

The importance of brand equity on purchasing consumer durables: an analysis of home air-conditioning systems

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Abstract

Purpose – The purpose of this study is to show manufacturers and dealers of residential air-conditioning systems how to raise the equity of their brands, enabling them to sell more premium systems and increase their revenues and profit margins.

Design/methodology/approach – For such products the consumer decision-making process is complex and high involvement, and most purchasers are unacquainted with brands. A self-administered survey was developed to assess which attributes were most important to consumers, to what degree brand influenced the price they would pay, and where they searched for product information, as well as demographic characteristics.

Findings – In total, 140 homeowners showed that reliability, serviceability and energy-saving features were the attributes consumers desired most. Brand name communicated quality to them, but was not an important choice criterion. However, consumers were willing to pay more for an air-conditioner with a reputation for quality. Results also indicated that consumers searched for product information from friends and family, manufacturers' websites and brochures, but not from the *Yellow Pages* or through salespeople. However, dealers were highly influential during the decision-making process by helping consumers to refine their choice criteria and choose systems that satisfied their end goals.

Practical implications – If consumers were better informed about the important attributes of a particular brand (reliability, serviceability and energy efficiency), they would be willing to pay more for it. To raise brand awareness, HVAC manufacturers should use broadcast media that include television and radio frequently and seasonally, and supplement them with outdoor or print to gain brand awareness and knowledge, thus increasing the likelihood that brand becomes a criterion in the decision-making process. All advertising and promotion should steer consumers to the manufacturers' website, which should be filled with home-owner-oriented information about the features and, most importantly, the benefits of the brand. Manufacturers can raise brand equity among consumers through comparative executions that spell out the positive attributes of their system versus other brands. This will differentiate their brand(s) from competitors, and position themselves differently in the minds of consumers.

Originality/value – The study showed that brand name was not an important criterion in the consumer decision-making process for purchasing replacement residential air-conditioning (HVAC) systems. Since consumers are not knowledgeable about air-conditioning brands, they assume homogeneity and shop for price.

Keywords Brand equity, Consumer durables, Decision making

Paper type Research paper

An executive summary for managers and executive readers can be found at the end of this article.

Introduction

Primarily owing to a slowdown in new home construction, sales of heating, ventilation, and air-conditioning (HVAC) systems have dramatically declined recently, with factory shipments down 13 percent for the first half of 2007 (HARDI, 2007). The decline in both revenues and profits has driven manufacturers to assertively promote their higher-priced energy saving systems, in hopes that skyrocketing energy costs will drive homeowners to purchase new, more efficient air conditioning systems. Using mass-produced energy-saving components, HVAC manufacturers are offering a new generation of high efficiency systems. Public utility

corporations, such as Edison and Pacific Gas and Electric, and government agencies like the Internal Revenue Service and the California Energy Commission (see www.flexyourpower.org), are offering incentives in the form of rebates and tax credits to homeowners who purchase these efficient HVAC systems.

Dealers who purchase from manufacturers (or wholesalers) and sell to homeowners are often hesitant to offer more expensive systems, fearing they will overprice themselves in an increasingly competitive market. Many dealers have been told by consumers that price is the sole criterion, so they approach customers with their least expensive package and hope no one underbids them (Murphy, 2007). Consequently, profit margins are reduced for dealers, and manufacturing demands shift back to lower-priced base models rather than high efficiency ones. Hence, sales revenues and margins continue to decline (Hall, 2007).

The purpose of the study was to determine the importance of brand equity in the purchase of consumer durable goods, specifically heating, ventilation and air-conditioning (HVAC) systems. More specifically, the research sought to answer the following questions:

- 1 What product attributes are most important to consumers when selecting residential replacement HVAC systems?

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- 2 To what degree does brand name influence the price consumers are willing to pay for residential replacement HVAC systems?
- 3 What are the primary sources of information consumers evaluate when purchasing residential replacement HVAC systems?
- 4 What if any specific demographic characteristics influence the purchase of residential replacement HVAC systems?

Relevant literature

Brand equity can be seen from two perspectives; according to Aaker (1991) brand equity is generated in two manners. First is the financial equity of a brand which determines its value for accounting purposes, such as merger, acquisition or stock price. The second is consumer-based equity which is derived from the perceptions of individual consumers, based on the differential effect of a marketing program on their attitudes toward the brand (Aaker, 1991). In other words, equity exists when certain outcomes result from marketing a product or service that would not have occurred if it lacked a brand name.

Consumer-based brand equity is based on two components, brand awareness and brand image (Keller, 1993). While awareness is created through exposure, brand image can be enhanced through promotional efforts, use of credible spokespersons, and satisfactory product performance (Guiltingian *et al.*, 1997). In addition, brand image can be a result of consumers' perceptions of product quality (Kayaman and Arasli, 2007). Brand equity creates a variety of benefits, including promotional support from manufacturers and wholesalers, consumer brand loyalty, and the ability to command a premium price for the product or service (Guiltingian *et al.*, 1997).

Decision Analyst Inc. (2005, 2007) performed extensive research on the importance of branding in the residential HVAC market and found unaided awareness of all brands of air conditioning system to be lower than 35 percent. These findings led them to conclude that branding of HVAC equipment was less important than branding of the dealer during the consumer decision-making process (Decision Analyst Inc., 2005). However, the same study indicated that HVAC replacement buyers are more likely to research equipment brands (34 percent) than dealers (23 percent) prior to their purchase decision. Similarly the 2006 American Home Comfort Study found no correlation between brand awareness and market share (Decision Analyst Inc., 2007); hence, it is possible to conclude that brand awareness is less important than brand image during the consumer decision-making process for HVAC products.

The consumer purchase of an HVAC system is a complex, high involvement process, starting with problem recognition, followed by a search for alternative solutions, and evaluation of those alternatives, resulting in a purchase decision (Peter and Olson, 2005). In the case of residential air-conditioning systems, the problem recognition stage is activated when the consumer's air-conditioner breaks down, and the dealer recommends replacement of the homeowner's existing HVAC system.

Since this purchase decision is due to product depletion, the consumer's search for alternative solutions begins immediately (Punj and Brookes, 2001). The consumer has the option of replacing the system with the existing brand or a

different one. Bayus (1992) notes that if the consumer has been satisfied with the features and performance of their existing brand, the same may be requested. If there is some dissatisfaction, or if additional benefits are sought, then begins the process of seeking information about alternative brands (Lin *et al.*, 2000).

Traditionally, consumers know little about the features and benefits of various air conditioning brands. They generally have relied on the dealer's recommendations and expertise when choosing a new system. However, with the increase in technology, the diversity of media selection and the advent of the internet, information about consumer durables are more accessible. Some consumers will now make a purchase decision prior to product or dealer contact, based on prior experience or a thorough online information search (Ratchford *et al.*, 2003). However, two-thirds of replacement HVAC buyers use the dealer as a primary information source (Decision Analyst Inc., 2007).

The information search begins with the retrieval of product-related information stored in memory. Most consumers have a very limited evoked set since most HVAC manufacturers do not market directly to them. Consumers form their consideration set from the brand choices presented to them by the dealer (Decision Analyst Inc., 2005). Most air-conditioning dealers employ field representatives who are trained not only in the technical aspects of installing the equipment, but also in their features and benefits, so they can help customers make an informed buying decision (Murphy, 2006).

Choice criteria during the evaluation stage depend on the consumer's end goal and may include brand image, features, price, design, and past experience (Lin *et al.*, 2000; Villarejo-Ramos and Sanchez-Franco, 2005). In the case of residential air-conditioners, if the product is replaced later in its life cycle, the buyer tends to exhibit brand loyalty. Early replacers are usually brand switchers (Bayus, 1992). Knowledge uncertainty about multiple brands may trigger another information search to determine which brand best satisfies the consumer's end goal (Urbany *et al.*, 1989). This could occur during the sales presentation or by the consumer independently.

The final purchase decision depends on the choice heuristics of the decision maker. After evaluating the alternatives, the consumer will select the product and brand that will most closely fulfill the desired end goals (Houston and Walker, 1996).

Perceived quality and price

For consumers whose purchase decision depends primarily on the perceived quality of durable goods, Brucks *et al.* (2000) propose six quantitative dimensions:

- 1 ease of use;
- 2 versatility;
- 3 durability;
- 4 serviceability;
- 5 performance; and
- 6 prestige.

Their research demonstrates that brand name is better than price as an indicator of quality, and that a high price alone does not suggest quality without the validation of a brand name. Kalita *et al.* (2004) confirmed that manufacturers of big-ticket consumer durable goods do not use high prices to

signal high quality. In fact, some high-priced consumer durables have extremely low brand loyalty, particularly among innovators (Hsu and Chang, 2003). Furthermore, the use of price deals for consumer durables has a negative effect on quality perception and brand image (Villarejo-Ramos and Sanchez-Franco, 2005).

Perceived quality and advertising

Moorthy and Zhao (2000) demonstrated a positive correlation between advertising expenditures and the perceived quality of consumer durable goods. Their study noted that previous negative experiences reduced the effect of advertising, but suggested that advertising may play a more important role in brand equity than actual product performance. Villarejo-Ramos and Sanchez-Franco (2005) confirmed that marketing efforts positively affect brand equity of consumer durables (washing-machines) along four dimensions: perceived quality, brand awareness, brand image, and brand loyalty.

Methodology

Population and sample

The population was American homeowners. A random sample was drawn from homeowners living in Southern California. To draw a large variety of demographics in the sample, the self-administered questionnaires were mailed from a list of homeowners in several cities in the Southern California area. Three respondents listed zip codes outside of Southern California that included Southern Nevada, and Western Arizona. Although they did not reside in Southern California they were homeowners and therefore their responses were included in the study.

Prior to receiving a survey instrument, each prospective participant was contacted by phone and asked, "Are you a homeowner?" If the answer was no, the person was not sent a questionnaire. Those who said yes made up the random sample of 140 participants.

Instrument

The questionnaire was divided into four sections, each that addressed a particular issue. The first question was designed to qualify the sample as homeowners. Subsequently a scenario was presented to respondents regarding the failure of their air conditioning system and the need to replace it. The next three sections of the questionnaire were designed to elicit attitudes and behaviors that participants would experience during their decision-making process.

Section 1 sought to determine the attributes that were important to consumers when they shopped for replacement air conditioning systems. The attributes were drawn primarily from Lin *et al.*'s (2000) study on brand loyalty for durable household appliances, as well as from research by Bayus (1992), Brucks *et al.* (2000), Garvin (1987), Green (1975) and Furse *et al.* (1984). Attributes included reliability, ease of use, serviceability, brand reputation, energy saving features, discounts or promotions, recommendation by the sales person, prior experience with brand, price and finally size. Respondents were asked to rate the importance of each of the ten attributes on a five-point modified Likert scale, ranging from very unimportant (1) to very important (5).

Section 2 narrowed the focus to brand equity, and presented participants with three statements about the

influence of brand name on their purchase decision. The questions were originally designed by Westbrook and Fornell (1979) and Bruner and Hensel (1998). The first statement sought to determine consumers' degree of brand loyalty, while the next one sought to determine if a correlation existed between brand name and perception of quality. The last statement assessed the degree that brand equity played regarding the price consumers were willing to pay for an air conditioning system. A five-point Likert scale was used to determine the extent of respondents agreement or disagreement with each statement, with (1) representing strongly disagree, and (5) representing strongly agree.

Section 3 assessed the information sources consumers would seek in their decision-making process. The sources of information were based on studies by Punj and Brookes (2001), Bayus (1992) and Ratchford *et al.* (2003). Respondents were asked to rate how likely they were to seek information from each of eight sources listed. The selections ranged from impersonal sources such as articles, advertisements, manufacturer's brochures and the yellow pages, while personal ones included sales people, friends and family. A five-point modified Likert scale was used, with (1) representing highly unlikely and (5) representing highly likely. Section 4 assessed the demographic characteristics of the sample selected from the literature review.

Results

Sample characteristics

A total of 147 questionnaires were collected and evaluated for further analysis. The respondents were almost evenly split on gender; about 51 percent were female and 49 percent were males. Three-fourths (72.2 percent) were between 31-60 years of age and 81 percent were married. Almost 60 percent of the respondents (59.3 percent) had children living at home. Approximately 21 percent had children under the age of five, 20.7 percent had children between five and ten years of age, and approximately 29 percent had children ages 11 and over.

Slightly over half of the respondents (54.9 percent) indicated they were college graduates and nearly 30 percent (29.3 percent) had an annual household income between \$100,000-149,999. Given their city of residence, 64 different zip codes were identified that represented a diverse cross section of climates, income levels and ethnicities.

Product attributes

When measuring the mean of each attribute on a scale of one to five, the three attributes most important to respondents were "energy saving features," "reliability" and "serviceability." The lowest was "recommendation by salesperson," followed by "brand reputation" and "prior experience with brand."

When comparing the combined percentages of "important" and "very important" responses among the various attributes, "reliability" ranked the highest with 74.1 percent, followed by "energy saving features" (72.8 percent), "serviceability" (69.6 percent) and "price" (69.5 percent). Ranking lowest was "recommendation by sales person" (28.3 percent), followed by "brand reputation" (48.2 percent) and "prior experience with brand" (51.8 percent).

Propensity to purchase same brand

Less than 20 percent (19.3 percent) either agreed or strongly agreed, while the majority of respondents (62.1 percent) neither agreed nor disagreed. This confirms earlier findings that suggested that branding is unimportant to most consumers. One possible explanation is that consumers are unaware of the brand name of their current HVAC system, since most people do not pay attention to it unless it needs service. Where brand awareness does not exist, there cannot be brand loyalty. Another reason may be that respondents were asked to imagine a scenario that they were unfamiliar with, so it may have been difficult for them to predict their actions.

Value of brand name

Participants were then asked how strongly they agreed or disagreed with the following statement: “Brand name communicates quality to me.” Approximately 20 percent of the respondents disagreed with the statement, while twice as many (40.3 percent) agreed.

Willingness to pay more for quality

When participants were asked if they agreed or disagreed with the statement, “I would pay more for an HVAC system with a good reputation for quality”, two-thirds (65.0 percent) agreed, while only 16.4 percent disagreed. Of the respondents who agreed with “Brand name communicates quality to me”, 98.2 percent agreed with “I would pay more for an HVAC system with a good reputation for quality.”

If brand name communicates quality, this would indicate that consumers would pay more for a brand with a reputation for quality. However, brand reputation as an attribute was ranked low in importance, while price was ranked near the top

Sources of information

When asked how likely they would be to look for information about HVAC systems, of the eight sources listed, participants’ top three choices were “friends and family”, “manufacturer’s website” and “manufacturer’s brochures”. When comparing the combined percentages of “likely” and “very likely” responses, “friends and family” ranked highest with 71.4 percent, followed by “manufacturer’s website” (60.2 percent) and “manufacturer’s brochures” (50.4 percent). Respondents were least likely to seek information from “yellow pages (24.8 percent)”, “sales persons” (34.1 percent) and “social networking websites” (42.3 percent)”.

Less than one-fourth (24.8 percent) of the respondents indicated they would likely turn to the yellow pages for information. A popular assumption is that older age groups use the yellow pages, whereas younger consumers use the internet. This research found no major differences between “age group” and either “yellow pages”, “manufacturer’s website”, or “social networking websites”. In fact, the “51–60” age group was the least likely to use the yellow pages, and the most likely to use the manufacturers’ websites.

Only one-third of respondents (34.1 percent) indicated they would be “somewhat likely” or “very likely” to seek information from them. Nevertheless, dealers can still be an important influence in other stages of the consumer decision-making process, such as identifying product attributes that will satisfy consumers’ end goals.

Next to “friends and family,” the sources of information that respondents were most likely to seek were “manufacturer’s websites” (60.2 percent) and “manufacturer’s brochures” (50.4 percent).

Influence of demographics on purchase behavior

When analyzing which product attributes were most important to consumers, demographics did not impact respondents’ choice. The importance of reliability, serviceability and energy-saving features were consistently high across all groups. “Brand reputation” was slightly less important to households with children, with 44.4 percent ranking it as “important” or “very important” compared to 48.2 percent for the entire sample. “Recommendation by sales person” was “important” or “very important” to 69.2 percent of high school graduates, compared with only 51.8 percent of the entire sample.

When analyzing the propensity to purchase the same brand, the value of a brand name, and the respondents’ willingness to pay more for quality, the findings of each demographic category were consistent with the findings of the sample as a whole. When searching for information about HVAC systems, female respondents were more likely to use friends and family (80.5 percent) than males (61.7 percent). Females were also more likely to use salespersons (40.8 percent) than males (26.9 percent). Males were more likely to use the yellow pages (28.4 percent) than females (21.4 percent).

Nearly 60 percent (59.1 percent) of respondents in the 41–60 age group searched for information present in manufacturers’ brochures, compared to 40.0 percent of respondents between 21–40 years of age. The 31–40 age group was most likely to use the yellow pages (36.4 percent), as were families with children living at home (30.9 percent).

Discussion and implications

Implications for manufacturers

This study showed that brand name was not an important criterion in the consumer decision-making process for purchasing replacement residential air conditioning (HVAC) systems. This concurs with findings of prior research by Decision Analyst Inc. (2005). However, product features and attributes that symbolize quality are important. Consumers define quality in terms of reliability, serviceability and energy-saving features. As well, price is important during the decision-making process, but not as important as quality. This is consistent with the findings by Kalita *et al.* (2004) and Villarejo-Ramos and Sanchez-Franco (2005). Consumers are willing to pay more for an HVAC system with features and attributes that communicate quality.

Since consumers are not knowledgeable about air-conditioning brands, they assume homogeneity and shop for price. If consumers were better informed about the important attributes of a particular brand (reliability, serviceability and energy efficiency) they would be willing to pay more for it. Manufacturers currently aim most of their marketing efforts at the dealers and distributors rather than end users or consumers. Dealers are supposed to convey their marketing message to consumers, but most do not select dealers as their source of information. They prefer websites, brochures, family and friends.

Manufacturers can increase brand awareness by using a pull strategy via media placement to communicate information

about their products. Media choices should include, but not be limited to, the manufacturer's websites and brochures. Network television advertising can be effective due to its broad reach and creative impact. Trane and Carrier use seasonal television and radio advertising, but not to the extent that it influences consumers' brand choice for HVAC systems. Outdoor advertising, such as billboard, is effective and less expensive than broadcast media; however, it must be used in conjunction with another medium to reinforce the message in key markets. To raise brand awareness, HVAC manufacturers should use broadcast media that includes television and radio frequently and seasonally, and supplement it with outdoor or print to gain brand awareness and knowledge and thus increasing the likelihood that brand becomes a criterion in the decision-making process. All advertising and promotion should steer consumers' to the manufacturer's website, which should be filled with homeowner-oriented information about the features and, most importantly, the benefits of the brand.

Manufacturers can raise brand equity among consumers through comparative executions that spell out the positive attributes of their system versus other brands. This will differentiate their brand (s) from competitors, and position themselves differently in the minds of consumers. Thus, brand name will become an important choice criterion in the decision-making process.

Establishing an association with quality-defining attributes, including reliability, energy efficiency, and the brand will enhance brand equity. When consumers are informed of the brand's quality attributes, this further substantiates the price relative to competitors, and rather than homogeneity regarding HVAC systems, each brand will be perceived differently and, thus, price becomes a minor criterion in the purchase decision process. Hence, manufacturers and dealers can command a premium price for the brand that results in higher revenues and profit margins.

Implications for dealers

Dealers play a crucial role in the consumer decision-making process, despite the lack of esteem indicated by this study. The unique dealer-client relationship established during a home sales call creates an opportunity for dealers to involve themselves in the consumer's thought processes and discover what features and benefits are really important in their decision-making process. They can also influence the consumer's choice decisions by asking questions about their unique needs and wants, like allergy relief or energy efficiency. Once customers have "opened their wallet," dealers should offer add-on items such as filtration, electronic air cleaners and humidifiers, since the consumer may desire an option that was not in the original set of choice criteria. This not only raises customer satisfaction, but also increases dealers' revenues and profit margins.

Friends and family are the number one source of information for shoppers of residential HVAC systems. Dealers who provide homeowners with solutions to problems, especially problems they were unaware of, become topics of conversation with other prospective buyers. Fulfilling undiscovered needs produces satisfied customers. These customers can then become sources of referrals, which is the best source of prospects. Incentives to promote referrals would engage consumers to communicate their satisfaction with the dealer and brand, building sales for the dealer and the brand.

Besides referrals, outdoor advertising is another good way for dealers to raise awareness of their business as a brand. Other media vehicles that are affordable to dealers are truck and yard signs. Many HVAC manufacturers' offer co-op advertising, and dealers can benefit from the brand equity of the HVAC systems by including the manufacturer's logo on their signs.

Brand loyalty to the dealer can be achieved by contacting the customer regularly by telephone or direct mail. After installing a residential HVAC system, dealers can send satisfaction surveys about the experience, and include tips to make sure the system works properly and the customers remember the dealer. Dealers can also send the customers reminders to call for seasonal maintenance as well as enroll them in maintenance programs. After each service call a survey should be sent to make sure the customer is satisfied. Every contact with customers strengthens the bond between the dealer and the homeowners, and increases the possibility of repeat sales to those customers and referrals to new ones.

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Further reading

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Executive summary and implications for managers and executives

This summary has been provided to allow managers and executives a rapid appreciation of the content of this article. Those with a particular interest in the topic covered may then read the article in toto to take advantage of the more comprehensive description of the research undertaken and its results to get the full benefits of the material present.

The drop in sales of heating, ventilation and air-conditioning (HVAC) systems has been attributed mainly to fewer new homes being built. Manufacturers have responded by

promoting their higher-priced ultra-efficient systems as the answer to soaring energy costs. Government agencies and public utility companies have also tried to stimulate demand by providing rebates and tax credits to homeowners who purchase these systems. However, growing market competitiveness has made dealers cautious about offering more expensive HVAC systems in the belief that they risk overpricing themselves. Based on consumer feedback that price is the main or even sole factor, many are therefore promoting lower cost packages. That manufacturers are consequently focusing more on base models has further eroded sales and margins.

Key issues

Brand equity may become even more influential in such circumstances. Scholars divide customer-based brand equity into brand awareness and brand image. Exposure creates the former, whereas enhancement of the latter can be achieved through marketing activities, credible spokespersons and product performance. Consumer perception of product quality can likewise contribute. Brand loyalty and consumer willingness to pay premium prices are among the benefits brand equity can secure.

Previous research in the HVAC market found awareness of all brands to be below 35 percent. No correlation was found between brand awareness and market share either. And even though results indicated that consumers buying replacement systems were likelier to research equipment brands rather than dealers, the researchers deduced that dealer branding was more important than HVAC equipment branding.

Given these findings, it is likely that consumer purchase decisions relating to HVAC products are influenced more by brand image than brand awareness. Such purchases are characterized by their complexity and high consumer involvement spanning the problem recognition, solution search and evaluation stages that occur prior to decisions being made. Analysts note that customers who are replacing their system may opt for the same brand if they have been happy with its features and performance. Where discontentment has occurred or additional benefits are sought, a search for information about substitute brands is likely.

Previously, most consumers would have possessed little or no knowledge about HVAC systems and would rely heavily on dealer guidance. But information about consumer durables has become easier to attain since the internet has emerged. Even though certain individuals might now make purchase decisions prior to dealer contact, research has shown that dealer influence continues to be significant for two-thirds of those buying replacement HVAC systems. That most manufacturers do not market directly to the public is a key reason for this.

In addition to past experience, brand image, design, features and price are typical drivers of consumer choice. Statistics reveal that buyers of residential air conditioners are likelier to switch brands when the product needs replacing earlier than anticipated. Brand loyalty, on the other hand, is more common when lengthy product lifespan has ensued.

Perceived quality is a key factor for many buyers of durable goods. Research has identified ease of use, versatility, performance, durability, prestige and serviceability as quality dimensions. It has also discovered that brand name is far

more powerful than price when it comes to perceived quality. As a result, few manufacturers of high quality durable consumer goods market through price. Different scholars have, however, noted that marketing can impact on perceived quality and brand equity even more than actual product performance. One study found that advertising positively impacted on the perceived quality, brand awareness, brand image and brand loyalty dimensions. Negative previous experiences can, however, considerably negate this marketing effect.

Survey and results

Seitz *et al.* explored these issues in a survey of homeowners in Southern California, USA. Gender representation in the random sample was almost equal and 72.2 percent of the 147 respondents were aged between 31 and 60. A self-administered questionnaire was distributed and participants were asked to consider their response to a scenario that involved replacing their failed air conditioning system.

A core aim was to ascertain consumer attitudes and behaviors during the decision-making process. Respondents were asked to indicate how important they considered a range of attributes that included reliability, ease of use, reputation of brand, energy efficient features, serviceability, discounts or promotions, prior brand experience, price and salesperson recommendation. Statements also explored brand equity and likelihood of using various impersonal and personal information sources during the decision making process.

Respondents indicated reliability, energy saving features and serviceability to be the most important attributes, while sales person recommendations, brand reputation and prior experience with the brand were the lowest ranked. The majority indicated an indifference to brand name and this elicited author speculation that limited awareness of brand names in this product category could be a factor. That brand loyalty cannot exist without brand awareness is also pointed out. A fraction over 40 percent associated brand name with quality and virtually all of these would pay more for a HVAC brand with a good reputation in this respect. Almost two-thirds of the total sample indicated likewise. The apparent significance of this particular finding is, however, clouded by the low rating of the brand reputation attribute.

Friends and family followed by manufacturer's website and manufacturer's brochures were listed as the information sources most likely to be used, while yellow pages, sales persons and social networking sites were the least considered.

Age was not found to significantly determine information source preference, thus questioning assumptions about older people using traditional media and younger consumers the internet. Essentially, demographic differences were inconsequential with regard to all responses.

Marketing suggestions

The survey indicates consumer belief that certain features communicate quality and a willingness to pay more for HVAC system that contain such attributes. Seitz *et al.* therefore suggest that marketers should target end users more in order to better inform them about the key attributes of their brand. Although the role of dealers in conveying such information is noted, the survey revealed that few consumers regard them as a preferred information source.

Making consumers better informed about air conditioning systems could help reduce assumptions that brands are homogenous and transform the tendency to use price as the main choice determinant. A pull strategy involving media placement is a recommended means of boosting brand awareness. Marketers should utilize manufacturer's website and brochures supplemented with frequent and seasonal messages conveyed by broadcast media, further reinforced through print media and cheaper outdoor advertising such as billboards. Manufacturer websites should provide homeowners with information pertaining to brand attributes and benefits and all advertising forms need to direct consumers there. Emphasizing key attributes will enable differentiation from other systems and further raise the importance of brand name. The positive impact on brand equity will then enable manufacturers and dealers to charge premium prices. Dealers are advised to forge closer relations with consumers to ascertain their exact needs and offer any relevant extras such as filtration or humidifiers. Providing quality service to consumers can boost revenues and lead to repeat business and positive word-of-mouth recommendations. Maintaining telephone and email contact and seeking feedback are other ways to fortify the connection. Additional suggestions are for dealers to use outdoor advertising and include the manufacturer's logo on their sign to profit from the HVAC system's brand equity.

(A précis of the article "The importance of brand equity on purchasing consumer durables: an analysis of home air conditioning systems". Supplied by Marketing Consultants for Emerald.)