RELATIONSHIP OF BRAND CREDIBILITY WITH BRAND LOYALTY

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Sofia Safdar
Muhammad Zulqarnain
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Abstract:

Globalization has turned the world into a small village, giving access to everyone for everything. World is now becoming brand less as organizations are facing the problem of brand loyalty throughout the world. Pakistan being a developing country who is also facing the same problem. This research aims to address the issue of brand loyalty while identifying its potential predictor. Along with the relationship attitude towards brand and brand loyalty. Attitude towards brand plays its role as an independent variable and brand loyalty consider as dependent variable. Simple random sampling technique is used for gathering the data from 220 respondents of Samsung Pakistan from Lahore. Reliable and valid scales have been used for measuring the attitude towards and brand loyalty. Results indicate that brand credibility has significant impact on brand loyalty. For generalizing the result, current research can also be extended to customers of other users of products like FMCGs, luxury items and even for industrial products in which effect of brand credibility and attitude towards brand may be even more prominent in enhancing the level of brand loyalty. This research explains how attitude towards Samsung mobiles shape the brand loyalty and marketers can boost the level of brand loyalty by incorporating the better policies about attitude toward brand. For the practical point of view this research describes that attitude towards brand is important in shaping the brand loyalty.

Key Words: Attitude towards Brand, Brand Loyalty, Samsung, Lahore, Pakistan

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Introduction

The variable interest of this study is brand loyalty. Brand loyalty is the hallmark for many business organizations. The marketing field first took an interest in brand loyalty on an academic level through Copeland’s work in 1923 (cited in Kabiraj and Shanmugan, 2011), with the understanding that brand loyalty existed only at the behavioural level. At that time, brand loyalty was measured by using factors such as purchase sequences, percentage of total purchases, and purchase probability (Kumar and Advani, 2005; Kabiraj and Shanmugan, 2011; Iglesias et al, 2011). This notion led to a focus on price, functionality, and quality when marketing products and services, providing that the customers would develop a repeated purchase pattern if these factors meet the customer’s criteria. Large numbers of organizations are now focusing on brand loyalty for long term profitability and source of competitive advantage. Brand loyalty has been studied in many industries and countless product categories (Sheeraz et al., 2016).

Brand loyalty is the main variable of interest for marketing managers and researchers. The previous research on brand loyalty shows that spending expenses of loyal buyers are higher than non-loyal buyers. So, loyal customers are a company’s most valuable group (Ganesh, 2016). Dick and Basu (2017) explain there are positive as well as negative perceptions of the consumers towards the brand and the negative perception may lead to patronize of the brand but in few occasions. The patterns in consuming durable and non-durable goods or consumption goods are not similar (Thiele & Bennett 2017). Customers make a purchase in consumption goods frequently while the purchase of durable goods is made on rare occasions. Brand loyalty is a consumer attachment to a high value of the brand (Aaker, 2014). A consumer will deliver loyalty, trust for the brand in regard to their beliefs and expectation. Also, they will get remained to their loyal brand and are not carried away by the strategies of their competitor’s brand (Aaker, 2014). Goodman, & Newman, (2017) examines that 54% complaining customers were not loyal with the particular brand. Moreover, 10% customers are switching annually from one brand to another brand. Researchers claimed that it can cost as much as 6 times more than to attract a new customer than it does to keep an existing one. It is also noted that the any industry can increase profit by up to 60% by reducing potential migration of customers up to 5% (Radzi et al., 2018; Mbama & Ezepue 2018)

The actual problem of the present research is that brand loyalty is serious concern for the organizations. Calderon Rave (2019) examines that 54% complaining customers were not loyal with the particular brand. Moreover, 10% customers are switching annually from one brand to another brand. Researchers claimed that it can cost as much as 6 times more than to attract a new customer
than it does to keep an existing one. It is also noted that the any industry can increase profit by up to 60% by reducing potential migration of customers up to 5% (Radzi et al., 2018; Mbama & Ezepue 2018). This quantitative research is planned to conduct with the help of survey questionnaire to address the issues of brand loyalty and try to reduce this problem with the help of variables like brand credibility and attitude toward brand. The customers and users of Samsung in Lahore, Pakistan considering as target population for the present research.

**Literature Review**

**Attitude toward Brand:**

Attitude toward Brand is considered as the most distinctive concept in social psychology and marketing literature. It is the most investigated issue in the consumer behavior researches (Belch & Belch, 2016). According to Kruger et al., (2019) attitude can be considered to be a relative, enduring, context-specific overall evaluation of some aspects of a consumer’s environment, be it a product, service or brand (Hoyer et al. 2019; Petruzzellis 2018; Solomon 2013). Therefore, brand attitude can be described as a consumer’s overall evaluation of the ability of the brand to satisfy needs (Liu et al. 2012). Malik & Ahmad (2016), Eagly and Chaiken (2014) define attitude as “relatively global and enduring evaluation of an object, issue, person, or action. Sheerazet al., (2016), Fishbein and Ajzen (2017) define attitudes as “learned predisposition to respond in a consistently favorable or unfavorable manner with respect to a given object”.

Mitchell and Olson (2018) define a Attitude toward brand as an individual’s overall evaluation of a brand. This means that attitude toward a brand mainly depends on a consumer’s own perceptions regarding a brand, and this is considered as a reliable predictor of consumers’ behavior toward brands (Shimp, 2018). Mogaji, E., & Danbury, A. (2017) and Clow et al. (2005) note that a consumer’s attitude toward brand must be driven by a positive attitude towards the advertisement as well as the brand. They state that if consumers cannot relate to the brand, they might not patronize it, even when the advertisement gets their attention. The authors were able to identify the need for an advertisement to appeal viewers’ emotions for it to be effective; describing it as an effective creative message strategy whereby the advertisement can appeal directly to viewers’ emotions. They conclude that visuals can be used to create positive feelings towards the advertisement and that copy can be used to create a positive attitude towards the brand. Attitude toward brand significantly effect intentions of consumers. Abimbola et al., (2012) describe that attitude toward a brand, or Brand Attitude is another key component for valuing a brand’s equity. Attitude toward a brand mainly depends on a consumer’s own perceptions regarding a brand and is argued to be a
Relationship of Brand Credibility with Brand Loyalty

reliable predictor of consumers’ behaviour toward brands (Shimp, 2010). Attitude toward brand has positive Effect on brand loyalty (Liu et al., 2012).

Brand Loyalty

Brand loyalty can be described as, “a deeply held commitment to re-buy or re-consider a preferred product/service consistently in the future, causing a repetitive same brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior” (Lam, et al., 2018). Hoyer, Macinnis and Pieters (2018) define brand loyalty as, “Consumers buying the same brand repeatedly because of a strong preference for it.”

According to Akin (2017), the increasing importance of the brand concept led to the examination of many concepts (Çabuk & Orel, 2018). Brand loyalty is at the forefront of these concepts (Gounaris & Stathakopoulos, 2015).

Every company wants to achieve the creation of loyal consumers to their brands. It will be possible to maintain the market share with the stability to be attained at this point. Each form of interaction communicates with the user, and each detail such as image, icon, placement or button that the users face, plays an important role in the connotations and judgments about the company. Gobe (2016) mentioned about the emotional economy in which people interact more with brands at this point. Emotional brands not only give support to who we are, but also physically provide us with the opportunities to transform into what we desire to become.

Loyalty can be defined as “a continuous purchase of products and services made by consumers, and unchanged purchasing decisions of the consumers despite whatever reason due to any external factors” (Kwong & Candinegara, 2014). Brand loyalty is the measure of the consumer’s commitment to the brand, and it forms the basis of the brand value (Supphellen & Grinhaug, 2003; Rai & Medha, 2018). Brand loyalty can, in general, be defined as “the positive attitude and behavioral response of the consumer to one or more brands in a product category over a period” (Engel et al., 1990, Rai & Medha, 2019).

Loyalty is seen as one of the key elements to achieve permanent and long-term success in terms of businesses. Brand loyalty is the loyalty of the consumer towards a brand which leads to repurchasing of the brand, not only in the present period but also in the future (Kim et al., 2015). Repetitive purchasing behavior and positive attitude towards a brand or company are considered as important indicators for the loyalty of consumers (Dick & Basu, 1994; Lee, Kim, & Kim, 2018). Taking repetitive purchasing behavior into consideration as a measure of brand loyalty causes the consumers to ignore their feelings towards the brand, the reason why they
constantly purchase the brand and whether or not they like it. Brand loyalty represents a customer’s positive attitude towards a brand or offering, in addition to repeat buying behavior (Liu et al., 2012; Rather, 2017, 2018). Customers who engage with a brand and/or service-provider are expected to build positive attitudes most instantly than customers who are not engaged with the brand or provider (Harrigan et al., 2017; So et al., 2014). Such attitudes are the most expected to be favorable that may guide to increased loyalty and/or patronage intent (Harrigan et al., 2017; Hollebeek 2011).

Attitude toward brand has positive impact on brand loyalty (Liu et al., 2012). On the basis of this fact current research proposes the following hypothesis.

**H:** Brand credibility has positive impact on attitude towards brand.

**Scale and Measurement**
In this study the scale of Attitude toward brand is consist of eight-items scales. Response of first five items will be collected on five-point Likert scale which is ranging from (1 being “strongly disagree,” 5 “strongly agree”). Response of last three items will be collected on five-point Likert scale which is ranging from (1 being “very bad,” 5 “very good”). The scale is adopted from the researcher (Krosnick et al. 1993).

In this study brand loyalty measured in four-item scale. This scale comprised a five-point Likert scale (1 being “strongly disagree,” 5 “strongly agree”). The scale is adopted from the researcher (Kim, 1998).

**Research Design:**

This is the cross-sectional research data is collected from the respondents for single time of study. This is the explanatory research because relationships are based on cause and effect.

**Target Population**

Customers of Samsung Mobile users who live in Lahore are the target population.

**Sample Size**

Data is collected from 220 customers of Samsung Mobile users. Based on formula No. of items of questionnaire multiply with 10.

**Sampling Method**

Data collected from four branches of Samsung mobiles (SES).

**Sampling Technique**

Data is collected with the help of simple random sampling from list of selected customers. The researcher collected the data and made a list of Samsung users within 20 days then run data on excel sheet and select the customers.

**Data Collection**

Data is collected with the help of structured questionnaire. From the list of target population 220 customers were
randomly selected. The data was collected in 2 months.

**Data Analysis**

Data is analyzed with the help of SPSS 22.

**Attitude towards Brand Reliability**

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<th>Reliability Statistics</th>
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<tr>
<td>Cronbach's Alpha</td>
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Above table shows that overall value of Cronbach’s Alpha is 0.709. This indicates that data is reliable.

**Brand Loyalty Reliability**

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Regression Analysis

Impact of Attitude towards Brand on Brand Loyalty:

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<th>Model Summary</th>
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a. Predictors: (Constant), ATB

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**Correlation**

![Correlation Table]

Correlation analysis explains the kind of relationship between the variables.

Above table shows that coefficient of correlation between attitude towards brand and brand loyalty is 0.396. This shows that positive significant relationship with one another.
a. Predictors: (Constant), ATB
b. Dependent Variable: BL

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<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
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<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
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<td>1</td>
<td>(Constant)</td>
<td>2.130</td>
<td>.268</td>
<td>7.945</td>
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<tr>
<td>ATB</td>
<td>.440</td>
<td>.069</td>
<td>.396</td>
<td>6.387</td>
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Above table describes the Effect of ATB on brand loyalty. Value of $R^2$ is 26.2% which is $>25\%$. Value of F is 40.797. This value is also good one. The value of p of F= 0.000. This value is $<0.01$. This value is also in acceptable range.

For effect of ATB on brand loyalty is 0.000. This value is $<0.01$. This means that hypothesis of about effect of ATB on brand loyalty is accepted. Value of $\beta$ for this relationship is 44.0. This shows that change in one unit of ATB result in 44.0% change in brand loyalty.

**Conclusion and Recommendations:**

This research describes the relationship of attitude towards brand and brand loyalty. Results show that attitude towards brand has positive significant effect on brand loyalty. Several limitations of this study should be considered when the current results are interpreted. It includes only the range of customers of Samsung Mobile who are within the boundaries of Lahore Pakistan. Demographic variables were included as control variables in the regression analysis and are taken as serious limitations. An additional limitation of present research is that obtained results cannot be comprehensive to female customers because majority of the participants were male. As in this study questionnaires are taken as measurement instruments, there was less chance for customers to explain in their own words about the reasons for brand loyalty. This research includes only one antecedent of brand loyalty. Longitudinal studies will facilitate an understanding of the relationship between the variables in more depth. It is interesting to include the customers of other mobile companies such as Apple, OPPO and Q mobiles and can compare the level of customer loyalty among the customers of these companies. The aim of the study was to establish relationships between the prescribed variables, future studies can include a larger and wider variety of variables; replication of the study in other regions may produce different results due to contextual differences. It is also worthwhile to consider female customers.
of Samsung mobile for generalizing the results because large number of female also used Samsung mobiles. This research cannot be limited to mobile industry because other sectors like banking, beverage, cosmetic, textile and fashion industry etc also use the concept of brand loyalty for generating more profit and for competitive advantage also. In future, researches in depth interviews will also a helpful tool for attaining the complete information about the brand loyalty and other variables. In future studies, to include the range of other potential antecedents like pleasure, product quality, brand image, brand reputation, brand love, brand satisfaction, brand trust, brand commitment, brand experience along with current variables to understand the phenomenon of brand loyalty.

References


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