

# Strategic Effects of Brand Elements on Brand Loyalty

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## Abstract

This paper shows the strategic effects of brand elements on brand loyalty. The main objective of this study was to discover the factors that can influence the brand elements on brand loyalty. In the past research, the researcher shows that there is weak relation to examine the importance of brand elements (brand name, price, quality, purchase decision, environment and design) in effecting brand loyalty. Thus, in order to examine our understanding in this area, the study was conducted among youth in northern region, Lahore Pakistan. The structured questionnaire was adapted to collect the data. On convenient basis 100 young consumers who visit biggest shopping malls of Lahore Pakistan were targeted. In this study the data were analyzed using SPSS software. The findings indicated that purchase decision, price and store environment have significant positive effects on brand loyalty. Based on these findings and results, future research suggestions and several implications are discussed in order to examine our understanding towards the importance of purchase decision, price and store environment in effecting relationship on brand loyalty.

**Keywords:** Brand loyalty, Purchase Decision, Store Environment, Price and Lahore Pakistan.

## INTRODUCTION

Customers are mainly focused by the services organizations, manufacturers and retailers. Commodities produced are consumed by the customers. So, to have competitive advantage over the competitors every business try to maintain customers, satisfying them and build loyalty among the customers by offering the products of good quality. In this regard a continuous preference given by the customers to a particular brand while offering out results in loyalty with that garments brand. The customer satisfaction and brand performance have impact on brand loyalty. Price and convenience are considered secondary by the loyal and satisfied customers. Satisfied and loyal customers are tending to recommend brand to others, therefore, the top management and marketing department are trying to produce quality products that will satisfy the customers. In Pakistan, most of the youngsters are brand conscious and they are interested to adopt the western fashion. Peoples of every era are mainly focused on their dressing, and in Pakistan, mostly peoples are conscious about their dressing. Pakistani garments brands such as Outfitters, Cougar, Gul Ahmad, Nishat, Khaadi, Engine are most popular brands among youth of Pakistan. Garments brands have become a common and popular category among young people as it identifies them a more relaxed lifestyle, comfort and versatility.

One of the most important determinants of the purchasing process is the consumers brand loyalty. Brand loyalty is the main target which drives the market policy of the firm and it also the part of competitive framework where all the marketing activities take place (Brasini & Tassinari, 2003). The main objective behind improvement of brand loyalty is to see the consumer buying behavior which is important for company's performance. The concept of brand loyalty is a crucial due to its importance in performance of business and benefits for an organization (Junjun Mao, 2010). This study aims at: To examine the various factors influencing brand loyalty. Generally speaking, brand loyalty will increase the profit over time as an organization do not spend time and money on maintaining relationships to existing consumers. Loyal customers are spending more money with a firm (Reichheld & Sasser, 1990).

Most companies, especially those in the garment industries try to increase brand loyalty among their customers. Brand loyalty is a customer's conscious or unconscious buying behavior that showing through the behavior to repurchase a specific brand continuously. Brand loyalty has been announced to be the ultimate goal of marketing (Reichheld & Sasser, 1990). In marketing, brand loyalty consists of a consumer's commitment to repurchase the brand through repeated buying of positive behaviors such as word of mouth. This shows that the buying behavior very much depends on trust and quality performance of the product (Chaudhuri & Holbrook, 2001).

There are numerous factors which influenced consumers brand loyalty towards particular brands. The factors are; brand name, product quality, price, purchase decision, promotion, store environment, service-quality and design (Lau et al, 2006). These studies will significantly look at product quality as a feature that influences brand loyalty and the degree to which the quality of a product make customers loyal to that product or superficial quality refers to the consumer's value judgments or perceptions of quality. This could include idea of loveliness and the perceived quality of the brand image (Faiza & Shahnaila, 2013).

Objectives of this study is that there is not a single research available in Pakistan, which could provide the complete understanding of above mentioned phenomena with respect to branding strategies adopted by national and multinational companies situated in Pakistan. The purpose of this research is to give better exploration in this area. The main purpose of this research is to investigate how the respondents are influenced by factors of brand loyalty towards garments brands. Objective is to check the relationship among brand elements and brand loyalty. Check out the impact of brand performance on brand loyalty. The research question arises that would brand elements have significant impact on brand loyalty of the customer? Problem statement was the study tries to investigate the effect of brand elements on brand loyalty.

Most of the researches conducted prior to this focused on customer loyalty which is entirely different from brand loyalty. Moreover the prior researches focused on different industries other than the branded garments. And lastly the novelty of this research is that this research in branded garments was not done in Pakistan before, which this research is doing.

## LITERATURE REVIEW

### Brand Loyalty

Brand loyalty can easily defined by its name, brand loyalty is a situation when a customer shows interest to a specific brand whose products are easily available. Consumer has a strong trust on that brand. As compare to brands customer don't trust on local products. In Pakistan, youngsters are brand conscious and they loyal to a specific brand, the loyalty regarding specific brand can't be changed if the brand offered different products for long time period. If people think that a specific brand offering good products with reasonable price and give discounts on their products, customers ultimately understands about the specific brand and they prefer to buy products from those specific products. So customer doesn't move to any other suppliers to buy similar products. Brand loyalty can be identified through different ways like, brand trust, satisfaction of customer, price flexibility etc (Lau et al, 2006).

### Brand Elements

Brands can play a vital role in the organization's success by improving their reputation in market and developing competitive benefits through brand performance. Performance of a brand can define by its resistance for a long time period, getting highest fair share, strong position in market also it depends on earnings and good cash flow. According to Perrier, powerful proof for existence up to 70% of total earnings can be described to the brand (Perrier, 1997). Furthermore it is also argued that the performance of brand elements and the organization's overall performance are intently together. Most importantly the elements of brand remain in marketplace while strength of organization's brand as proof by its current position in market shares, profitability and sales growth. Brand elements also defined as the brand can achieve established objectives and goals of an organization for maintain their position inside the marketplace.

It also has been argued that the market share consider as a measure overall performance of a brand, as brand objectives is develop with sufficient market share (Keller, 2003). So we can say that performance of a brand refers to relative measurement for a brand success in the market position. Successful brands like Sony, Coca-Cola and IBM as brand leaders that maintain their market share (Rehman, 2014). In every research related to marketing, market share always used as a good sign of success.

According to Lau et al. there are different variables that influence customer's loyalty against particular brands (Lau et al, 2006). These variables are name, price, and quality of product, promotion, environment and product design.

### Price

Price is also the most important factor for buy anything for customer. Brand conscious customers are always loyal about a specific brand and they are willing to pay heavy amount for their interested brand, because mostly customers think that brands with high prices are more attractive and valuable than the products of non-famous brands who are offering their products with low price. So, customer buying behavior is not affected by price (Keller, 2003). Customers strongly trusted in the price and quality of their interested brands very much, so that customers would compare prices with other brands (Evans, 1996).

### Purchase Decision

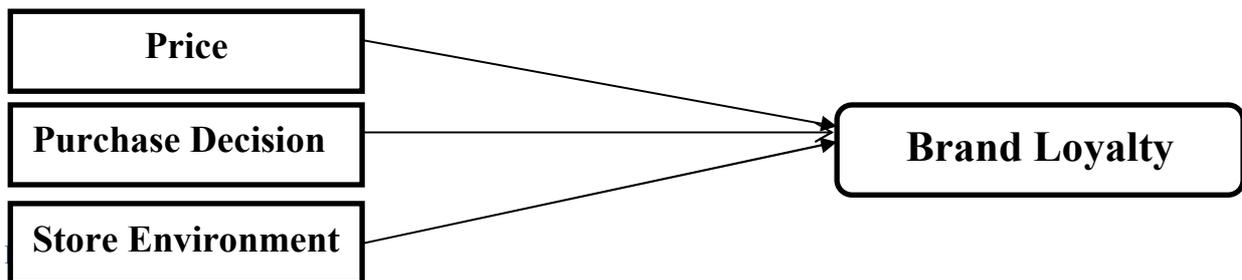
"The major process in customers' decision making is the accepting process in which judgment and knowledge is combined to select one product in alternatives of two" (J.P. Peter and J. Olsonm, 2004). Purchase decision will depends upon perceived quality; perceived quality is a very difficult assessment for decision making of customers. Most of all customers measure alternate products quality with respect to price (B. Jin and G.S. Yong, 2005). National Quality Research Center (NQRC, 1995), explained perceived quality as the level to which a product or service provides key customer necessities and how consistently these requirements are delivered (V. A. Zeithaml, 1988). However we can say that the quality which is being perceived is not the real quality of a brands or products. Basically it is the consumers' decision about an entity's or a service's overall merit or authority.

**Store Environment**

Environment of store also affects the buying behavior of consumer. Store should be established in commercial areas. The products should be kept in categories wise. Presentation of store should attract the customers. If the consumer easily access the store through their visiting areas and impress with the variety and services of that store, the consumer ultimately become loyal about particular brand (Lovelock, 2010). Every store environment depends upon design which describes the physical look of the products and outlets, which involve shape, line, and particular affecting customer awareness towards a particular brand” (Frings, 2005). In Pakistan, youngsters follow western fashion, are they are brand conscious, so they would prefer to buy those products which are trendy or fashionable. Brand should know about the current fashion trend through surveys. So they can understand the consumer buying behavior.

**Theoretical Framework**

This research’s theoretical framework is showing different factors. Brand loyalty is dependent variable on the other hand brand name, Quality, Price, Perceived Quality, Purchase Decision, Store Environment, Design and Promotions are independent variables. So brand loyalty is affected by these independent variables.



These hypotheses show the relationship of brand characteristics on brand loyalty. While this research point outs the factors that manipulate consumers’ brand loyalty towards a particular brand. Based on the factors that manipulate brand loyalty, from which the subsequent hypotheses are originated.

H <sub>1</sub>	There is a positive and considerable correlation among price and brand loyalty.
H <sub>2</sub>	There is a positive and considerable correlation among purchase decision and brand loyalty.
H <sub>3</sub>	There is a positive and considerable correlation among store environment and brand loyalty.

**RESEARCH METHODOLOGY**

**Research Design**

This investigated study is aimed at empirically substantiating to identify the effect of Brand elements on brand loyalty. The basic research design is selected and will be followed.

**Research method**

The research method that will be used in this research will be the survey method. Survey provides quick, efficient, non-expensive and accurate means of assessing information about the population. The information is gathered from a sample of people by use of a questionnaire. Survey research usually relies upon a statistically valid sampling technique. Survey method can be divided into questionnaire and interview, but in this study questionnaire technique was used. A questionnaire is a research instrument consists of a series of questions and other prompts for the purpose of gathering information from respondents. Questionnaires contain closed and open questions, but in this research questionnaire consists of only closed end questions.

**Target population**

The target population for this research is youngsters who live in Lahore, between 16 to 30 years. Mostly are students and young professionals. In this research, youngsters from different areas of Pakistan also captured through social media.

**Sampling frame**

Sampling frame covers the method of selection, the sample structure or draws the plan before our data will be collected to obtain a sample from the population. The sample must be valid so that we can get the accurate result.

**Sampling size**

The sample size for this research will be 100 individuals from different locations in Lahore (such as colleges, universities, shopping malls and some visiting places. Questionnaires were also distributed to youngsters through social media.

**Sampling technique**

To collect the data most researchers used random sampling technique. In this research study probability random sampling technique was used. Questionnaires were distributed randomly to the youth including students of different universities and shopping malls and young professional as well.

### Sampling unit

The overall research study is based upon effect of brand elements toward brand loyalty among youngsters. So in this research study sampling unit is youngsters in Lahore with age limit between 16 to 30 years.

### Variables description

In this research study brand loyalty is dependent variable; Brand elements (Price, purchase decision and store environment) are independent variables.

### Procedure of data collection

The relevant population for research was all the youth from Lahore. So for data collection I am targeted shopping malls of Lahore. The survey was carried out on a random sample of the youth aged "between" 18 to 30. A sample of 100 questionnaires was drawn and distributed among the respondents. From which 76 questionnaires has been received, and the remaining 24 were incomplete or misplaced.

### Socio- demographic Profile

For the purpose of data analysis we used descriptive statistics. Through the descriptive statistics the frequency of the respondents was measured.

**Table 1 (Socio- demographic Profile)**

Measures	Items	Frequencies	Cumulative Frequencies
Profession	Employment	13	13
	Students	59	72
	Other	4	76
Age	18-21	21	97
	22-25	43	140
	26-29	9	149
	30 & Above	3	152
Shopping Income	2,000 - 4,000	19	171
	4,001 - 6,000	36	207
	Above 6,000	21	228

Table 1 denotes profession of the respondents that out of 76 respondents there were 13 respondents, who were employed, 59 respondents who were students and 4 respondents are running their own business. Table 1 also explains that 21 of respondents were from the age group of 18-21, 43 of respondents were from the age group of 22-25, 9 of respondents were from 26-29, while 3 of respondents were above 30. Table 1 also explains the shopping income level of the respondents which shows that respondents with 2,000-4,000 shopping income level are having percentage of 25%, while 4,001-6,000 of shopping income level are laying in 47%, and 28% of the respondents are laying in the above 6,000.

### Result and Analysis

#### Reliability Analysis

In this research study questionnaire was use 18 items for measuring four variables. To find the reliability level Cronbach's Alpha was used.

**Table 2 (Reliability of Measurements Instrument)**

Variables	No. of Items	Cronbach' s Alpha
Brand Loyalty	5	0.96
Price	5	0.86
Purchase Decision	4	0.90
Store Environment	4	0.97

#### Interpretation

Values of Cronbach's Alpha show that the questionnaire which is used in this study is reliable because the value of Cronbach's Alpha for all variables is more than 0.7 (Nunnally, 1994; J. Bland, 1997).

### REGRESSION ANALYSIS

The following results have been attained after inserting multiple liner regression.

**Table 3**

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.745 <sup>a</sup>	.555	.536	1.23661

a. Predictors: (Constant), SE, PR, PD

The above table of model summary represents that R denotes the relationship between independent and dependent variables. R square represents the variance explained by independent variable in the dependent

variable.

The value of R is .745 which represents that there is 74.5% relationship between independent variables (purchase decision, price and store environment) and dependent variable (brand loyalty). It shows that there is a positive and highly significant relationship between both of the dependent and independent variables.

**Table 4**  
**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	137.131	3	45.710	29.892	.000 <sup>b</sup>
	Residual	110.102	72	1.529		
	Total	247.233	75			

a. Dependent Variable: Brand Loyalty

b. Predictors: (Constant), Store Environment, Price, Purchase Decision.

From the above table, it is proof that there is a positive and significance correlation between both the variables. All the elements that are price, purchase decision and store environment are positively linked to brand loyalty and the association among these factors is considerable as compared to alpha value = 0.05.

The regression equation for this study is brand loyalty = 5.159+ .255 (price) + 0.363 (purchase decision) + 0.196 (store environment).

**Table 5**  
**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.159	1.409		3.660	.000
	PR	.225	.094	.255	2.390	.019
	PD	.363	.150	.372	2.427	.018
	SE	.191	.151	.196	1.265	.210

a. Dependent Variable: Brand Loyalty.

b. Independent variable: PR (price), PD (purchase decision), SE (store environment).

Regression equation =  $Y+a+bx_1+bx_2+bx_3$

From the above table it is proof that all factors are positively connected to dependent variable “Brand loyalty”. In the column of standardize co-efficient it is proved that purchase decision is the most fundamental factor influencing the brand loyalty with standardize co-efficient of  $b=0.372$ . While the second essential variable is price with standardize co-efficient of  $b=0.225$ . So therefore there two major factors that are liable on Brand loyalty. While the remaining variables which is store environment ( $b=0.196$ ) have weak influence on brand loyalty.

### Conclusions and Recommendations

The aim of the study was to investigate the effect of brand elements on brand loyalty. The analysis of the Impact of brand elements like store environment, price and purchase decision on Brand Loyalty of branded garments with special focus on Lahore, and this study revealed that price and purchase decision are the two major factors, while store environment is principal factor which affect the brand loyalty. Therefore, it is concluded that there is a positive correlation among price, purchase decision and brand loyalty. So, we can say that  $H_1$  and  $H_2$  are accepted and  $H_3$  is rejected.

As we know that from this research study it is proved that price and purchase decision has an strong positive impact on brand loyalty and store environment has some impact on brand loyalty but not strong impact. So, researcher recommends that store environment to be more focused on making the brand stronger. As we all know, store environment play an important role to attract the customers and also increasing the sales of a product, so industries should improve the quality of their store outlets. Companies should use latest, attractive and unique ideas for designing their outlets.

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