



## THE RELATIONSHIP BETWEEN BRAND EQUITY AND BUSINESS PERFORMANCE IN FMCG INDUSTRY –A CONCEPTUAL FRAMEWORK

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### Abstract

Brand is considered as one of the most important intangible assets of any business. Companies spend considerable amount of their revenue and time in brand building activities. An attempt has been made in this paper to explore and identify if any relationship exist between brand equity and business performance. The literature review reveals that there is acute dearth of knowledge related to this area. This study examines the relationship between brand equity and business performance in the Fast Moving Consumer Goods (FMCG) industry. This paper will identify and bring greater level of clarity in the relationship between brand equity and the business performance. Literature regarding brand equity and its different dimensions is reviewed. The conceptual definition of brand equity in this study is grounded on Aaker's (1991) comprehensive framework, where brand loyalty, perceived quality, brand awareness and brand association leads to brand equity. The study proposes a conceptual framework in which brand equity dimensions are related to the financial and operational business performance based on the existing literature and the experience of the researcher. Correlations were found between brand loyalty, perceived quality, brand awareness, brand association and brand equity. This conceptual framework now has to be tested on a macro setting.

**Keywords:** Brand equity, Business performance, Brand awareness, Brand loyalty, Brand association, Perceived quality