Perceived Brand parity: critiques on Muncy's scale

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ABSTRACT: Today, markets became ultra-competitive markets so that researchers shown that consumers are seeing products as similar to each others. In the marketing literature, this situation is called brand parity that it is very important to investigate but unfortunately, very little research has been done in this area. It is true that Muncy's scale of Perceived Brand Parity is only parity scale in the field of marketing but certainly is not the most perfect scale therefore in the paper; the researchers intend to criticize Muncy's scale based on issues marketing and methodology so thereby demonstrate to need for developing a more complete scale

Keywords: brand parity, Muncy's scale, similar product, consumer behavior, perception.

INTRODUCTION

The paper starts with a definition of brand based on definition of American Marketing Association the brand is “the name, term, indicator, design, shape, or a collection of all these which serves the purposes of determining, defining a product or products and services of a group of sellers, and distinguishing and differentiating them from their competitors”.

Branding has the propensity to distinguish one product from another by creating different brand elements, “name, logo, symbol, and package design” and it can create value for a firm resulting in financial profit (Keller, 1998).

The use of the brand as a wider concept than distinguishing name, sign, or symbols that are protected by law has emerged initially by the assessments done from the marketing point of view. From this perspective, the brand is not only a name/sign protected by the law but also a means that explains the positive images about the enterprise and the product in the heads of the customers and potential customers, customer loyalty, and quality perceptions about the product; causes the customers or potential customers to have emotions about the product such as prestige, robustness, and reliability (Erenkol and Duygun, 2010).

A strong brand created the benefits that Keller (2002) summarized: Improved perceptions of product performance, Greater loyalty, Less vulnerability to competitive marketing actions and marketing crises, Larger margins, More inelastic consumer response to price increases and more elastic consumer response to price decreases, Greater trade cooperation and support, Increased marketing communication effectiveness, Licensing opportunities and additional brand extension opportunities.

But in some cases, consumers believed there are few, if any, tangible distinctions between competing brands. That In such a case, called brand parity( Clow and Baeck,2012). Brand parity varies widely from one category to another. For example it is high for petrol but brand parity is low for cars (Blackett and boad, 1999). An increase in the number of product markets characterized by low levels of inter brand differentiation creates a need for research that examines consumer response to brands under parity conditions (Barone and DeCarlo, 2003).

For measuring brand parity, there is only one scale that Designed and presented by Muncy in 1996. This research published his article as titled "Measuring Perceived Brand Parity" in the journal "Advances in Consumer Research". After presenting the scale, other researchers such as, Iyer and Muncy (2005); Jones and Santos(2005) ; Li(2010) used from Muncy scale for their researches in the field brand management and brand parity. While this scale have some problems that in this paper, the research intend to review and criticize the scale.

Therefore, the paper is organized in following: 6T First, we review the relevant literature in the field of brand parity and explain Muncy scale and then we propose a framework for criticizing the scale. The last section outlines the implications and discusses avenues for further research.
Lecture Review

Brand parity

Currently, brand is one of the most important concepts related to the marketing science. Brand is a concept that belongs to an enterprise, a football team, a political party, or even an individual person; and it adds value to those it belongs, it integrates and associates with them (Erenkol and Duygun, 2010). Understanding how consumers perceive and evaluate products relative to other products is fundamental to marketing strategy (Lefkoff-Hagius and Mason, 1990).

Brands create strategic positions and specific perceptual associations in the minds of consumers, they are important in product-line extension development, and they signal quality and consistency critical in such moves as globalization (Henderson and et al., 1998). Perceived brand parity defined by Muncy (1996) as "the overall perception held by the consumer that the differences between the major brand alternatives in a product category are small. Thus, when consumers perceive the major brand alternatives as being similar, then PARITY is high. Conversely, when consumers perceive the alternatives as being dissimilar, PARITY is low.

It should also be noted that, as defined, brand parity exists as a perception in the consumer's mind and not necessarily as an intrinsic characteristic of a product class. Thus, it is possible that a consumer would perceive no parity for a product category where the brands are basically alike; conversely, a consumer could have high parity perceptions for a product category where the brands are quite dissimilar (Muncy, 1996).

Iyer and Muncy (2005) Shown that high parity perceptions inhibit a company's ability to develop loyal customers. Also, Muncy (1996) indicated that perceived brand parity had negative impact on cognitive brand loyalty, price sensitivity, and perceived utility of marketplace information.

Such knowledge would certainly improve the efficiency of marketing campaigns targeted towards drivers. The brand manager can more readily identify potential customers, and the brand manager gains more precise information regarding who his/her competition really is, not as perceived by management or "market structure" but by the voice of the customer (Henderson and et al.,1998).

Muncy's scale

Perceived brand parity's scale of Muncy can be considerate as one more scale dealing with perception of consumers and of course, the only scale for measuring brand parity in marketing and consumer behavior literature.

Muncy explained development processes in his paper that reached a five items scale according to the following process:

After considering initial set of items, done pretest with 29 university student that resulting gained 8 items. In next stage, Muncy eight items distributed among 93 students and so the number of items was reduced five items.

Five Items Scale Measuring Perceived Brand Parity include (Muncy, 1996):

1) I can't think of many differences between the major brands of ……
2) To me, there are big differences between the various brands of ……
3) The only difference between the major brands of ……. is the price.
4) ……. is laundry detergent; most brands are basically the same.
5) All major brands of ……. are basically alike.

Based on the scale, Muncy (1996) investigated effect brand parity on three variables named cognitive brand loyalty, price sensitivity, and perceived utility of marketplace information. The results shown that brand parity was demonstrated to be negatively correlated to brand loyalty and utility of information and positively correlated to perceived price. After 11 years, in a joint paper with Iyer (2005) titled" the role of brand parity in developing loyal customer" indicated that high parity perceptions inhibit a company's ability to develop loyal customers.

Critiques On Muny's Scale

It is true that many product markets are characterized by a high level of parity and a lack of differentiation among available options and As a result, marketers are forced operating in categories with little or no differentiation among products therefore more research is needed both in the field development of parity scale and both in the field Other factors that can affect brand parity.

Critique is a method of disciplined, systematic analysis of a written or oral discourse. Critique is commonly understood as fault finding and negative judgment but it can also involve merit recognition, and in the philosophical tradition it also means a methodical practice of doubt (Gasché, 2007).

Based on this literature review and based on any measure scale can not be considered perfect-scale, we present criticisms on Muncy scale according to dual areas: first Critique in the area of marketing and second Critique in the area of methodology and statistics.
Critique in the area of marketing

The first criticism that can be leveled at Muncy's scale is that the scale is a scale unidimensionality while brands should be evaluated in various dimensions.

For example, from an experimental perspective, Rio and et al. (2001) indicated that brands have a functional and symbolic component. But other researchers were that have considerate more dimensions to evaluate brands. Bridson and Evans (2004) evaluated brands based on four dimensions that its two dimensions (functionality and symbolic) are similar previous work and another two dimensions (Distinctiveness and Value adding) are new dimensions.

Second criticism that can be taken to the scale, it is that Muncy presented and development the scale for measuring perceived brand parity for consumer nondurable goods. In the research 1996, Muncy considered products such as shampoo, toothpaste and laundry detergent. Therefore, the scale can't be used to assess the durability of products and absence of such a measure is quite noticeable.

Finally the third criticism is related to the items. Schmitt and Rogers (2008) reviewed and discussed from this perspective. They are expressed that the scale is extremely short and from among five items, the first two items express the same concept, with the difference that one is passively worded and one is negatively worded. Similarly the last two items convey an identical meaning thought their style and form are different and lastly price is mentioned in item number three.

Critique in the area of methodology and statistics

While researchers always attempts to develop a robust and appropriate scale to measure a specific phenomenon, error in measure can occur so researchers must assess reliability and validity of a scale (shukla,2008).

In this regard, the major criticism that can be leveled at Muncy's Scale is that the procedure followed to develop it is rather simplified (Schmitt and Rogers, 2008).

As explained development procedure of the scale in the previous section, no experts were involved in any stage of the research so expert validity and CVR index that are most importance validity in a new scale development, was not calculated. Also in the Muncy's scale, from types of construct validity namely convergent and divergent validity can not be found anything. Namely EFA (Exploratory factor analysis) and CFA (Confirmatory Factor Analysis) that are the key elements in developing a scale, was not calculated. Of course it is better to be told there is no evidence of the different types of scale validity.

About reliability, Muncy calculated only Alpha Cronbach that is from types of internal consistency reliability if that could measure Test-retest reliability. Also, in order to check garbage items (worthless) was better calculated to CITC (Corrected Item – Total Correction).

CONCLUSION AND IMPLICATIONS

It is true that many product markets are characterized by a high level of parity and a lack of differentiation among available options and As a result, marketers are forced operating in categories with little or no differentiation among products therefore more research is needed both in the field development of parity scale.

Therefore, we suggested future research to develop new scales that should take consider the more dimensions of brand both in non-durability of products and in durability of products.

Also we should say that others study could focus factors affecting on brand parity and affective factors on brand parity .for example Jones and Santos (2005) that in their research concluded that product involvement has a negative impact on brand parity.

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