# Impact of Customer Satisfaction, Brand Image and Advertisements on Brand Loyalty of "Sting (Energy drink)" with Special Focus on Karachi

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**Abstract**

The purpose of this research is to identify the impact of brand image, customer satisfaction and advertisements on brand loyalty of Sting (energy drink) with special focus on Karachi and this impact has been seen by the data obtained from the consumers of Karachi, Pakistan. For this purpose, primary data were collected through closed-ended questionnaire and secondary data were collected through research paper, articles, and books. Respondent's age was more than 18 years which includes families, working women, employees, university students & other persons. A sample of 200 individuals were collected by using non-probability sampling technique i.e. Convenience sampling. To analysis the data SPSS software has been used. Several test like, Reliability test, Correlation and Regression Analysis, ANOVA and Coefficients were applied to analyze the impact of independent variables i.e. brand image, customer satisfaction and advertisement on dependent variable, brand loyalty. The results indicate that only customer satisfaction is strongly positive correlated and has huge impact on the brand loyalty of Sting (energy drink) and people like and buy Sting (energy drink) those who like it but PepsiCo need to be work hard for making it best.

**Keywords:** Brand Image, Customer Satisfaction, Advertisement, Brand Loyalty, Karachi.

## 1. INTRODUCTION

Today firms are progressively more concerned with customers' post-purchase behavior. It is known that merely satisfying customers is not enough to secure customer devotion. Customers also express a tendency to switch to competitors. In the past decade, firm image has been recognized as a strategic tool to strengthen a firm competitive position and improve its profitability and increase chance to buy product. However, as customers become more demanding, competition further intensifies, and economic and industrials growth slows down, firm image might not be an adequate source of a competitive advantage. Advertising is the next essential basis for competitive advantage that also reinforces firm picture that leads to brand image in the customer's mind. Customers will only loyal with the brand when they will in the delight phase.

There are many ways to cope up the customer for satisfying their needs and demands in this era. First we will discuss types of customers available in the market. According to Mark Hunter, to face the challenge of building customer loyalty, we need to break down customers into five main types:

- Loyal Customers: They represent no more than 20 percent of our customer base, but make up more than 50 percent of our sales.
- Discount Customers: They shop our stores frequently, but make their decisions based on the size of our markdowns.
- Impulse Customers: They do not have buying a particular item at the top of their "To Do" list, but come into the store on a whim. They will purchase what seems good at the time.
- Need-Based Customers: They have a specific intention to buy a particular type of item.
- Wandering Customers: They have no specific need or desire in mind when they come into the store. Rather, they want a sense of experience and/or community.

    If we are serious about growing our business, we need to focus our effort on the loyal customers.

Sting is the carbonated energy drink, introduced first in Nepal in 2002 with the three different flavors. Sting was launched in Pakistan in 2010 with the extensive marketing strategy, started to capture the market of Karachi. In Pakistan, PepsiCo introduced Sting energy drink with two different flavors i.e. Berry Blast and Gold Rush, both being exceptionally outclass energy drinks. If you want to increase and replenish your energy levels to take control of your and become unstoppable, Sting is what you need but you have to be 12+ to drink sting.

*Advertising Campaign of STING in Karachi*

After the launch of sting in Pakistan, PepsiCo started a widespread campaign, which included road advertising

and TV commercials. Starting from Karachi, the Hummer (advertising vehicle) travels through different areas and offers free Sting energy drink to people on the roads. The TV commercial was shot in Malaysia in which a person is shown generating electricity and charging a car battery after drinking the Sting energy drink.



*Sting Energy Drink's Hummer traveling down the streets of Karachi.*

*Serving Sizes Available in Pakistan*

- o   250 ml
- o   500 ml

Advertisement also plays a pivotal role to increase brand loyalty and to build an image and recalling any brand. Every brand goes for its advertising according to the company's strategy.

*Advertising is everywhere;*

- In our homes
- In the supermarkets
- On the streets
- On airplanes
- On trains
- Even in schools, colleges and universities.

### 1.1)    Problem Statement

Would customer satisfaction, brand image and advertisements have significant impact on brand loyalty of the customer?

### 1.2)    Research Objectives

- To check out the impact of customer satisfaction on brand loyalty of Sting (energy drink).
- To check out the impact of brand image on brand loyalty of Sting (energy drink).
- To check out the impact of advertisements on brand loyalty of Sting (energy drink).

### 1.3)    Limitations

Following are the limitations that could hinder the research study within its valid scope:

- ➢   The scope of this research is mainly focused on the data pertinent to Karachi, Pakistan,
- ➢   Time is also a constraint for this research study.
- ➢   The knowledge of the researchers is also limited to the objectives of the research only.

## 2)    LITERATURE REVIEW

### 2.1)    Brand loyalty

According to the Lau et al., the marketers should emphasize to develop trust in the consumer's mind as it will basically leads toward the brand loyalty. This trust can only be gained by providing quality services, superior values and ultimate satisfaction. Furthermore, Krishnamurthi et al explained that loyal customers are not too much sensitive of price while choosing the brand but when the times come of quantity selection then they become conscious about that. Price elasticity has its impact on brand loyalty which means that when a brand will go to exploit its customers more than they can bear then the loyalty will diminish. According to Chaudhuri et al when the product has been controlled to create brand trust and for positive brand effect then the loyalty emerged. Loyalty can be in two dimensions either the purchase or attitudinal. Purchase loyalty helps to give better market share while attitudinal loyalty tends to set high prices. Bloemer et al. discussed that the customer satisfaction is vital for the brand loyalty as it is an important reason to attach someone with a particular brand. High brand loyalty is always followed by the least one. Different levels of customer satisfaction behave differently while creating brand loyalty. According to the Tucker et al., the brand loyalty can conclude with the frequency and the regularity which customer show while choosing brand product. Distortion in terms of frequent visits can disturb the brand loyalty up to a great extent as it will make differences between the brand and its loyal customers. According to Delgado-Ballester et al., trust is a key player in creating brand loyalty as it leads towards repurchase and consumer retention. This trust itself comes from fully achieved expectations and satisfaction

which are also independently responsible for brand loyalty. According to Gommans et al., brand loyalty is surpassing the boundaries of traditional workplace and going to enter in the electronic market. E loyalty is emerging as a new marketing challenge as lot of web users has great influence so satisfying them is the most precious and needed task at the moment.

### 2.2)     Customer Satisfaction

According to Anderson et al., when the product matched with the expectation of the customer then it's enhance its satisfaction which ultimately leads to profitability. But such type of customer satisfaction cannot always achieve by just doing the total quality management as it also associated with many small components. Furthermore Eugene W. et al. said that products normally remain low from expectation when it is easy to evaluate them. High satisfaction also proves harmful sometimes as it becomes essential to ensure that level every time and moreover it also put impact on customer repurchase intention. Since Churchill Jr. et al. discussed that the disconfirmation is come out whenever there are perception and expectation about the product and its performance. In case of durable goods not only the expectation but also the actual performance played important role in satisfaction or disconfirmation. Disconfirmation can be only arises in non-durable goods when it did not meet with perceived performance. According to Henning-Thurau et al., customer satisfaction acts as a key factor in the success of company sometimes and also give company a competitive edge in this regard. Customer satisfaction ensures an increased life time value of the customers by retaining them for a long time through superior quality and satisfaction. Moreover, according to the Cronin et al. service value, quality and satisfaction collectively play an important role on consumer buying and behavioral phenomenon. Value and customer satisfaction which are closely linked elements contribute a lot to freeze the customer's buying intention on the respective product. According to the Rust et al., it is rational to invest financial resources to enhance the customer satisfaction elements as it is an ultimate source of customer loyalty and retention. A satisfied customer will save our cost of attracting a new customer which will further lead to profitability and greater market share due to the words of mouth of a contented customer. Taylor et al., also talked that the service quality and customer satisfaction actually form the purchase intention of a customer as they are very influential on the behaviors of customers. Customer satisfaction itself plays a role of moderator between service quality and the purchase intention as it is a key element to generate future perceptions about the product. In this regard Smith et al., also put a light that in case of any service failure, customer responds very intensively so it is necessary that the company will also launch its recovery program with the same intensity to make equal terms. Satisfaction level will less harm by the service failure when the customers will get the desired remedies in exchange.
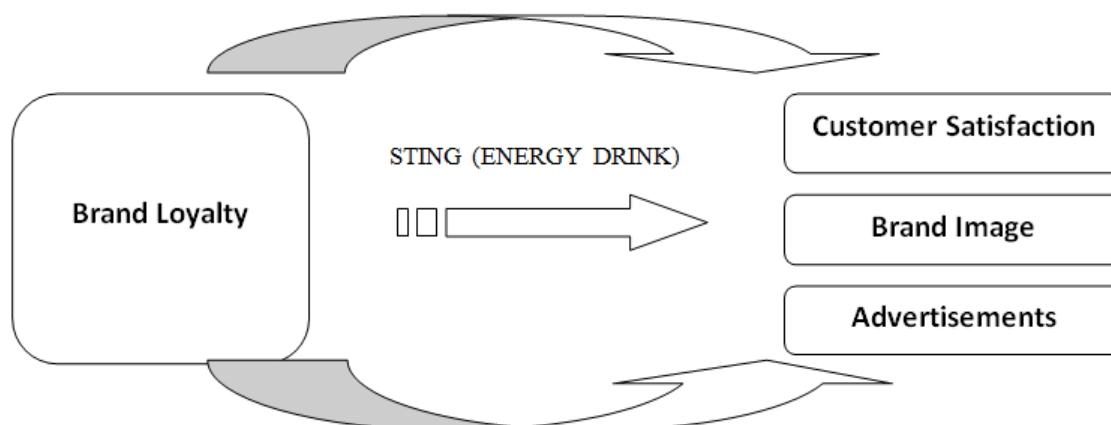
### 2.3)     Brand image

According to Park et al., establishing a brand image is a quite important marketing function as it sometimes directly associate with sale. Brand image does not only convey the goodwill of brand to the customers but also implicitly persuade them to buy your product again and again. Furthermore, Dobni et al. researched that the brand image plays an important role in consumer buying behavior as the customers of modern era give importance to this particular factor. People just not buy the brand for its physical product or attributes but behind the scene there is self-esteem and worth is bought by them. According to the Gwinner et al., sponsoring an event give a big breakthrough to the brand image as the brand got a huge frequency of attention in a small time frame. It also falls in the social context when you organize the event with such social cause so that you can easily get a soft corner in the heart of your potential customers. Moreover Roth et al. said that the product performance plays a key role to generate good brand image as most of the people believe on performance than the words of mouth. While placing your brand on the global scenario, the company should realize the social and cultural values of a particular locality to gain the position in the minds of local customers. Another researcher Graeff et al. also discussed that the consumption patterns also speak about the image of brand as it shows the degree of association of customers with particular brand in terms of usage. One can easily evaluate the goodness or badness of brand image by just changing the consumption situations and check out the response of normal users. Faircloth et al., told that the brand attitude and brand image construct brand equity which is mostly concerned to managers. A brand having good image in the market will logically attract the better sale than the others so contribute a lot in the brand equity.

### 2.4)     Advertisement

According to the Padgett et al., the advertisement can be efficiently used for developing a brand image as it will get a space in the mind of audience. Experiences regarding services also construct a major portion of brand image as the belief which generated after the experience is more vivid and strong than before. According to Meenaghan and Tony, the advertisement is a very useful source to provoke brand image at company, retail and product level. Advertising make people aware about the basic functionalities of any brand in the best possible and controlled way.

## 2.5) *Conceptual Framework*



## 2.5.1) *Variables*

Customer satisfaction, brand image and advertisements are Independent variables and on the other hand Brand loyalty is Dependent variable.

## 2.5.2) *Research Hypothesis*

H1: Brand Image has a significant impact on Brand loyalty of Sting (Energy drink).

H2: Customer Satisfaction has a significant impact on brand loyalty of Sting (Energy drink).

H3: Advertisements have a significant impact on brand loyalty of Sting (Energy drink).

## 3) RESEARCH METHODOLOGY

### 3.1) *RESEARCH DESIGN:*

In order to carry out research on brand loyalty of the customers and its relationship between customer satisfaction, brand image and advertisement, 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, inexpensive, efficient, 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 we will use the questionnaire technique in our research. 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.

### 3.2) *SAMPLING DESIGN:*

Sample design 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 TECHNIQUE:

The sampling technique that will be used in this research will be the non-probability sampling which involves the use of randomization therefore the type of non-probability sampling that will be used is convenience sampling where data is drawn by selecting people because of the ease of their volunteering or selecting units because of their availability or easy access.

TARGET POPULATION:

The target population for our research is people who live in Karachi but are above 18 years.

SAMPLING NATURE:

The sample nature in this report consists of those peoples whom we are interested to elicit from their response. Respondent's age would be more than 18 Years which includes families, working women, employees, university students & other persons.

SAMPLING SIZE:

The sample size for this research will be 200 individuals from different locations in Karachi.

### 3.3) *INSTRUMENT OF DATA COLLECTION:*

It includes the following research tools as a research methodology i.e.; Primary data and Secondary data.

PRIMARY DATA:

Primary data has been collected through a questionnaire, designed in different ways, like YES or NO, FIVE or

SEVEN point likert scale standard likert scale did not used in it. The questionnaire contained questions relating to the use of brand loyalty, brand image, customer satisfaction and advertisements and also relationship between them.

Returned questionnaires have coded and then data entered into SPSS.

SECONDARY DATA:

The secondary data came from:

- ✓ books,
- ✓ journals,
- ✓ articles,
- ✓ Websites etc.

## 4)      DATA ANALYSIS / EMPIRICAL RESULTS

### 1) RELIABILITY STATISTICS

Reliability Statistics

| Cronbach's Alpha | No. of Items |
|---|---|
| .736 | 21 |

_Interpretation:_

Reliability statistics comprising upon values of Cronbach's Alpha and Number of Questions available in the questionnaire. Cronbach's Alpha value shows that our questionnaire is reliable because it is more than 0.7.

### 2) CORRELATIONS

Correlations

| | | Loyalty | Satisfaction | Brandimage | Advertisement |
|---|---|---|---|---|---|
| Loyalty | Pearson Correlation | 1 | .281** | .103 | .173* |
| | Sig. (2-tailed) | | .000 | .148 | .014 |
| | N | 200 | 200 | 200 | 200 |
| Satisfaction | Pearson Correlation | .281** | 1 | -.077 | .124 |
| | Sig. (2-tailed) | .000 | | .278 | .080 |
| | N | 200 | 200 | 200 | 200 |
| Brandimage | Pearson Correlation | .103 | -.077 | 1 | .068 |
| | Sig. (2-tailed) | .148 | .278 | | .337 |
| | N | 200 | 200 | 200 | 200 |
| Advertisement | Pearson Correlation | .173* | .124 | .068 | 1 |
| | Sig. (2-tailed) | .014 | .080 | .337 | |
| | N | 200 | 200 | 200 | 200 |

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

*. Correlation is significant at the 0.05 level (2-tailed).

_Interpretation:_

The data was analyzed through SPSS (statistical package for social sciences) software by using correlation and regression. The correlation test indicates that the relationship between the variables. The correlation values show that there is a strong positive correlation between Customer Satisfaction and Brand Loyalty in the product category i.e. ENERGY DRINK "STING". Advertisement has also positive correlation with Brand Loyalty but Brand Image has no correlation with Brand Loyalty.

The values from which we depict that dependent variable "Customer Satisfaction" has the strong positive correlation with Brand Loyalty is (.281**) and Advertisement has positive correlation with Brand Loyalty is (0.173*).

## 3) REGRESSION ANALYSIS

Table showing the model summary of brand loyalty:

### Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .334[a] | .112 | .098 | .53910 |

a. Predictors: (Constant), Advertisement, Brandimage, Satisfaction

### Interpretation:

The R value show Coefficient of Correlation is the numerical measure of strength of the linear relationship between two variables.

The R value (.334[a]) shows that there is strongly positive correlation between the Brand Loyalty and Independent variable Customer Satisfaction and also has positive correlation with Independent variable Advertisement.

The R Square show Coefficient of Determination defines the square of Coefficient of Correlation. The R Square values (.112) mean 11.2% reliable to be used for estimation of population.

The Std. Error is important because they reflect how much sampling Fluctuation a statistic will show. The Std. Error value show that 53% Fluctuation of Sampling Mean.

The R change shown that differences between R-value & Adjusted R square.

## 4) ANOVA

Table showing the ANOVAs of brand loyalty:

### ANOVA[b]

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 7.161 | 3 | 2.387 | 8.213 | .000[a] |
| | Residual | 56.964 | 196 | .291 | | |
| | Total | 64.125 | 199 | | | |

a. Predictors: (Constant), Advertisement, Brandimage, Satisfaction

b. Dependent Variable: Loyalty

### Interpretation:

The Sum of Square shows the total variability around the mean, the Sum of Square Residual mean the Sum of Squared Errors in Prediction and Sum of Square Regression mean the improvement in Prediction by using the predicted value of (Y) Dependent Variable over just using the mean of (X) Independent Variable.

The degree of freedom means number of sample minus one.

The F Test value (8.213) shows the combination of all variable, overall significances of the model its mean independent variable brand loyalty on dependent variables customer satisfaction, brand image and advertisement and observation of independent variable met.

## 5) COEFFICIENTS

### Coefficients[a]

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | | 95% Confidence Interval for B | |
|---|---|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | t | Sig. | Lower Bound | Upper Bound |
| 1 | (Constant) | 1.323 | .280 | | 4.727 | .000 | .771 | 1.874 |
| | Satisfaction | .294 | .073 | .274 | 4.023 | .000 | .150 | .438 |
| | Brandimage | .100 | .059 | .115 | 1.695 | .092 | -.016 | .216 |
| | Advertisement | .208 | .108 | .131 | 1.931 | .055 | -.004 | .421 |

a. Dependent Variable: Loyalty

### Interpretation:

The Std. Error is important because they reflect how much sampling fluctuation a statistic will show. The Std. Error of a statistic depends on the sample size in the general the larger sample of the Std. Error. The Std. Error of Constant (.280) value shows the 28% of fluctuation of sampling mean and the Std. Error of Independent Variables Customer satisfaction, Brand Image and Advertisement are (.073), (0.059) and (0.108) value shows

the 7%, 6% and 10% of fluctuation of sampling mean respectively.

Standardized Coefficients are the coefficient that you would obtain if the Predictors and the outcomes variable were standardized prior the analysis and the Comparing the size of the coefficient across variable.

The t-value of Independent variables Customer Satisfaction, Brand Image and Advertisement are (4.023), (1.695) and (1.931) respectively.

According to the rules if t value is greater that (t>2.5) than null hypothesis will be rejected and alternate hypothesis will be accepted.

## 5) CONCLUSION

The analysis of the Impact of Customer Satisfaction, Brand Image and Advertisements on Brand Loyalty of "STING (Energy drink)" with special focus on Karachi, research revealed that only customer satisfaction has an impact on brand loyalty in case of Sting and other variables i.e. brand image and advertisement need to be more establish to make an impact on brand loyalty of this specific product of PepsiCo.

Therefore, it is concluded that there is a positive relationship exists between customer satisfaction and brand loyalty. So, we can say that H2 is accepted and H1 and H3 are rejected.

## 6) RECOMMENDATIONS

As we know that from our research it is proved that customer satisfaction has an strong impact on brand loyalty and also advertisements has some impact on brand loyalty but not that enough. So, researcher recommends that PepsiCo need to be more focused on making the brand image of Sting (energy drink) more stronger in the customers mind by making good commercial ads and also need to work more on its advertisements. As we all know, advertisements play an important role in increasing the sales of a product, so companies should improve the quality of ads (try to send short and attractive message).Companies should use latest, attractive and unique technology for advertising their products. Mobile advertising should be informative about new products, changes in products' price, and discounts.

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