The Influence of Advertising on Brand Equity of Chabahar Free Zone Tourism Destination (Iran)

Esen Şahin 1© Melis Attar 2© Aboobakr Niavand 3©

Abstract
The present empirical research is principally aimed to show the impact of advertisement on the brand equity of Chabahar Free Trade-Industrial Zone (CFZ) of Iran as a tourism destination. The primary data were collected via a 24-item questionnaire possessing a five-point Likert scale. The scales used for the questionnaire were constructed by adapting the expressions used in previous studies. A pilot survey with 20 participants of tourists in CFZ was primarily carried out to examine the suitability of questionnaire structure, content validity, content comprehensiveness, terminology, comprehensibility, convenience, and speed of completing the questionnaire. The statistical population in this study includes all tourists in the CFZ. Since the statistical population is unknown, the probability random sampling technique was used in this study. In total, 384 samples were considered and 155 questionnaires were received. Of the considered questionnaires, 136 valid ones were used for data analysis. To calculate the reliability and ensure the questionnaire’s internal consistency, the Cronbach’s alpha coefficients and composite reliability were utilized. The questionnaire’s validity was verified and approved by the convergent and divergent validity method. In this study, the hypotheses and fitting of the model were examined utilizing structural equation modeling (SEM). Moreover, Smart PLS software was utilized for analyzing the gathered data. In this study, it was proved that advertising has a considerable effect on brand equity. Moreover, the findings showed the importance of advertising in creating brand equity and confirmed that the value of brand equity could be improved by focusing on advertising.

Keywords
Brand loyalty, Brand Satisfaction, Brand Image, Brand Equity, Brand Awareness, Advertising, Chabahar Free Zone

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Introduction

In today’s competitive conditions, it is very vital to gain a desirable position in users’ minds such that the user becomes loyal to that brand. Among the factors that are effective to obtain such a position in customers’ minds is brand equity. Brand equity was explained from various viewpoints and for various goals but no common opinion has been achieved yet. Keller (2003), describes the brand equity as the distinct influence of brand information on the customer reaction to the performed marketing activities for that brand.

In an ever further competitive, transparent, and interconnected situation of business, memorable experiences must be provided by brands to their customers willing to differentiating themselves and building a solid competitive location (Schmitt, 1999). This problem is related particularly to the services sector (Markovic et al., 2018) due to a service’s characteristic nature (Zeithaml et al., 1985; Berry, 1980). Brand equity is one of the most vital structures in brand administration, in managerial and academic points of view (Yang et al., 2015). In this regard, particular attention is paid by organizations to build brand equity enabling them to connect with the different customers’ manners (Hultén, 2011).

Advertising is an effective factor for providing brand equity, mainly in cases with failed sales promotion (Lindsay, 1989). Advertising as an external sign shows the product quality (Milgrom & Roberts, 1986). Heavy investment in advertisement shows the company invested in its brand with high advanced quality (Kirmani & Wright, 1989). Cobb-Walgren (1995) discovered that spending costs for advertising affect positively on brand equity and its extents. Simon and Sullivan, (1993) recognized the advertising positive influence on brand equity. To strengthen the beliefs and views regarding the brand, advertisement helps to possess a prevailing brand loyalty (Shimp, 1997).

Considering the growth and development of successful brands for organizations, the importance of advertising cannot be over highlighted to improve brand equity.

It is possible to perceive tourist destinations as the products (Boo et al., 2009) that compete in the international arena for attracting tourists. These products appeal tourists by strengthening their differences and competitive benefits (Pike, 2009). In this regard, the development of a destination brand is a crucial strategy to obtain positive returns. Specifically, destination branding is regarded as a strong marketing means for constructing the place’s positive image creating emotional bonds with the place’s visitors (Barnes et al., 2014; Pike & Bianchi, 2016). Despite of emergence of concept of branding in the marketing research in the 1950s (Gardner & Levy, 1955) and its broad background (Aaker & Joachimsthaler, 2000), it has just recently drawn attention of authors of tourist destinations field (Yang et al., 2015; Pike, 2007; Kladou et al., 2015). Therefore, there is a long way to fully perceive brand equity implications.
in the tourism area. Today, it is agreed that it is possible to apply typical principles of branding services and products on tourist destinations too in a similar manner (Dioko & So, 2012). This strategy, leading to “brand equity”, is described as the total value that a brand creates (Bailey & Ball, 2006).

A considerable amount of marketing research studied the brand equity of destinations (Pike & Ryan, 2004; Kladou et al., 2015; San Martin & Rodríguez, 2008). Nevertheless, place branding is a complicated and broad area of study, and it is believed that this area of research cannot be confined by the research of just one dimension (Kaplan et al., 2010; Barnes et al., 2014). Generally speaking, the need for measurement of the brand value is getting growingly significant as the competition among firms in the global level is increasing (Hsu et al., 2012; Keller, 2003). This value is conceptualized by the brand equity concept, which is a multifaceted construct. This concept was originally suggested by Keller (1993) and Aaker (1996) regarding services and goods, and currently it has been extended to places (Im, Kim, Elliot, & Han, 2012; Yang et al., 2015; Konecnik & Gartner, 2007; Bigné et al., 2013). Despite the existence of various conceptual approaches, it is possible to define customer-based brand equity as a criterion of the power of customers’ brand attachment or an explanation of the consumers’ beliefs and associations regarding the brand (Feldwick, 1996; Konecnik, 2006; Pike et al., 2010). Brand equity of the basis of customer’s point of views contains 4 dimensions: loyalty, brand image, brand awareness, and brand quality (Barnes et al., 2014). Thus, it should be stated that the bonds between aspects of destination brand equity have not yet been explored so far, though these aspects have been studied in some previous research works (Caldwell & Freire, 2004; Kladou et al., 2015). In the current study, a new variable, namely, satisfaction, is added, which has been reported in a recent study on destination brand equity (Fuchs et al., 2012; Bigné et al., 2013). Consistent with former research works, brand awareness represents the knowledge of the tourist about a specific destination or the availability of a destination in the tourist’s minds when considering a certain travel setting (Pike & Bianchi, 2016). Brand image, which sometimes is conversely used for the term brand associations, reflects the associations linked to the destination. It has consisted of various individual perceptions associated with different characteristics of the destination that may imitate the objective reality or may not reflect it (Aaker, 1996). Satisfaction is explained as the cognitive-affective state of the tourist that is resultant from his/her skill at the destination (San Martin & Rodríguez, 2008). In the end, loyalty reflects the core aspect of brand equity (Keller, 2003). Loyalty in tourism is often regarded as word-of-mouth intentions and the intention of revisiting the destination (Prayag, 2012; Pike, 2007).

A different approach is adopted in the current work for achieving a better comprehending the advertising impact on brand equity in a touristic destination. Also, brand awareness, brand image, brand loyalty, and brand satisfaction are included in
the model for completing it. These factors are considered as brand equity dimensions. It should be mentioned that this model was tested empirically by having a focus on the tourists who visit a destination in Iran. The profitability of the brand equity of Chabahar tourism destination is low and this brand has not been successful to create a competitive advantage. Previous studies express that advertising is one of the effective elements in improving brand equity. Hence, this research aimed to assess the effect of advertisement on brand equity including dimensions like brand loyalty, brand satisfaction, brand awareness, identified quality, and brand image in Chabahar free zone tourism destination from tourists’ viewpoints. In other words, this study addresses these questions: how advertising effects on brand equity. Does advertising enhance brand equity? Conversely, do the dimensions of brand equity enhance brand equity? Hypotheses have been formulated to answer these questions. Examination of the hypotheses can help in the development of marketing and brand literature. This study is conducted on Chabahar free zone tourism destination and takes the tourists’ viewpoints as reference.

In short, the ultimate goal of the current study is creating novel information regarding destination brand equity through adaptation of a novel method that focuses on: (1) the advertising as a critical variable information of brand equity, (2) the association between brand equity and extents of brand equity, affecting the impacts chain in the model. Hence, the organization of the current study is as follows; initially, the theoretical basis of the investigation is presented, and the research theoretical model and hypotheses are justified. Then, the procedure of this experimental investigation is explained. The findings of the causal model are then presented. In the end, the obtained managerial and theoretical implications are summarized and the research limitations suggestions for the future works are described.

**Literature Review**

Branding is an efficient tool that helps firms to classify and distinguish services or products in the minds of customers. It is a marketing technique applied extensively to enhance the performance of organizations. (Liu et al., 2012; Mizik, 2014; Hsu et al, 2011). Branding does not only include the customers’ viewpoint about the product but also includes logistics, customer support and the image and policy of the company (Lindermann, 2004). Brand power is a result of users’ knowledge and viewpoint about their experience from the brand (Keller, 2003). Brand equity is a major priority in marketing investigations and its importance is originated from the company’s tendency toward creating strong brands to achieve stable competitive advantage (Gil et al, 2007, p.188). Competition increase in service markets has forced many companies to look at their brand as a competitive advantage, as sometimes service marketing is different from product marketing, this also holds for the brand and its management (Keller,
1993; Aaker, 1991). “Place branding” is a growing field in tourism marketing and destination (Kaplan et al., 2010). Advertisement is one of the most operative tools by which tourists can be attracted (Meenaghan, 1995).

**Definition of Brand**

The brand is an important factor in marketing, as it outcomes in an interaction between the customer and the company and can lead to loyalty of the customer and reliability to the brand (Garcia et al, 2012). Hence, under the title of intangible assets, it is considered the most important asset of a company (Zehir et.al, 2011). Some commitments and assets combined with a brand which increases or decreases the value obtained by products and services for the company or for that company’s customers (Aaker, 1991).

Concepts related to branding can also be utilized in the tourism industry. Tourism is a service industry. As services cannot be presented before purchase, foreign exchange transactions in the tourism industry are often at high risk. This clarifies the importance of brand and branding in different sections of the tourism industry (Blain, 2001).

Generally, in the theoretical definition, the tourism destination is a collection of tourism services and products with a significant role for the visitors informing their various experiences and this experience is formed based on visitors’ trip schedule, cultural history, visit purpose and their last experiences (Hosany et al, 2006). Dimanche (2002) defines brand equity of the tourism destination as ‘assets (or debts) of the brand relative to tourism destination trademark and name that adds (subtracts) value to the services and experiences which are provided there’ (Dimanche, 2002).

**Brand Equity**

Brand equity is a tool for brands’ power assessment that is formed and evolved during the past decades (Wood, 2000). As Yoo et al. (2000) stated, brand equity is known as a tool motivating people to buy the product in comparison with its competitors (Yoo et al, 2000). A reason for the significance of the brand equity concept is that marketers can achieve a competitive advantage. The competitive advantage of companies with valuable brands includes flexibility against competitors’ promotional pressure, opportunities for successful brand development and the creation of obstacles for the competitors to enter the market (Farquhar, 1989). Brand equity has been discussed with various contents and definitions regarding different goals and also different methods of its evaluation, however, no common viewpoint has been presented yet which is agreed upon by all marketing researchers (Keller, 2003). Brand equity is a value given to the services or product through the brand name and its dimensions in this model include the brand loyalty that is the preference of a brand from a group of similar products.
due to emotional sensation relative to the name of that brand. Understanding the brand is the capability of customer in identifying or remembering a commercial brand in a product group. Satisfaction is the positive attitude developed by a consumer through assessing his using experience with a definite product. In contrast, Customer satisfaction is the predecessor of brand loyalty (Kasmer, 2005). Brand image is a group of beliefs regarding a specific brand and includes all the images which are formed about that name (Aaker, 1991). Brand loyalty determines selecting the brands by the consumers probably insensitive to price decreases or increases (Keller, 2003). Brand satisfaction is the aggregative massage of user perceptions, evaluations and psychological reactions while analyzing the utilization of a service or product (Sullivan, & McCallig, 2012).

Brand equity is considered an asset for a company that increases the business cash flows (Simon & Sullivan, 1993). Brand equity enables organizations to charge a higher price for their brand along with keeping their market share (Lim, 2009). Aaker (1991) expressed that the performance of the marketing plans and loyalty of the customers to the brand are increased by brand equity and promotion costs are decreased. Hence, brand equity results in brand profitability and makes cash flow for organizations (Aaker, 1991). Brand equity can cause a distinction in price or similar products and services demand levels (Lindermann, 2004).

**Dimensions of Brand Equity**

Brand equity is a multi-dimensional and complex idea (Konecnik & Gartner, 2006; Mittal et al, 1995). Brand equity involves 4 scopes as brand awareness, brand loyalty, brand image, and brand satisfaction (Barnes et al., 2014, Caldwell & Freire, 2004; Kladou et al., 2015). Loyalty is a key perception in marketing policy and Aaker (1991) stated the brand loyalty as the central core of brand equity. Brand loyalty has gained doubled importance as the main element of marketing techniques (Kurt & Sonja, 2008). Brand loyalty is “connecting a consumer to a brand” (Aaker, 1991). The brand loyalty creates advantages such as prevention from the arrival of competitors, better responsibility capability against competitive risks, further sale and income and less customer’s sensitivity to the marketing efforts of the competitors, therefore loyalty resources and its creation procedures are the key worry of the marketing investigations. The emotions of customers’ are expressed by the loyalty concept. Brand loyalty is a strong emotional attachment between the product or services and customers (Unal & Aidn, 2013). Additionally, the emotions of consumers to brand illustrate the affective commitment toward consumer-brand relations that explains the power of the link between the consumer and the brand. Also, it expresses that the consumer remains loyal to the brand (Thomson et al., 2005). Based on the explanation presented by Oliver (1999), loyalty is a deep and continuous assurance for a desirable service or product repurchase in the future that consequently leads to the repetitive buying the
similar brand or a set of same brands regarding the effective situational elements and marketing efforts on the behavior change (Davis-ramek et al, 2008). Brand loyalty is defined as a grade of emotional feelings of a customer when s/he is satisfied with a special brand (Carroll & Ahuvia, 2006). Loyalty and love to a specific brand is a part of the relationship between the brand and the customer (Riemann, 2012). Loyal customers habitually buy their preferred brand and are not as likely to change brands (Yoo, Donthu, & Lee, 2000).

Aaker (1991) takes into account brand awareness as a potential customer’s power in recall and distinction that puts the brand in a specific class of products. He has introduced several levels for brand awareness which starts from brand distinction and leads to the dominant brand (Zehir et al, 2011). The dominant brand is attributed to conditions in which the brand is the only name that is recalled in the user’s mind in that product class (Carroll, & Ahuvia, 2006; Unal & Aydin, 2013). Customers with brand awareness making faster first decisions than those unawared (Macdonald & Sharp, 2000) even though brand awareness is the insignificant aspect of brand equity (Bailey & Ball, 2006; Kayaman & Arasli, 2007).

Brand image is a group of beliefs about a specific brand and includes all the images and associations which are formed about that name. These mental associations will be a base for the customers’ decision making for comparing that brand with its competitors in a competitive market and will play a role in attracting new customers for active customers’ decision making (Aaker, 1992: 110, 109). Brand image identifies the brand and its value and gets a precise location in the customer’s mind that leads to possible brand equity improvement (Yoo et al., 2000). Brand image, from the cognitive standpoint, is represented in the resources attributed to functional properties appealing to tourists (Horng et al., 2012). Typically, customers relate the brand to benefits, as well as positive quality prospects once customers have a positive brand image (Hyun & Kim, 2011).

A challenge in competitive atmosphere, nowadays is to keep the customers satisfied (Yap, 2012). Based on an explanation, customer satisfaction from a brand is the aggregative massage of user evaluations, perceptions, and psychological responses while analyzing the utilization of a service or product. Among the advantages of a brand’s customer satisfaction, researchers mentioned the transactions increase, tendency to purchase increase, price sensitivity decrease and exchange cost (Sullivan, & McCallig, 2012). Sahin et al. (2011) believe that customer satisfaction implies a great level of diversity in customers’ behavior loyalty. Yap et al (2012) show that a direct association exists between the customer’s satisfaction and the tendency to loyalty to the provided service. Chen et al. (2010) also found the statistical relationship between these two factors.
According to the above, to evaluate brand equity, all dimensions of brand equity must be taken into consideration. Because without considering all of the dimensions, brand equity cannot be evaluated. Consequently, it is vital to assess the brand equity dimensions.

**Advertising**

Kotler and Armstrong (2008) define advertisement as a method for “non-private communication which is paid for”. Usually, a recognized sponsor is responsible for advertisement aimed at influencing the attitudes of the individuals towards certain people, products, organizations, ideas or services (Belch & Belch, 2003). Advertisement has a key role in today’s competitive atmosphere where organizations have communication with their customers, both potential and current. A significant section of the sources is assigned by the companies to advertisement (O’Guinn, Allen & Semenik, 2009). To assist in assessing earning the best return on investment by the advertising budgets, it is essential to understand capturing and maintaining the attention of the audience and engaging the viewers effectively by advertisement (De Ros, 2008).

Kotler (1988) considers an advertisement as one of the 4 main instruments utilized by companies to direct influential communications to target public attention and buyers, “It includes non-individual types of communication performed via paid media under obvious sponsorship”. Kotler (1988) stated that the goal of an advertisement is to improve the responses of latent purchasers to the organization and its contribution, highlighting that “It tries to provide data, by controlling tendency, and by providing details for preference of an offer of the specific organization.” Customers are valuable assets to the enterprise, however, acquiring and retaining can be expensive (Kotler, 1988). Kotler et al. (2003) stated that the individual sellers and businesses should ask about their advertisement of services and products, and about the impact on the customer. The alternatives are provided by an advertisement for instance via social media, press ads, magazines, radio and television along with friends and relatives’ ideas. The consumer then purchases followed by assessing the alternatives (Kotler & Armstrong, 2008).

Advertising in a tourism destination aims to increase the awareness from the destination by creating unique brand equity (Evan & Jamal, 2009). By investigating the tourist attraction capacities in a destination and following appropriate strategies, positive paces can be stepped. Advertisement is a key factor in creating successful brand equity for tourism destinations. Advertising is one of the effective factors on the consumers’ response to information received from advertisements (Kotler, 2000). Advertisement includes the presentation and promotion of concepts, services and products by a responsible (Advertisement agency) in exchange for money payment (Boo, 2009). Advertising is the product or service of impersonal communication and
introduction by various carriers in exchange for monetary payment for-profit and non-profit institutes or individuals who are specified somehow in the massage (Baker et al, 2008).

To maintain brand equity compared to the competitors, to communicate with their customers and to reduce the risk of market loss, managers should enhance their marketing communications, have suitable promotion mix and use propagation and promotional activities such as advertising (Brown, 1992). Advertising is one of the most famous and challenging promotional activities and has been considered as the sole propagation and promotional activity of companies for years (Meenaghan, 1995). Researches demonstrate that advertising can be effective on all brand equity constitutive dimensions. Many types of research show that a positive emotional response to an advertisement possessed a direct and positive association with the commercial name recognition and positive attitude relative to the commercial name and customers’ purchase goals (Mittal, 1999). When customers admire an advertisement, then they will like the advertised commercial name too and the customer will be more prepared to buy that commercial name (Osinga et al, 2011). One of the main factors in tourism marketing is the attraction of tourists to the destination through advertising.

**The Influence of Advertising on Brand Equity**

The findings of Huang and Sarigöllü’s (2012) research showed that a positive association exists between price and advertising. Doraszelski et al (2009) examined “The influence of advertisement on perceived quality and brand awareness” and showed in the research that a significant and positive association exists between advertising, perceived quality and brand awareness. Last researches (Jalilvand & Samiei, 2012; Osinga et al, 2011; Wilson, 2011; Tariq et al, 2014; Tustin, 2002; Shimp, 2010; Mogire and Oloko, 2014) review implies the positive role of advertising on the brand equity improvement. Advertising is all forms of public encouragement to increase the demand for a product or service. These advertisements are performed by the product owner or institute for potential customers by sending a direct message and or advertising tools (Shultz &William John, 1992).

Researchers of advertising have determined that the advertisement is successful in creating brand equity (Yoo et al., 2000). Simon and Sullivan (1993) showed the positive influence of advertising costs on brand equity. Advertising can affect brand equity through brand associations (Yoganatan et al., 2015). Salelaw & Singh (2015), Concluded advertisement has a positive impact on brand awareness (Salelaw & Singh, 2015). Buil et al (2013) studied the role of advertising in making brand equity. The results indicated that through utilizing a creative original, and different advertising policy, the companies will be able to develop greater brand awareness and positive insights of their brands. Their research also discovered that apparent advertisement
spent has a positive impact on brand awareness. Nevertheless, it does not essentially improve brand associations and apparent quality (Buil et al, 2013).

Mutsikiwa et al (2013) examined “The effect of Advertisement on Building Brand Equity: A Case of Zimbabwean Universities “. The results showed that advertisement has a considerable effect on brand equity. Throughout the findings of Mutsikiwa et al’s (2013) work, it was found that Zimbabwean universities did not employ proactive methods and novelties in utilizing advertisement as one of the strongest media in building brand equity. They concluded that it is considerably vital for universities to realize that creating brand equity could be simply realized if the usage of television is initiated in these organizations as it makes the audience powerful to see and hear the advertised brands. Television advertising can integrate the audio and video resulting in a more permanent message in the customer’s mind) Mutsikiwa et al, 2013).

Saeedniaa.H and Sohanib.Z. (2006), in another assignment, investigated “the influence of advertisement company social responsibility on creating company reputation and brand equity “.They provided an experimental work to assess the influence of advertisement on creating better brand equity and firm reputation through customer satisfaction in the banking industry. As a result of implementing the structural equation modeling, it was confirmed that advertising possesses a positive effect on customer satisfaction and could assist in making a brand equity and firm reputation (Saeedniaa & Sohanib, 2006).

The work of Hameed. F (2013), examines the influence of advertisement expenses on brand loyalty. The findings indicated that advertisement expenses have a direct relationship with brand loyalty. Moreover, the results indicated that supposed quality impose a positive and direct impact on brand loyalty and customer satisfaction (Hameed, 2013).

Methodology of Research

This study is empirical research. The questionnaire technique and five-point Likert Scale including 24 items, is utilized for measuring the effect of advertisement on brand equity in Chabahar Free Trade–Industrial Zone tourism destination. The scales used for the questionnaire were constructed by adapting the expressions used in previous researches. The advertising scale was adapted by Alhaddad’s work, which was published in 2015 as “the influence of advertisement awareness on brand equity in social media” and Azadi et al’s work, which was published in 2015 as “the role of media advertisement on the promotion of brand equity in the sport wear industry”. The brand satisfaction scale was modified from the study of Şahin et al’s work, which was published in 2011 as “the impacts of brand experiences, satisfaction and trust on creating brand loyalty; an experimental study on universal brands.” The brand image scale was adapted from the study by Alhaddad’s work, which was published in 2015 as
“The impact of advertisement awareness on brand equity in social media”. The brand equity scale was modified from the study of Alhaddad’s work, which was published in 2015 as “The impact of advertisement awareness on brand equity in social media”. The brand loyalty scale was modified from the study by Beristain & Zorrilla’s work, which was published in 2011 as the association between store brand equity and store image: A conceptual outline and indication from hypermarkets. The awareness scale was also adapted from the study by Alhaddad’s (2015) work.

A pretest was performed to determine the content validity, Suitability of questionnaire format, content comprehensiveness, understanding, terminology, convenience and speed of completion. The pretest was carried out with 20 tourists in Chabahar Free Zone. The pre-test’s findings show that advertisement has as a good identity and source of meaning for a brand by enhancing the brand image (mean=4.22), brand awareness (mean=3.86), brand satisfaction (mean=4.19) and brand loyalty (mean=3.95). Therefore, it was proved the comprehensiveness, format Suitability, content validity understanding, convenience, terminology, and speed of completion of the questionnaire.

The statistical population in this study includes all tourists in the Chabahar Free Trade–Industrial Zone (CFZ). Since the statistical population is unknown, the Probability Random Sampling technique has been used. Cochran’s formula (1977) was used to determine the sample size. A total of 384 samples were considered. Thus, the questionnaire was distributed between samples and 155 questionnaires were received, 136 valid questionnaires used for data analysis. Respondents are required to respond from completely disagree to completely agree for each statement. Questions 1-4 are arisen for measuring ads, questions 5-7 for measuring brand awareness, questions 8 to 12 for brand image assessment, Questions 13 to 16 for measuring brand equity, Questions 17 to 21 for measuring brand satisfaction, Questions 22 to 24 are designed for measuring brand loyalty based on the ordinal scale and five-level Likert spectrum. In this work, to calculate the reliability coefficient of the questionnaire and to approve the internal consistency of the measuring tool, Cronbach’s alpha coefficients and composite reliability were utilized. The questionnaire’s validity the was also verified and approved by the convergent and divergent validity method. In this work, the structural equation model was utilized for assessing the hypotheses and fitting of the model, and Smart PLS software was used for data analysis because it is especially suitable for cases where data is not normally distributed (Monecke & Leisch., 2012). This method is powerful in a situation where the number of samples and items of measurement is low and the distribution of variables is uncertain. Therefore, it is a suitable substitute for covariance description methods such as Lisrel and Amos. (Fornell, & Larcker, 1981).
Conceptual Model of the Research

Figure 1. The model is as follows:

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Hypotheses of the Research

According to the research theoretical framework, the researcher’s scientific expectations are presented in the hypotheses below:

Hypothesis 1: Advertising imposes a positive impact on brand equity.
Hypothesis 2: Advertising imposes a positive impact on brand image.
Hypothesis 3: Advertising imposes a positive impact on brand awareness.
Hypothesis 4: Advertising imposes a positive impact on brand satisfaction.
Hypothesis 5: Advertising imposes a positive impact on brand loyalty.
Hypothesis 6: Brand awareness imposes a positive impact on brand equity.
Hypothesis 7: Brand image imposes a positive impact on brand equity.
Hypothesis 8: Brand satisfaction imposes a positive impact on brand equity.
Hypothesis 9: Brand loyalty imposes a positive impact on brand equity.

Research Findings

Descriptive and Frequency Statistics

Frequency Statistics of Demographic Questions

According to the findings of investigating the demographic status of the sample (136 people), 81 of the sample were male and 55 were women, 61% were married
and 39% were single. However, 29% of sample people had primary and secondary education, 48% had a diploma and associate’s degree, 23% had a bachelor’s degree, a master’s degree, and a PhD. The demographic data of this study include gender, marital status, age, and educational level. Then, the frequency and percentage of respondents’ demographic information are provided in different sections.

Table 1

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<tr>
<th>Title</th>
<th>Frequency</th>
<th>Percentage</th>
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<td>Female</td>
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<td>Single</td>
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<td>Total</td>
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<td>100</td>
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<td><strong>Age</strong></td>
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<td>50-65</td>
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<td>Total</td>
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<tr>
<td><strong>Education level</strong></td>
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<td>Total</td>
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</table>

Reliability of the questionnaire

In this work, the composite reliability and Cronbach’s alpha coefficients were utilized to calculate the reliability coefficient of the questionnaire and to confirm the internal consistency of the measurement tool.
Table 2

*Cronbach Alpha, Composite Reliability*

<table>
<thead>
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<th>Research variables</th>
<th>Composite reliability</th>
<th>Cronbach’s alpha</th>
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<td>Advertising</td>
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<td>0.994</td>
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<tr>
<td>Brand Awareness</td>
<td>0.995</td>
<td>0.993</td>
</tr>
<tr>
<td>Brand Equity</td>
<td>0.996</td>
<td>0.995</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.996</td>
<td>0.994</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>0.997</td>
<td>0.995</td>
</tr>
<tr>
<td>Brand Satisfaction</td>
<td>0.997</td>
<td>0.996</td>
</tr>
</tbody>
</table>

0.7 is known as the suitable value for composite reliability and Cronbach’s alpha (Bland & Altman, 1997; Werts et al, 1974; Fornell & Larcker, 1981). According to Table 4, the obtained value for Cronbach’s alpha and composite reliability are higher than the desired value, the reliability status and convergent validity of research was confirmed.

Since the Cronbach’s alpha is a traditional criterion to determine the reliability of the variables, a more modern method is used compared to Cronbach’s alpha, called composite reliability. This criterion was introduced by Werts et al (1974). If the composite stability value for each variable is higher than 0.7, then it shows adequate internal stability for the measurement models and a value less than 0.6 indicates a lack of reliability (Werts et al, 1974).

**Validity of research**

Two types of divergent validity and convergent validity were considered to calculate the validity of the questionnaire. In this concern, apparent validity, content validity, and factor validity (factor analysis) were investigated.

**Convergent Validity**

The correlation of each variable with its questions is examined using convergent validity. The AVE criterion represents the mean of the variance shared between each variable with its questions. To put it simply, AVE shows the correlation between a variable and its questions. Whatever the correlation is greater, the fitting will be greater (Bagozzi, 1982).

Table 4

*Convergent Validity Survey - Average Variance Extracted (AVE)*

<table>
<thead>
<tr>
<th>Research variables</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>0.981</td>
</tr>
<tr>
<td>Brand Awareness</td>
<td>0.986</td>
</tr>
<tr>
<td>Brand Equity</td>
<td>0.986</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.979</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>0.990</td>
</tr>
<tr>
<td>Brand Satisfaction</td>
<td>0.984</td>
</tr>
</tbody>
</table>
The appropriate value for the AVE is 0.5 (Bland & Altman, 1997; Werts at al, 1974; Fornell & Larcker, 1981). Given the obtained value for AVE are higher than the desired value, the reliability status and convergent validity of the research were confirmed.

**Divergent Validity**

Divergent validity is the third criterion for the study of the fitting of measurement models that covers two topics:

A) Comparison of the correlation between variables of a variable with that variable versus the correlation of those items with other variables (cross-loading).

B) Comparison of the correlation of a variable with its items versus the correlation of that variable with other variables.

Analysis of method A: In this technique, the correlation between variables of a variable with that variable and the correlation between variables of a variable with other variables are compared. In case the correlation between a factor and other variables other than its variable is more than the correlation of that factor with its variable, then the divergent validity of the model is less than the factor (Gaski 1984; Gaski and Nevin, 1985).

The following table is used to investigate item A:

The rows of this table belong to the questions of the questions and their columns to the variables of the research model. The values contained within the table cells indicate the correlation between the questions with the variables. The main model in this study is six variables, each of which has several factors or items (Grace and O’Cass 2003, 2005).

Table 5

<table>
<thead>
<tr>
<th>Questions</th>
<th>Proprietary Symptoms in the Model</th>
<th>Advertising</th>
<th>Brand Awareness</th>
<th>Brand Image</th>
<th>Brand Equity</th>
<th>Brand Satisfaction</th>
<th>Brand Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>1)I recall observing an advertising for this type of brand at social media</td>
<td>S1</td>
<td>0.988</td>
<td>0.790</td>
<td>0.840</td>
<td>0.932</td>
<td>0.846</td>
<td>0.824</td>
</tr>
<tr>
<td>2) The social media is full of advertisement for this type of brand.</td>
<td>S2</td>
<td>0.990</td>
<td>0.807</td>
<td>0.836</td>
<td>0.945</td>
<td>0.862</td>
<td>0.830</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>3) There is a lot of advertisement for this brand.</td>
<td>S3</td>
<td>0.990</td>
<td>0.804</td>
<td>0.837</td>
<td>0.943</td>
<td>0.853</td>
<td>0.820</td>
</tr>
<tr>
<td>4) The advertisement of this brand is more than other competitors.</td>
<td>S4</td>
<td>0.995</td>
<td>0.805</td>
<td>0.846</td>
<td>0.942</td>
<td>0.857</td>
<td>0.837</td>
</tr>
<tr>
<td>5) I know this brand.</td>
<td>S5</td>
<td>0.804</td>
<td>0.992</td>
<td>0.753</td>
<td>0.868</td>
<td>0.800</td>
<td>0.744</td>
</tr>
<tr>
<td>6) I can distinguish this brand among competing brands.</td>
<td>S6</td>
<td>0.800</td>
<td>0.992</td>
<td>0.753</td>
<td>0.864</td>
<td>0.789</td>
<td>0.731</td>
</tr>
<tr>
<td>7) I know the appearance of this brand.</td>
<td>S7</td>
<td>0.805</td>
<td>0.994</td>
<td>0.762</td>
<td>0.864</td>
<td>0.794</td>
<td>0.748</td>
</tr>
<tr>
<td>8) The products have features not existed in other brands.</td>
<td>S8</td>
<td>0.838</td>
<td>0.752</td>
<td>0.982</td>
<td>0.878</td>
<td>0.803</td>
<td>0.751</td>
</tr>
<tr>
<td>9) The brand is pleasant.</td>
<td>S9</td>
<td>0.838</td>
<td>0.750</td>
<td>0.994</td>
<td>0.881</td>
<td>0.807</td>
<td>0.766</td>
</tr>
<tr>
<td>10) The brand contains a character distinguishing itself from competitor’s brands.</td>
<td>S10</td>
<td>0.841</td>
<td>0.754</td>
<td>0.993</td>
<td>0.880</td>
<td>0.804</td>
<td>0.760</td>
</tr>
<tr>
<td>11) It’s a brand that doesn’t make its customers disappointed.</td>
<td>S11</td>
<td>0.841</td>
<td>0.757</td>
<td>0.991</td>
<td>0.881</td>
<td>0.807</td>
<td>0.761</td>
</tr>
<tr>
<td>12) It’s one of the best brands in the segment.</td>
<td>S12</td>
<td>0.834</td>
<td>0.754</td>
<td>0.987</td>
<td>0.886</td>
<td>0.812</td>
<td>0.764</td>
</tr>
<tr>
<td>13) It makes sense to purchase this brand rather than any other brand, even if they are similar.</td>
<td>S13</td>
<td>0.942</td>
<td>0.869</td>
<td>0.878</td>
<td>0.995</td>
<td>0.904</td>
<td>0.860</td>
</tr>
<tr>
<td>14) Even in case another brand owns the similar characteristics as this brand, I would desire to purchase this brand.</td>
<td>S14</td>
<td>0.943</td>
<td>0.866</td>
<td>0.881</td>
<td>0.993</td>
<td>0.897</td>
<td>0.855</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>15) If another brand exists as good as x I desire to purchase this brand.</td>
<td>S15</td>
<td>0.948</td>
<td>0.868</td>
<td>0.892</td>
<td>0.995</td>
<td>0.903</td>
<td>0.873</td>
</tr>
<tr>
<td>16) In case not differing another brand this brand in any way, it appears cleverer to buy this brand.</td>
<td>S16</td>
<td>0.938</td>
<td>0.860</td>
<td>0.886</td>
<td>0.990</td>
<td>0.897</td>
<td>0.864</td>
</tr>
<tr>
<td>17) I am very pleased with the service offered by this brand.</td>
<td>S17</td>
<td>0.857</td>
<td>0.799</td>
<td>0.803</td>
<td>0.904</td>
<td>0.995</td>
<td>0.742</td>
</tr>
<tr>
<td>18) I am very pleased with this brand.</td>
<td>S18</td>
<td>0.857</td>
<td>0.795</td>
<td>0.805</td>
<td>0.900</td>
<td>0.989</td>
<td>0.736</td>
</tr>
<tr>
<td>19) This brand does not satisfied my requirements.</td>
<td>S19</td>
<td>0.862</td>
<td>0.797</td>
<td>0.816</td>
<td>0.902</td>
<td>0.996</td>
<td>0.754</td>
</tr>
<tr>
<td>20) I believe that this brand is generally a very nourishing experience.</td>
<td>S20</td>
<td>0.851</td>
<td>0.789</td>
<td>0.810</td>
<td>0.897</td>
<td>0.990</td>
<td>0.745</td>
</tr>
<tr>
<td>21) I decided appropriately when I made decision to utilize this brand.</td>
<td>S21</td>
<td>0.852</td>
<td>0.789</td>
<td>0.809</td>
<td>0.895</td>
<td>0.991</td>
<td>0.752</td>
</tr>
<tr>
<td>22) I take into account myself as a loyal consumer of Brand X.</td>
<td>S22</td>
<td>0.836</td>
<td>0.747</td>
<td>0.766</td>
<td>0.870</td>
<td>0.753</td>
<td>0.998</td>
</tr>
<tr>
<td>23) When visiting anywhere, my initial option would be Brand X.</td>
<td>S23</td>
<td>0.821</td>
<td>0.730</td>
<td>0.763</td>
<td>0.853</td>
<td>0.736</td>
<td>0.991</td>
</tr>
<tr>
<td>24) I plan to endure purchasing/using Brand X.</td>
<td>S24</td>
<td>0.837</td>
<td>0.750</td>
<td>0.765</td>
<td>0.871</td>
<td>0.754</td>
<td>0.996</td>
</tr>
</tbody>
</table>
As shown in the table above, the factors related to each variable have more correlation to that own variable compared to correlation to other variables. For example, S1 to S4 for the Advertising variable has more correlations that are shown in dark purple colors. These numbers in the other variables of the study are fewer.

Study of item B: Another important criterion which is identified by divergent validity is the relationship between a variable and its questions in comparing its relationship with other variables so that a satisfactory divergent validity of a model indicates that a variable in the model involves more interface with its questions than other variables. Divergent validity is at an acceptable level when the AVE value for each variable is higher than the shared variance between that variable and other variables in the model (O’Cass and Pecotich, 2005).

Item B is examined as follows:

Table 6

<table>
<thead>
<tr>
<th>Research variables</th>
<th>Advertising</th>
<th>Brand Awareness</th>
<th>Brand Equity</th>
<th>Brand Image</th>
<th>Brand Loyalty</th>
<th>Brand Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Awareness</td>
<td>0.809</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Equity</td>
<td>0.949</td>
<td>0.872</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.847</td>
<td>0.761</td>
<td>0.891</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>0.835</td>
<td>0.746</td>
<td>0.869</td>
<td>0.769</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Brand Satisfaction</td>
<td>0.862</td>
<td>0.800</td>
<td>0.906</td>
<td>0.815</td>
<td>0.751</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Fornell and Larcker’s method suggests a matrix to study divergent validity, which is similar to the matrix above, with the difference that the main diameter of this matrix contains the AVE values for each of the 6 variables. The values of the main diameter are represented by the number 1 in the table above (Fornell and Larcker, 1981). As observed in the table above, where is specified in the dark purple color, the amount of root AVE of each variable is greater than the correlation of the two variables.

Finally, Table 6 indicates that all of the correlations were smaller relevant to the square root of average variance employed along the diagonals, indicating satisfactory discriminant validity. This verified that the found variables in every construct represented the certain latent variable approving the model’s discriminant validity. However, Table 5 indicates that the cross-loading of all found variables was higher than the inter-correlations of the construct of all the other variables observed in the model. Thus, these findings offered acceptable validation for the discriminant validity of the measuring model.
Analysis and Results

The structural equation model was utilized to assess the hypotheses and model fitting in this paper. Structural Equation Modeling is a very common and powerful method from the multivariate regression group and, more specifically, is the extension of the general linear model allowing the investigator to examine a group of regression equations at the same time (Bagozzi & Yi, 1988).

In this study, Smart PLS software was used to analyze the data. Standardized regression coefficients for paths, the coefficients of determination for the internal variables and the size of the indices for the conceptual model can be achieved using PLS. (Baumgartner & Homburg, 1996).

Fitting Structural Equation Model

After considering the measurement models, the structural model of the research must be examined. To evaluate the structural equation model we used t-Value, $R^2$ and $Q^2$ Criterion measures.

The structural model, unlike the measurement models, is not related to the questions (obvious variables), and only the hidden variables, along with the relationships between them, are examined.

Significance Coefficients t (t-values):

Several criteria are used to examine the structural model fitting of the research, which the first and most important criterion is the t-values.
The significant numbers t is the most basic criterion for determining the association between the variables in the model (structural section). If the value of these numbers is greater than 1.96, the validity of the relationship between the variables is verified and the research hypotheses are approved at the confidence level of 0.95. Of course, it should be noted that numbers only show the correctness of the relationship and it can’t be used to measure the intensity of the relationship (Grace and O’Cass 2003, 2005).

Table 7

<table>
<thead>
<tr>
<th>Investigating relationships within the research structural model</th>
<th>Standard error</th>
<th>Standard coefficients</th>
<th>T-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising -&gt; Brand Awareness</td>
<td>0.038</td>
<td>0.809</td>
<td>21.266</td>
</tr>
<tr>
<td>Advertising -&gt; Brand Equity</td>
<td>0.010</td>
<td>0.364</td>
<td>6.257</td>
</tr>
<tr>
<td>Advertising -&gt; Brand Image</td>
<td>0.025</td>
<td>0.847</td>
<td>33.786</td>
</tr>
<tr>
<td>Advertising -&gt; Brand Loyalty</td>
<td>0.029</td>
<td>0.835</td>
<td>28.766</td>
</tr>
<tr>
<td>Advertising -&gt; Brand Satisfaction</td>
<td>0.022</td>
<td>0.862</td>
<td>38.993</td>
</tr>
<tr>
<td>Brand Awareness -&gt; Brand Equity</td>
<td>0.033</td>
<td>0.173</td>
<td>5.267</td>
</tr>
<tr>
<td>Brand Image -&gt; Brand Equity</td>
<td>0.042</td>
<td>0.165</td>
<td>3.897</td>
</tr>
<tr>
<td>Brand Loyalty -&gt; Brand Equity</td>
<td>0.047</td>
<td>0.159</td>
<td>3.341</td>
</tr>
<tr>
<td>Brand Satisfaction -&gt; Brand Equity</td>
<td>0.037</td>
<td>0.200</td>
<td>5.335</td>
</tr>
</tbody>
</table>

According to the above table for all relationships, it can be stated that a considerable association exists between the variables of the model because the t-values, the degree of test freedom of the t-student is 135 (136 minus one), for these relationships, are more than 1.96 and since 100% of the relationships are confirmed, therefore the structural model fitting is extremely good.
According to the critical table related to this test, the minimum value for this test is 1.96 at a 95% confidence interval and an error percentage of 5%. That should be a meaningful criterion.

**R Squares or R2:**

R2 is a criterion utilized to attach the measurement section and the structural part of structural equation modeling and implies that an exogenous or independent variable imposes a significant impact on an endogenous or reliant variable. An important advantage in PLS technique is that this method is able to decrease errors in measuring models or increment the variance between variables and questions (Chin, 1998; Hensler and Fassott, 2010; Wold, 1985).

This criterion is used to assess the structural model fitting in research, R2 coefficients related to the concealed (dependent) variables of the model. R2 is a criterion that indicates the impact of an exogenous variable on an endogenous variable, and 3 values of 0.19, 0.33 and 0.67 are regarded as a criterion for weak, moderate and strong values (Esposito Vinzi, 2009, Esposito Vinzi et al, 2010).

The value of R2 for exogenous or independent variables is equal to zero.

<table>
<thead>
<tr>
<th>Research variables</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness</td>
<td>0.654</td>
</tr>
<tr>
<td>Brand Equity</td>
<td>0.963</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.718</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>0.698</td>
</tr>
<tr>
<td>Brand Satisfaction</td>
<td>0.744</td>
</tr>
</tbody>
</table>

According to the above table, the value of R2 for all dependent variables is moderate and strong, and based on the value of the criterion, the relevance of the structural equation fitting is confirmed.

**Q2 (Stone-Geisser Criterion)**

In 1975, Stone and Geisser introduced this criterion, which indicates the model’s predictive power. They believe that models possessing satisfactory structural fitting should be able to predict questions associated with the model’s dependent variables. That is, if the relationships between variables are correctly defined in a model, the variables will be able to influence enough each other’s questions and the hypotheses to be confirmed in this way. The Q2 value must be determined for all dependent variables of the model (Stone, 1975).
If the value of Q² for a dependent variable is zero or less than zero, it means the associations between the other variables of the model and that dependent variable are not well defined and, as a result, it is essential to correct the model. This criterion shows the model’s predictive power, and if the values of 0.02, 0.15 and 0.32 of Q² value for one of the inactive variables represent the weak, moderate and strong predictive power of the variable, or relevant exogenous variables.

Table 9  

<table>
<thead>
<tr>
<th>Research variables</th>
<th>SSO</th>
<th>SSE</th>
<th>1-SSE/SSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness</td>
<td>408</td>
<td>146,265</td>
<td>0.641</td>
</tr>
<tr>
<td>Brand Equity</td>
<td>544</td>
<td>31,254</td>
<td>0.942</td>
</tr>
<tr>
<td>Brand Image</td>
<td>680</td>
<td>204,681</td>
<td>0.699</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>408</td>
<td>128,029</td>
<td>0.686</td>
</tr>
<tr>
<td>Brand Satisfaction</td>
<td>680</td>
<td>185,001</td>
<td>0.728</td>
</tr>
</tbody>
</table>

SSO = Sum of square values for questions.  
SSE = Sum of square error values in predicting dependent variable questions.

As shown in the table above, this criterion for all three variables is in medium and strong level, which indicates that exogenous (independent) variables are suitable for predicting dependent variables and appropriate fitting for the structural model of the research is confirmed again.

**Discussion**

The findings of this work illustrate a positive influence of advertising on brand awareness (path coefficient = 0.809 and the t-value = 21.266). Moreover, the outcomes show the significant effect of advertising on the brand image with (path coefficient = 0.847 and the t-value = 33.786). Similarly, the hypothesis of “advertising imposes a positive and significant effect on brand equity” is confirmed by the obtained results (path coefficient = 0.364 and the t-value = 6.257). Advertising shows a positive influence on brand satisfaction (path coefficient = 0.862 and the t-value = 38.993). Furthermore, advertisement is significantly related to brand loyalty (path coefficient = 0.835 and the t-value = 28.766). Likewise, brand awareness, brand image, brand loyalty, and brand satisfaction show positive effects on brand equity with 0.173, 0.165, 0.159, 0.200 level of path coefficient and at 5.2674, 3.897, 3.341, and 5.335 level of t-value, respectively.

According to the findings of the present work, it can be said that advertisement imposes a positive and significant effect on brand image, brand equity, brand awareness, brand satisfaction, and brand loyalty. It is also shown that the dimensions of brand equity include a positive and significant effect on brand equity. A strong brand contains many benefits for service organizations. More loyal customers, increased organizational
capacity in crises, less marginal profits and positive reaction of customers to buy and introduce the goods or services to others can be noted in this concern. The results of this work confirm the influence of advertising on brand equity. Attention and emphasis on the brand and its management in the service sector are very important.

As Sullivan et al (1993) have suggested, advertising imposes a positive influence on brand equity, and several studies have shown that there is a positive association between the consumer’s positive response to advertising and the attitude towards brand and intention to purchase. Therefore, advertising imposes a considerable impact on brand equity. The outcomes of this work are in agreement with the findings of Archibald et al. (1983), Kob et al. (1995) Laroche et al. (1996), Stone et al. (2000), Barz and Barker (2003), Heusselli et al. (2007).

Sub-hypotheses of the research indicates the importance of each brand dimension in the effectiveness of advertisement on brand equity. As observed, advertising can be effective in brand equity by creating customer loyalty. Loyal customers have significant benefits to companies and lead to decrease the cost of new customers attraction. The results of this section confirm the results of Yoo et al. (2000) that advertisement is related to brand loyalty and attitude towards the brand must be strengthened to have a considerable impact on brand equity. Various studies have approved the association between brand image and advertising activities (Anand et al, 1988). Brand awareness imposes a positive and significant effect on brand equity by creating the desired attitude of the customers, increasing their knowledge of quality, the amount of remembering and creating a clear image of the services. On the other hand, advertising is considered as one of the ways to promote awareness, brand loyalty, brand satisfaction, and brand image. Therefore, as it is observed from the results of the research, advertising through awareness can affect brand equity. The results of this section are in agreement with Grover & Siriniosan (1992) and Schwart et al. (2006).

Conclusions

This paper assesses the “Effect of Advertisement on the Brand Equity of Chabahar Free Zone Tourism Destination (Iran)”. Results indicate that advertisement imposes a significant impact on the brand equity and shows that a significant association exists between the variables of the model because the t-values for these relationships is more than 1.96 and since 100% of the relationships are confirmed, therefore the structural model fitting is extremely good. The value of R2 for all dependent variables is strong and moderate. Regarding the value of 0.862 for GOF indicates the model imposes good fitting. Investigating the hypotheses of the research be shows that advertisement imposes a positive and significant effect on brand equity and the dimensions of brand equity (brand awareness, brand image, brand satisfaction, brand loyalty) have a significant and
positive effect on brand equity. Also, results revealed the importance of advertising in creating brand equity and confirmed that brand equity could be improved by focusing on advertising. Furthermore, the results approve the significant and positive impact of advertising on brand awareness, brand image, brand satisfaction, and brand loyalty.

In conclusion, this work highlights the importance of advertising in creating maintainable brand equity. It proposes for managers of the tourism industry to focus on such aspects in designing their branding policies to build their universal competitiveness. In general, this study implies that the capability in utilizing creative advertisement approaches attractive to customers may affect their preferences and buying decisions. The findings also indicate that tourism destinations can use the title of a positive image to create a positive brand image and acquire favorable customer reactions. Advertising a positive title is essential to create maintainable brand equity that can be utilized by customers to assess a brand prior to buying.

Some recommendations are provided below:

It is needed to develop strategies in the field of marketing to introduce tourism attractions in the tourism destination. Various tools such as radio, television, social media, etc. will be used to advertise and introduce the tourist attractions of tourism destination especially Chabahar Free Trade–Industrial Zone (CFZ). The Tourism Management Department of the organization must use advertising in social media to promote brand equity. Social media can discuss and interact with users and this method is used to transfer experiences of visitors to other peoples.

Brand management programs in the service sectors will focus on identifying the most important and most effective dimension of brand equity in building brand equity. To do this, targeted advertising at a widespread level can improve brand image and brand awareness using advertising by social media.

Organizing the tourism advertisement according to the attractions of tourism destinations.

Presenting services and designing products fit to demands of tourists from different cities and ethnics;

Using advertisements in mass media to introduce tourism attractions to large groups of people to popularize the brand of a tourism destination.

Designing new models with frequent surveys by changing the population structure of tourism destinations.

This paper contains some restrictions that can be taken into account in future researches. First, only one destination was chosen for this work. This causes the limitation
of the generalizability of outcomes to other destination brands in Iran. It is recommended to overcome this restraint by future studies and study the effect of advertisement on brand equity for other destinations in the country. Second, this study investigates only brand equity and advertising. Hence, future work should concentrate on other variables like service quality and price deals. Furthermore, the research subject is from the tourism industry within one destination. Examining the topic in other destinations can help the readers to comprehend how the effects of advertising on the brand equity of this destination differ. Since the sample size only involves Chabahar tourism destination, it is not possible to generalize the study to the other sectors. Therefore, the brand equity model should be employed in other sectors to create its external validity. Though this study offers some primary views into the associations between brand image, brand awareness, brand satisfaction, brand equity, brand loyalty, and advertising, future work should be established upon this study model and offer more views into the nature of these associations in various consumption circumstances. In summary, considering the importance of brand management and branding, especially in tourism organizations, the tourism industry practitioners should focus on developing long-term strategies for the tourism brand, and use this intangible asset. It was concluded from the results that the role of advertising can be further prolonged to utilize in creating brand equity. Thus, the main application of the article is the expansion of the role of advertisement to make brand equity.

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