all the indicators.

Analysis of Sensitivity

This research showed that increase or decrease in any of the indicators of brand equity, effect of brand, advertising, customers' satisfaction, and influence of brand do not change the priorities of other indicators, while they do change the prioritizing of other choices. This must be taken into consideration to make solutions effective under different circumstances (Table.1). By summarizing changes in the said indicators, it becomes evident that most changes respectively pertain to influence of brand and effect of brand with four changes, making them the most sensitive indicators, followed by advertising and brand equity with three changes, and customers' satisfaction without change and with lowest level of sensitivity.

Table 1. Changes in the priority of appropriate solutions for branding in the furniture industry on results of sensitivity analysis.

Indicator	Base weight	Base priority	Number of changes	Weight change	Priority change
Brand equity	0.378	A-B-C-D-E	3	0.61	B-A-C-D-E
				1	B-A-D-C-E
				0.071	A-C-B-D-E
Effect of brand	0.077	A-B-C-D-E	4	0.216	A-B-D-C-E
				0.519	A-D-B-C-E
				0.852	A-D-C-E-B
Customers' satisfaction	0.373	A-B-C-D-E	0	None	A-B-C-D-E
Advertising	0.484	A-B-C-D-E	3	0.484	A-C-B-D-E
				0.645	A-C-D-B-E
				0.943	A-C-D-E-B
Influence of brand	0.053	A-B-C-D-E	4	0.462	A-B-D-C-E
				0.62	A-D-B-C-E
				0.667	A-D-C-B-E
				0.994	A-D-C-E-B

A: Training of skilled managers; B: Raising quality to global levels; C: Appropriate investment on brand; D: Analysis of target markets; E: National protection of brands and branding

CONCLUSION

It may be generally concluded that based on AHP method in determining the branding indicators effective in the furniture industry; customers' loyalty, appropriate quality, understood quality, appropriate price and exhibitions gain top have priorities.

Having paid attention to these factors and analyzing them in line with realizing them by solutions offered especially training managers skilled in branding, Iranian furniture manufacturers and exporters may gain their standing in the domestic and foreign markets and increase Iranian furniture export in addition to that. Therefore, presuppositions of the present research are accepted; that is:

1. Customers' loyalty and appropriate quality are among the most important indicators affecting branding in the furniture industry.
2. Training of skilled managers has top priority over other solutions; and influence of brand and effect of brand are the most sensitive indicators.

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