THE RELATIONSHIP BETWEEN BRAND EQUITY AND FIRM'S PERFORMANCE IN THE MOVIE PROJECTION INDUSTRY IN JILIN PROVINCE OF CHINA

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ABSTRACT

There is a growing emphasis on building and managing brand equity as the primary driver of a service firm's success. Success in brand management results from understanding brand equity correctly and managing it to produce solid financial performance. This study examined customer-based brand equity and its underlying dimensions that affect cinema firms' financial performance in the movie projection industry in Jilin province of China. A survey was conducted among the cinemas' customers in Changchun city of Jilin province in March 2007. A total of 207 usable questionnaires were collected for this study. The finding revealed a significant positive relationship existing between customer-based brand equity and firms' financial performance in the movie projection industry in Jilin province of China. The study also found that brand awareness and brand associations do not significantly influence cinema firm's financial performance. Brand loyalty and perceived quality have significant positive influence on financial performance of cinema firm. Furthermore, moderating variable (firm's size) has significant influence on the relationship between brand equity and firm's financial performance. It suggested that the cinema operators need to pay most attentions to emphasize on these significant underlying dimensions of brand equity, namely brand loyalty and perceived quality as well as moderating variable of firm's size, to plan appropriate branding strategies for a long-standing brand power in the market, and at the same time help to improve cinema firm's financial performance in future.