

BRAND COMPETENCY AND BRAND PERFORMANCE OF COSMETICS AND HEALTH PRODUCTS FIRMS IN RIVERS STATE

HORSFALL, Harcourt
Department of Marketing, Faculty of Management Sciences,
Rivers State University, Port Harcourt, Nigeria
harcourthorsfall@gmail.com

and

NWOKAH, Juliet Gladson
Department of Marketing, Ken Saro-wiwa Polytechnic
Bori, Rivers State, Nigeria
juglad@yahoo.com

ABSTRACT

This study investigates the influence of brand competency on brand performance in the Nigerian cosmetics and health products sector in Rivers State. The population for this study constitutes the cosmetics and health products sectors in Nigeria, whose authentic list was acquired from the catalog of the Rivers State Ministry of Commerce and Industry as at December, 2019. A structured questionnaire was used for data gathering, and the key informants constitute the marketing managers of each company. The copies of the questionnaire sent out were 350, from which 305 responses were received, out of which 245 (80.3%). The composed data were evaluated with the aid of the Statistical Package for Social Sciences (SPSS) version 22.0, using the frequency and contingency tables, analysis of variance (ANOVA) and multiple regressions. The findings disclosed that brand attributes and brand value significantly affect brand performance. The study therefore, concludes that that the attributes of brand competency (brand attributes and brand value) have significantly and positive effect on brand performance, and recommends among others that managers of cosmetics and health products should build strong and reliable brand attributes to enhance superior brand performance.

Key Words: Brand attributes Brand competence, Brand performance, Brand value

INTRODUCTION

The importance of structuring a physically powerful brand is a crucial target of a lot of firms has been documented in the marketing literatures for quite some time (Hoeffler & Keller, 2002; Keller, 2001; Perrier, 1997). The fundamental sense of this analysis is that a firm that put together a sturdy and booming brand, fashions stronger paycheck, and will be more unwavering in its business environment routine. Thus, every marketer holds it as a prime contractual obligation to get together precise demands of their customers regarding their brands. Consumers are therefore, convinced to get hold of an association to brand competence by organizations who as well, endeavours not to generate misgivings in the consumers' mind with reference to brand competence.

In today's highly competitive business environment, competency is time and again derived from two or more dissimilar industries becoming partakers (Lee & Olson 2010). Such unions repeatedly transpire and brag of soaring competency, such as improved revenue (Berthon et al., 2009). Hence, consumer discernments in brand competency which domiciles brand attributes and brand value depend on the tactical locations of the brand and equals the wherewithal of the brand to the requirements of the consumers in the target markets (Kim & Mauborgne 2005).

The concept of brand competence is an important issue in marketing, and the research in this issue also gives a lot of contribution in marketing strategy. For example, Xue, Zhou, Zhang and Majeed (2020) examined the main effects of brand perception on purchase intention, the moderating effect of gender, and the mediating effect of brand trust by performing two experiments and a path analysis, Pornsiri and Phaprukbaramee (2016) investigated the impacts of brand competency and brand performance through the mediating influences of customer acceptance, competitor prevention, and market reliability, and Feng, Yoon and He (2016) empirically tested whether and which type of customer relationship (CSR) activities influence the brand value of multinational corporations (MNCs) by bringing together data from Inter brand, Bloomberg, and Advertising Age.

This present study adopts the research framework of Pornsiri and Phaprukbaramee (2016) to assess and appreciate the effect of brand competency

configuration (brand attributes and brand value) on brand performance on the Nigerian cosmetics and health products sectors. The reason for choosing cosmetics and health products as the setting of this study is that cosmetics and health products have distinctive dissimilarities and the consumers have distinctive behaviours, especially in Nigeria as emerging economies. Nigeria's cosmetics and health product market is exceptionally competitive with a numbers diverse cosmetics and health products emerging from domestic and foreign markets. Hence, a successful outing in the cosmetics and health products market indispensably requires the capability to be aware of the markets. That's why; this study focuses on the Nigerian cosmetics and health products sector as objective groups, as it makes major contribution to the Nigerian economy. The main purpose of this paper therefore, is to investigate the influence of brand competency on brand performance, with a focus on Rivers State of Nigeria.

LITERATURE REVIEW

Brand Competence

All organizations seriously desire to fabricate their competence in not many key areas and to compact with their brand contained by this sphere of influence. A competent brand is one that has the facility to construe customers' dilemma and to convene the requirements (Butler, 1991; Butler & Cantrell, 1984). Brand competence is the capability of a brand to triumph over consumer's predicament and also gratifying their desires (Lei & Li, 2014; Lau & Lee, 2000).

Competent brand consists of essential rudiments for getting to the bottom of consumers' concerns. Exploitation of brand is only one way to be brand competency (Christou, 2004; Lau & Lee, 1999). Consumers can unearth brand's competency straightforwardly by means of or word-of mouth. Brand competence is also an extensive comportment which builds up consumer trust in brand. A brand must possess some uniqueness that assures consumers' needs (Hasan & Muhammad, 2010). Brand Competence according to Pornsiri and Phaprukbaramee (2016) has two dimensions as follows: brand attributes and brand value.

Measures of Brand Competency

This study in line with Pornsiri and Phaprukbaramee (2016) adopts brand attributes and brand value as the dimensions of brand competency.

Brand attributes

Brand attributes are product-related features, correlated to a material masterpiece of products and service application. Zenithal (1988) pass on brand attributes as quantifiable and confirmable, outshining on some superlatively encoded standard s, hence, serving as an appraiser of quality. Brand attributes consist of attributes, benefits, and attitudes. (Keller, 1998) Attributes are explained to be characteristics that characterize products or services which consumers think about them, and they are related to purchase or consumption (Keller, 1993). Myers and Shocker (1981) pigeonholed attributes in assorted manner, while Keller (1998) catalogues attributes as equally intrinsic and extrinsic, distinguish based on how they are straightforwardly linked to products or service performances. These attributes are overriding by in actual fact branded constituents of products and attributes, which impress the scenery and intensities of product performances (Keller, 1998).

Chang and Wildt (1994) assert that brand attributes may be useful to sales personnel to create the effect of prospective consumer evaluations, purchasing behavior, customer reception, competitor preclusion, market consistency, and last of all brand performance. Brand attributes reduce to bare bones the consumers' choice process, and for consumers, brand attributes are indispensable, and they are speckled by product or service grouping (Keller, 1993).

Brand Value

Brand value alludes to brand equity, and it lodges the progression from goods and service value to relationship value. Feld wick (1999) perceives a brand as an indefinable asset, while brand value is well thought-out to be the net present value of the evaluated future cash flows linked to the brand. Grassl (1999) notes that brand value cannot be unassembled into goods and service value and added values, as the brand postdates on and cannot be estranged from the products.

Brand value includes conveying the functional individuality and emotional individuality which assist buyers in the making decision that secures their long-term preferences. Securing long-term preferences of consumers for a product brand and capitalizing on value for shareholders are widespread market performance indices that all firms in a business setting with a vigorous marketing programme craves; and these are preferably projected to be a standard for all participants in a business (Harcourt & Ikegwuru, 2018). Hence, brand value

focal point is on the significance of the connections between the functional and emotional brand attributes, the involvement of the firms' uniqueness as purveyors and reflects on the moderate role of situational / ecological factors.

Brand performance

Performance is an elemental construct in the strategy literature and can be highlighted at the level of individual managers, teams, businesses and conglomerates (Ikegwuru & Harcourt, 2019). Brand performance refers to the interconnected measurement of brand success in the marketplace. O'Cass and Ngo (2007) defined brand performance as the comparative measurement of the success of the brand in the marketplace. This because, brand performance can also be perceived in the brand succeeding the firms' reputable aspirations for them in the marketplace.

Keller and Lehmann (2003) identified market share as a measure of brand performance, seeing that brand success is fashioned with towering market share, and again, market share has been extensively employed in the marketing research as a dependable indicator of brand success (Weerawardena et al., 2006; Chaudhuri & Holbrook, 2001; Roth, 1995 Smith & Park, 1992). Similarly, sales volume has also been identified as a measure of brand performance as it echoes the intensity of instant balance of revenue from customers (Lassar, 1998). Sales volume is also extensively employed in the marketing literatures (Weerawardena et al., 2006; Bronnenberg & Sismeiro, 2002; Julian & O'Cass, 2002). In fact, when one focuses on a specific brand and investigates its market share, sales volume It is thus, imperative for market-driven firms to focus on substantial measurement metrics to attain brand performance, since market-driven firms are positioned by virtue of their aptitude to endlessly sense and take actions on proceedings and developments in their markets (Slater & Narver, 1996; Jaworski & Kohli, 1993).

Empirical Review

Xue, Zhou, Zhang and Majeed (2020) examined the main effects of brand perception on purchase intention, the moderating effect of gender, and the mediating effect of brand trust by accomplishing two experiments and a path analysis. The first experiment indicates that perceived warmth and perceived competence brings to bear significant positive effects on purchase intention with brand trust as a mediator. The second experiment shows that perceived warmth is influential only for female customers, not for male customers. This implies that

gender moderates the association between perceived warmth and purchase intention. Nevertheless, gender does not moderate the influence of perceived competence on purchase intention. The outcomes of the path analysis are constant with the experimental results, signifying that the conclusions of the study are vigorous and consistent.

Pornsiri and Phaprukbaramee (2016) investigated the impacts of brand competency and brand performance through the mediating influences of customer acceptance, competitor prevention, and market reliability, by means of data collected through questionnaires from 108 cosmetic businesses and health products firms in Thailand. The results designate that brand competency is partially supported for the hypotheses derived from the conceptual model. Customer acceptance has a significant relationship with brand performance and is significantly related to brand performance also. Conversely, the effects between brand competency and competitor prevention are not supported.

Feng, Yoon and He (2016) empirically examined the type of CSR activities that influence the brand value of multinational corporations (MNCs) by accumulating data from Inter brand, Bloomberg, and Advertising Age. The study unearths partial evidence that CSR activities assist generate brand value for the MNCs. Conversely, not all CSR activities are effective, because all CSR activities in the governance domain confirm a significant effect while whichever activities in the environmental domain do not have a significant influence. Nevertheless, substantive CSR activities successfully increase the brand value of the firm while perfunctory actions do not have significant influence.

Based on the review of literature, the following research model was developed:

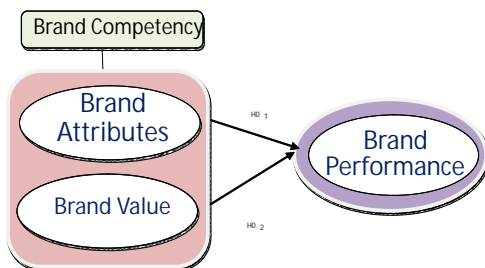


Figure 1: Research Model of Brand Competency and Brand Performance

Source: Adopted from Pornsiri, W. & Phaprukbaramee, U. (2016). Brand competency and brand performance: An empirical research of cosmetic businesses and health products business in Thailand. *The Business and Management Review* 7(5), 329-338

From the research model, the following hypotheses were formulated:

Ho₁: There is no significance influence of brand attributes on brand performance of cosmetics and health products firms in Rivers State.

Ho₂: There is no significance influence of brand value on brand performance of cosmetics and health products firms in Rivers State.

METHODOLOGY

The study adopted the causal research design. Causal research design is also entitled explanatory research and it investigates cause and effect relationships (Newman, 2004). In order to establish causality there has to be dependent and independent variables. Two methods are naturally used to concur on cause and effect relationship and they are experimentation and statistical research which uses statistical methods like regression (Newman, 2004). The study chose the questionnaire technique as a source of data collection, and the cross-sectional field survey of the quasi-experimental research design was adopted as a functional support in investigating the extent to which brand competence influence brand performance of cosmetics and health product firms. The research setting was a non-contrived one, hence it will be conducted in a natural surroundings and the researcher cannot maneuver the study's components. The population for the study was two hundred and seven one (271) cosmetics and health products firms in Rivers State obtained from the catalog of the Rivers State Ministry of Commerce and Industry as at December, 2019. To arrive at the sample size for the study, the Taro Yamane's formula for determining sample size as depicted in the works of Kelechi (2008) in Ogbadu (2009) was used to arrive at a sample size of 162. Two senior staff (manager and supervisor) in each of the 162 cosmetics and health product firms constituted the actual respondents giving a total of 324 respondents.

A structured questionnaire was used for data gathering, and the key informants constitute the marketing managers of each company. The accurate questionnaire sent out were 324, from which 305 responses were received, and after establishing the validity of the questions 245 (80.3%) The 245 questionnaires produced the useful response rate. All the variables in the model were evaluated with multiple-item scales, and were anchored on a five-point Likert-type scale format, arrayed from 1 = strongly disagree to 5 = strongly agree. Brand attributes (BA) is measured by a six-item scale, Brand value (BV) is measured by a six-item scale, both adapted from Butler and Cantrell, (1984); Butler, (1991). Brand performance (BP) is measured by a five-item scale, and it is

delineated as the consistent measurement of the success of the brand in the marketplace.

Model Specification

The study aims at testing the functional dependence of brand performance on the following brand competence variables; brand attitude and brand value. This section lay down the following model that directed the study:

$$BP = f (BA, BV) \dots\dots\dots(1)$$

Where

BP = Brand Performance

BP = BA, BV

BC =Brand Competence

Therefore,

$$BP = f (BA, BV)$$

The above equation is trans- modified into econometric form by adding constant term (b) and error term (E) in the model below:

$$BP = f (BA, BV)$$

$$BP = b_0 + b_1 BA, BV +e \dots\dots\dots(2)$$

Mathematical form of the model is:

$$BP = b_0 + b BA + b BV$$

Where:

BP= Brand Performance

BA = Brand Attitude

BV = Brand Value

b₀ = Intercept

b₁ b₂ = Coefficient of the predictor variables

e = error term.

An econometric model was specified.

Model 1: S=Brand Competence Dimensions and Brand Performance

The functional representation of Model 1 is given by:

$$BP = f (BA, BV) \dots\dots\dots(3.1)$$

Where;

BP= Brand Performance

BC = Brand Competence Dimensions

Apriori Expectation

From the theoretical treatments, brand competence is an apparatus of

distribution and transporting of good organization indicated by brand competence which are projected to positively contrive brand performance.

DATA ANALYSIS AND RESULTS

To understand the effects of Brand competency attributes (brand attributes and brand value) on brand performance, the composed data were evaluated with the Statistical Package for Social Sciences (SPSS) version 22.0, using the frequency and contingency tables, and the regression analysis, analysis of variance (ANOVA) and multiple regressions.

Table 1: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
				R Square Change	F Change
0.810	0.656	0.653	0.50668	0.810	5.475
0.000	1.623	a Predictors (constant), Brand attributes.			

Source: SPSS 22.0 Window output (based on 2020 field survey data).

Since for hypothesis one, the significant is .000 which is less than 0.05; there is a significant, influence of brand attributes on brand performance with the R (Coefficient of Correlation) that there is 81% direct relationship between brand attributes and brand performance. R–square value of 65.6% shows that brand attributes can influence brand performance to a high degree. The researchers also used ANOVA to test the hypothesis in this section. The results were presented in table 2.

Table 2: One way ANOVA Brand Attributes and Brand Performance (N=245).

Sum of Squares	Df	Mean Square	F	Sig. Between Groups
55.771	1	55.771	281.139	.0000
With in Groups		23.849	244	.257
Total		79.62	245	

a. dependent variable: Brand Performance

b. Predictor: Brand attributes

Source: SPSS 22.0 Window output (based on 2020 field survey data).

Table 2 shows that there is difference in mean between brand attributes and brand performance $F(dfB, dfw) = F(244, 1) = 281.139, p < 0.05$. Significant value is 0.000.

Table 3 Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
				R Square Change	F
0.776	0.603	0.553	.08878		0.776
4.375	0.00	1.609			

a Predictors (constant), Brand Value.

Source: SPSS 22.0 Window output (based on 2020 field survey data).

Since for hypothesis two, the significant is .000 which is less than 0.05; there is a significant, influence of brand value on brand performance with the R (Coefficient of Correlation) that there is 78% direct relationship between brand value and brand performance. R-square value of 60.3% shows that brand value can influence brand performance to a high degree. The researchers also used ANOVA to test the hypothesis in this section. The results were presented in table 4.

Table 4: One way ANOVA for the difference in mean between Brand Value and Brand Performance (N=245).

Sum of Squares	Df	Mean Square	F	Sig. Between Groups
096	1	096	12.146	.0000
With in Groups	063	244	008	
Total	1.59	245		

a. dependent variable: Brand Performance

b. Predictor: Brand Value

Source: SPSS 22.0 Window output (based on 2020 field survey data).

Table 4 shows that there is difference in mean between brand value and brand performance $F(dfB,dfw) = F(244,1) = 12.146, p < 0.05$. Significant value is 0.000.

Table 5: Effects of individual Independent Model

Model	Unstandardized		Standard	Collinearity Statistic			
Coefficients (Constant)	Coefficient B	t Std, Error	Sig. Beta	Tolerance	VIF		
(Constant)	0.67	0.874	0.121	0.04	0.545	1.564	
BA	0.74	0.503	0.810	0.14871	0.00	0.327	2.142
BV	0.67	0.423	0.609	15.969	0.00	0.436	1.561

Source: SPSS 22.0 Window output (based on 2020 field survey data).

Table 5 indicates that brand attributes is statistically significant and account for brand performance of the cosmetics and health products sectors in Rivers State of Nigeria. It has a t-statistics value of 0.14871. This implies that brand attributes has a positive effect on brand performance cosmetics and health products sectors in Rivers State of Nigeria.

Further the result indicates that brand value has a statistically significant influence on brand performance of cosmetics and health products sectors in Rivers State of Nigeria. It has a t-statistic value of 15.969. This implies that brand value affects the brand performance of cosmetics and health products sectors in Rivers State of Nigeria.

DISCUSSIONS OF FINDINGS

To test if we can predict the value of brand performance by brand attributes and brand value, the following results were obtained. Regression analysis was conducted to predict the value of brand performance using Brand competence. It is evident from the results that the hypothesis is statistically significant with the Beta value of 0.810. The result does not support H01. Further, the Regression analysis is conducted to test if brand value predicts the value of brand performance. The result indicates the predictor is significant with the Beta value

showing 0.776 and significant. The result does not support H_{0_2} . Thus, Brand value and affect brand performance positively.

Multiple regression analysis was also used to test if the Brand attributes and brand value significantly predicted brand performance. The results of the regression indicated the two predictors explained 45% of the variance ($R^2 = .202$, $F(2, 109) = 13.821$, $P < 0.001$) and are significant. However, the beta value for brand attributes and brand values are reduced to 0.74 and 0.62 from the previous value of 0.810 and 0.776 respectively. Another interesting finding is that the results of the outcome of the statistical analysis and its determinants are co-integrated. This shows that, there exists a long run relationship between the variables in the model. The overall model is significant as demonstrated by the F-Statistic. The findings of this study supports the findings of Pornsiri and Phaprukbaramee (2016) that brand competency is partially supported for the hypotheses derived from the study's conceptual model, and Xue et al. (2020) who revealed that perceived warmth and perceived competence brings to bear significant positive effects on purchase intention with brand trust as a mediator.

CONCLUSION AND RECOMMENDATIONS

This study investigated the influence brand competency dimensions (brand attributes and brand value) on brand performance of Nigerian cosmetic and health products sectors. Data were composed from marketing managers of cosmetics and health products in the city of Port Harcourt, Nigeria. The findings divulge that brand attributes and brand value significantly affect brand performance. The study therefore, concludes that that the attributes of brand competency (brand attributes and brand value) have significantly and positive effect on brand performance. The study recommends that managers of cosmetics and health products should build strong and reliable brand attributes to enhance superior brand performance. Also, managers of cosmetics and health products should put emphasis on on relating brand value to brand performance.

LIMITATIONS AND DIRECTIONS FOR FURTHER STUDIES

The data used in this study were unruffled from no more than cosmetics and health products firms. Further research may possibly assemble data from other industries for substantiation and generalizability

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