

**Customer Equity, Brand Awareness and Performance of Cosmetics Companies in
Ibadan Oyo State, Nigeria**

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Abstract

When considering the socioeconomic contr ons to support jobs and stimulate economic progress, the cosmetics industry stands out as one of the most active. However, there are increasing customers concern about the transparency and sustainability of cosmetic products, Thus, demands management commitment in deploying appropriate Customer Equity mechanisms (CE) and creating Brand Awareness (BA) to enhance customer perception and performance. Hence, the study assessed the effect of CE on performance of cosmetic products in Ibadan. Cross-sectional survey research design was adopted. The infinite population has a sample size of 460 women-cosmetics users computed using Cochran formula. The study adopted a purposive sampling technique. A validated questionnaires were used to collect data. The Cronbach's alpha reliability coefficients for the constructs ranged from 0.72 to 0.91. The response rate of 95.2% was obtained. Data were analyzed using descriptive and inferential statistics. Findings revealed that CE has significant effect on performance ($R^2 = 0.595$, $\beta = 0.505$, $t = 7.215$, $p = 0.000$). CE has significant effect on customer satisfaction ($Adj R^2 = 0.415$, $p = 0.000$, $Q^2 = 0.254$). CE has significant effect on new product development ($Adj R^2 = 0.296$, $p = 0.000$, $Q^2 = 0.254$). CE has significant effect on customer engagement ($Adj R^2 = 0.263$, $p = 0.000$, $Q^2 = 0.177$). BA has significant mediating effect on the relationship between CE and performance of cosmetic firms in Ibadan Oyo State ($\beta = 0.206$, $t = 3.596$, $p = 0.000$, $Q^2 = 0.221$, 0.339). This study conclude that CE and BA are important for higher performance. The study recommends that cosmetics firms selling in Ibadan must position their brands in such a way that it amuses existing and potential customers perception towards their product to gain market share and be creative in their commitment to brand awareness campaign because of its ability to explain the effect customer equity has on performance.

Keywords: Brand awareness, Customer equity, Cosmetics products, organisational performance

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