THE STUDY OF BRAND CREDIBILITY AND BRAND AWARENESS AS POSITIVE PREDICTORS FOR BRAND LOYALTY

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Abstract

This research study investigates methods of brand loyalty through brand credibility and brand awareness. Simple random sampling method and Structure questionnaire were used for data collection. Data was analyzed through SPSS. The findings of this research study showed that brand loyalty has been observed to have positive association with brand credibility and also with brand awareness. This research study will help managers and policy makers in designing an efficient branding strategy.

Keywords: Brand credibility, Brand awareness, Brand Loyalty

1. INTRODUCTION:

D. Aaker, (1996) discussed that in promotion Brand Loyalty is striking and engaging notion now a days. Brand loyalty is the behavioral intention of the customer toward some definite brand (Lin et al., 2000; Bang, Y. T., & Du, J. Q. (2010)). As there is positive impact of brand loyalty on sustainability of brand (Howell, 2004), people who are loyal with the products they are ready to pay more for the products because they believe that these products are more useful for them (Jacoby and Chestnut 1978; Pessemier 1959; Reichheld 1996). According to Fournier–(1998) Brand Loyalty helps clients to get the valued products and builds a strong association of people with the products. Many factors have their effect on Brand loyalty such as brand credibility, customer satisfaction, brand switching and service quality. Brand credibility means the image of the brand for the customer; it is the mixture of multi characteristic term (sternthal and Craig, 1982; Erdem and Swait, 2004). Brand awareness means that people know about the product and have proper idea regarding the uses of the product. This research is according to the Pakistani culture and other researchers have just specified it according to the culture of their own countries. As every country has different culture; Pakistan is different according to norms, religion and values.

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product and have proper idea regarding the uses of the products. Brand loyalty is the behavioral intention of the customer toward some definite brand (Lin et al., 2000). As there is positive impact of brand loyalty on sustainability of brand (Howell, 2004), people who are loyal with the products they are ready to pay more for the products because they believe that these products are more useful for them (Jacoby and Chestnut 1978; Pessemier 1959; Reichheld 1996). This research is according to the Pakistani culture and other researchers have just specified it according to the bank culture of their own countries culture. As every country has different culture Pakistan is different according to norms, religion and values.

1.1 Research Objectives:
Objectives of this research are as under:
   a) To find out effect of Brand credibility on the brand loyalty.
   b) To find out effect of Brand awareness on the brand loyalty.

1.2 Research Questions:
Questions to be investigated are as under:
Q1. What is the connection between brand credibility and brand loyalty?
Q2. What is the association between brand awareness and brand loyalty?
Brand credibility and brand awareness both are essential for product loyalty, which is significant for people. Product loyalty not only differentiates the people who are loyal with the brand but also provides the perceived value to those people. Brand credibility and brand awareness increase the value of the product and also play a vital role in creating a positive image of the product.

2. LITERATURE REVIEW:
2.1 Brand Loyalty:
Numerous studies have investigated the advantage of customer-focused brand loyalty and their potential to achieve super results (Oliver, 1999; Russell-Bennett et al., 2007). This study particularly focuses on the importance of customer satisfaction with determinants on brand loyalty because the core objective of strategic marketing is the resultant of customer satisfaction (Jaworski, B. J., & Kohli, A. K. (1991; Luo and Seyedian, 2003). Brand loyalty is the behavioral intention of the customer toward some definite brand (Luarn, P., & Lin, H. H. (2003). Brand loyalty can be measured with the help of these measurements. Another measurement technique is probability of repurchase— and the technique used to measures the point when customer switched to another brand Tsao, H. Y., & Chen, L. W. (2005). The researchers used these techniques to investigate the factor of brand loyalty – brand knowledge being one of them (Dick et al., 1996; Feltham, T. S. (1998), ease and usage knowledge (Rowley, J. 2005; Lin et al., 2000), perceived value and satisfaction (Baltas, 1997; Ness et al., 2002; Wood, L. (2004) and the other attributes to find the constructs of brand loyalty.

2.2 Brand Credibility:
In the same way, reliability of the product increases the belief of the people on the value of the product (Erdem & Swait, 1998). The notion of reliability of the product also increases the value of the product (Erdem & Swait, 1998). Brand credibility means the image of the brand in the mind of the customer; it is the mixture of multi characteristic term (sternthal and Craig, 1982; Erdem and Swait, 2004). Signaling theory of brand also builds up the importance of brand credibility construct into brand equity (Erdem and Swait, 1998). The manufacturers are looking
for the motivators that can gradually increase the brand credibility. Brand credibility also supports the manufacturer-customer relationship and makes them strong and long.

2.3 Brand Awareness:
A number of empirical studies show that contentment of the customers increases their willingness to purchase the product and also creates a positive image of the product among the people (Oliver, 1980; Pritchard et al., 1999; Russell- Bennett et al., 2007). According to Macdonald, E. K., & Sharp, B. M. (2000), Knowledge of the product is also very significant for the people because if they do not know usefulness of the product they will not demand the product. Knowledge about the product creates a positive or negative image of the product in the mind of the customer so its very significant to know about the product. According to Gustafson & Chabot (2007), if people know about the features of the product, it shows the good will of the product among people. Chaudhuri, A., & Holbrook, M. B. (2000) discussed that product image among people shows its popularity in their surroundings. Lassar, W., Mittal, B., & Sharma, A. (1995) described that perception of the products among customers is not depending upon any single factor. Keller (1993) found that some people buy only those products which are popular among them. Theory related to our research is signaling theory. Signaling theory of brand also builds up the importance of brand credibility construct into brand equity (Erdemand Swait, 1998).

2.4 Hypotheses:
Hypotheses of the study are as follows,

**Hypothesis 1:** Brand credibility is positively associated with brand loyalty

**Hypothesis 2:** Brand awareness and brand loyalty relate each others positively

3. METHODOLOGY:
Population of the Study: The population is students from Bahauddin Zakariya University Dera Ghazi Khan Sub Campus, Pakistan.

Sample Size: Sample size is one hundred and twenty from Bahauddin Zakariya University Sub Campus D.G. Khan.

Research Instrument:
A questionnaire was used for data collection on likert scale (five point). The questionnaire along with the groupings indicating questions measuring brand loyalty, brand credibility and brand awareness is given at Annexure

4. Findings:
The findings of this research are explained according to the results obtained through analysis with help of the IBM SPSS Statistics software:

**Hypotheses1:**
The results of regression analysis are discussed in appendix Table 3 and according to these results a positive association between brand credibility and brand loyalty is observed (sig=0.000 r=0.809**). Similarly the value of t=12.896 that is above the normal level 2 and thus it indicates significant positive relative importance between predictor and criterion variables (brand credibility and brand loyalty).

**Hypotheses2:**
The results of regression analysis for second hypothesis are presented in appendix table 4. According to these results there is positive and significant relation between predictor variable (
brand awareness) and criterion variable brand loyalty (sig=0.000 r=0.814*). The P value for this hypothesis is 0.000** that is less than 0.05 level of significance and hence provides sufficient grounds for researcher to accept alternate hypothesis H2. Furthermore the value of beta is positive and shows positive association between these two variables. T value is also describing the positive related importance between regressor (brand awareness) and regressand (brand loyalty).

So null hypothesis for H2 is rejected and alternate is accepted.

5. CONCLUSION:

This research shows the effect of brand credibility and brand awareness on brand loyalty. The result shows that both – brand credibility and brand awareness – are useful for creating brand loyalty. Brand credibility and brand awareness both are the key elements in building brand loyalty, which is equally important for marketers and consumers. Brand loyalty acts a potent brand differentiator and offer sustainable competitive advantage. Brand credibility and brand awareness creating or reinforcing a brand’s personality enhances brand value or equity, which in turn can be leveraged through brand extension. Brand loyalty also helps brands to gain market share, command price premium and insulates from discounting brands. Brand credibility also supports the manufacturers and customers relationship and makes them strong and long.

6. REFERENCES:


7. APPENDIX:

Table 1: Descriptive Statistics:

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credibility</td>
<td>4.6407</td>
<td>.39179</td>
<td>90</td>
</tr>
<tr>
<td>Awareness</td>
<td>4.5963</td>
<td>.36802</td>
<td>90</td>
</tr>
<tr>
<td>Loyalty</td>
<td>4.7500</td>
<td>.32311</td>
<td>90</td>
</tr>
</tbody>
</table>

Table 2: Correlations:

<table>
<thead>
<tr>
<th></th>
<th>Credibility</th>
<th>Awareness</th>
<th>Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credibility</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.883**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Awareness</td>
<td>Pearson Correlation</td>
<td>.883**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Loyalty</td>
<td>Pearson Correlation</td>
<td>.809*</td>
<td>.814**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Results of Regression:
Hypotheses1: brand credibility is positively associated with brand loyalty

Table 3: Coefficients:

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td></td>
<td>1.655</td>
<td>.241</td>
<td>6.872</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Credibility</td>
<td>.667</td>
<td>.052</td>
<td>.809</td>
<td>12.896</td>
</tr>
</tbody>
</table>
Results of Regression:

Hypotheses2: brand credibility and brand loyalty relate each other positively

Table 4:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.467</td>
<td>.251</td>
<td>5.846</td>
</tr>
<tr>
<td></td>
<td>Awareness</td>
<td>.714</td>
<td>.054</td>
<td>.814</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Loyalty