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**Contribution of Brand Awareness and Brand Characteristics towards Customer Loyalty (A Study of Milk Industry of Peshawar Pakistan)**

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## **Contribution of Brand Awareness and Brand Characteristics towards Customer Loyalty** (A Study of Milk Industry of Peshawar Pakistan)

### **Abstract**

Each and every business firm of the world wants to make their customer loyal towards their company product. But not only one factor is responsible for the loyalty of customers. This research is focused on Peshawar region Customer loyalty towards branded milk. For the purpose two dimensions taken under consideration i.e. Brand awareness and brand characteristics. Brand awareness includes advertising, personal selling, sale promotion and public relation. While brand characteristics include product price, product quality, brand image and packaging. To find out which of these variables contribute how much towards customer loyalty a sample of 200 branded milk users has been contacted from Peshawar region. On the basis of their responses a regression and correlation analysis was conducted. Findings and results of the study shows that brand characteristics has more influence on customer loyalty. Within the brand characteristics quality of the product and brand image is the key factor which contributes more towards customer loyalty. While in case of brand awareness advertising contribute more in comparison of other towards customer loyalty for branded milk.

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### **Introduction**

Recent marketing need to make customer loyal towards their product in order to joy long term profit. For the very same purpose companies try to have competitive advantages in term of brand awareness and brand characteristics. The brand characteristics vary from product to product and to segment to segment. Important issue is that which factors among them is more important and play vital role. This research is focused on very same issue that how brand awareness and brand

characteristics influence customer loyalty towards branded milk in Peshawar Pakistan.

### **Literature Review**

All over the world there are four ways of promotion i.e. advertising, personal selling, sale promotion and public relation. According to Nazia *et al.* (2011) in daily life human watch billboards while crossing roads, in the streets, watching TV, and going on drive face a number of advertisements. Similarly read newspaper and listen radio and came across different

advertisements from different companies. Hossein Nezakati (2011) Companies invest huge money on these advertisements and the purpose behind these promotion is product sale and customer loyalty.

According to Barton (1999) Personal selling carry personal contacts which makes it is unique. Through personnel selling awareness can be created in more effective manner as because questions can be answered through this type of promotion method. According to Jagdish (1995) the strength of personal selling is that it is flexible & provides immediate feedback. The sales presentation can be personalized based upon the wants of customer. Many customers don't know what they want & it is through personal selling that marketer can help him out.

Kristof (2001) in his study describe that sale promotion is a short term benefits offered by the company for the enhancement of sale or attraction of consumers. Sale promotion can be in terms of extra quantity, coupons, buy one get one free, free sample etc. Similarly public relation has also an impact on consumer buying behavior.

According to Hossein Nezakati (2011) most of the companies not just only emphasize on their promotion but there are also the brand characteristics which can influence customer loyalty. Price and product quality becomes the prior elements in customer loyalty in brand characteristics. Customer loyalty develops on the basis of price and quality as these are the initial factors for considering a product for purchase again and again. Waheed Akhter (2011) Brand image is the important factor which contribute for a company in terms of brand equity and it also play vital role in creation of customer loyalty. Although it's not necessary that only because of brand image a customer can be retain. There can be too many other factors which can

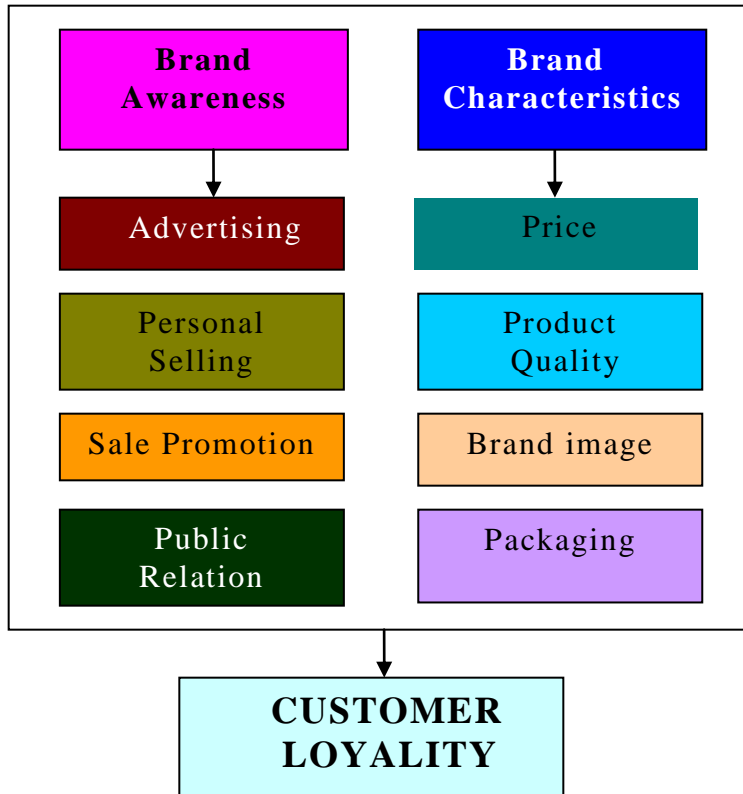
contribute towards customer retention and loyalty and these factors can vary from product to product and market to market.

Keller, (1993) defined that brand image refers to a particular frame of reference by which the consumer is associating a particular brand. A good image enhances the value of the brand in the eyes of the consumer by increasing its likeability/desirability and differentiating it from other competing brands (Hsieh, Pan, and Setiono, 2004). The outcome of the favorable image is the increase in loyalty, equity, consumer buying behavior and overall performance of brand (Koo, 2003; Keller, 1993; Hsieh et al., 2004, Roth, 1995). Brand image is measured in terms of benefits a brand is offering or some attributes the brand is having or the usage of the brand (*et al.*, 2001; Malhotra's 1981; Roth, 1995).

Packaging is used to communicate with the consumer (Butkeviciene et al. (2008). Packaging is the only thing that communicate a message about the product to buyer in the store" (Gonzalez *et al.*, 2007). It is used to protect the product from damages during shipping and transferring product from one place to another (Madiha *et al.*, 2011). Consumers are sensitive and don't want such packaging which carries germs or infections as consumers are used to check/evaluate it by appearance of the products and ensuring the quality of the product before making a purchase decision (Grundvag & Ostli, 2009).

#### **Theoretical frame work of the study**

There are two variables discussed in this study, i.e. independent and dependent variables. The below figure shows the variables that customer loyalty is dependent upon brand awareness and brand characteristics as shown in figure below.



***Research Framework of the Study***

The theoretical frame work of the study includes all those variables that are identified from literature. Both brand awareness and brand characteristics and its factors are independent variables of the study. The brand awareness includes advertising, personal selling, sale promotion and public relation. While brand characteristics includes price, product quality, brand image and packaging. Study identified the relationship among above variables. On the basis of these variables a conclusion and recommendations is provided.

**Methodology**

As this research is focused on the Milk industry. For the study purpose the branded milk consumer of Peshawar region are targeted. A sample of 200 was selected for data analysis. The four

milk companies were taken under considerations i.e. Milk pack, Haleeb,

Olper and Good milk. The Likert scale questionnaire is designed for collecting the data from the mention sample. The number of participants who contacted was 200. For data collection among 200 consumers a research instrument was distributed. The response from respondent was 96% and regression and correlation analysis is conducted on mentioned sample size.

**Reliability of scale:**

The table 1 below shows the reliability of the data collected from respondents. The following table show that the data collected from mentioned sample is reliable and respondents answered accurately. Because the variables are

exceeding from 70% which is the standard of acceptance for reliability.

The below table calculations suggest that the responses given by respondents of the study are reliable.

**Table 1: Reliability of the scale of the study**

S.No	Variables	Cronbach's Alpha
1	Customer Loyalty	0.901
2	Advertising	0.892
3	Personal Selling	0.803
4	Sale Promotion	0.722
5	Public Relation	0.719
6	Price	0.883
7	Quality	0.898
8	Brand Image	0.892
9	Packaging	0.734

**Hypotheses of the study and regression analysis**

An overview of the hypothesis related to the relationship of customer loyalty with brand awareness and brand characteristics. In order to test the

hypothesis of the study eight hypotheses are developed. Study shows that there is significant relationship between the consumer loyalty and following hypothesis.

Objectives	Hypothesis
<b>Relationship between Brand Awareness and Customer loyalty.</b>	<p><b>H:1</b> <i>There is a positive relationship between customer loyalty and advertising.</i></p> <p><b>H:2</b> <i>Personal selling has an impact on customer loyalty.</i></p> <p><b>H:3</b> <i>There is a positive relationship between sale promotion and customer loyalty..</i></p> <p><b>H:4</b> <i>Public relation has an impact on customer loyalty.</i></p>
<b>Relationship between Brand characteristics and Customer loyalty.</b>	<p><b>H:1</b> <i>Price has a significant impact on customer loyalty.</i></p> <p><b>H:2</b> <i>Quality influence customer loyalty.</i></p> <p><b>H:3</b> <i>Brand image has a relationship with customer loyalty.</i></p> <p><b>H:4</b> <i>packaging can influence the customer loyalty</i></p>

Table 2 below shows significance relationship between the dependent and independent variables. It explains that the customer loyalty has a significant

relationship with brand awareness and brand characteristics. Table 2 show that the overall model is highly significant.

**Table 2: Regression results for variables of the study**

BRAND AWARENESS								
S. No	Dependent Variables	Independent variable	Adjusted R square	F	B	St. Error	T	P. Value
1	Customer Loyalty	Advertising	0.81	17.107	0.720	0.286	27.213	0.000
2	Customer Loyalty	Personal Selling	0.79	21.169	0.321	0.212	33.620	0.000
3	Customer Loyalty	Sale Promotion	0.73	18.304	0.401	0.271	17.411	0.000
4	Customer Loyalty	Public Relation	0.693	32.453	0.173	0.252	28.841	0.000
BRAND CHARACTERISTICS								
1	Customer Loyalty	Price	0.834	31.412	0.383	0.293	39.112	0.000
2	Customer Loyalty	Quality	0.782	27.987	0.732	0.413	33.230	0.000
3	Customer Loyalty	Brand Image	0.801	13.120	0.671	0.610	17.113	0.000
4	Customer Loyalty	Packaging	0.620	11.981	0.297	0.231	45.146	0.000

Table 2 above shows significance relationship between customer loyalty and brand awareness. There is a significant relationships exist between Customer loyalty and advertising (t-statistic = 27.213 and P-value= 0.000) which mean advertising has an impact on customer loyalty. There is significant relationship exist between customer loyalty and personal selling (t-statistic = 33.620 and P-value= 0.000). There is significant relationship exist between customer loyalty and sale promotion (t-statistic = 17.411 and P-value= 0.000). There is a significant relationships exist between customer loyalty and public relation (t-statistic = 28.841 and P-value= 0.000) which mean that public relation has an impact on customer loyalty.

Table 2 above shows that there is a significant relationships exist between customer loyalty and Price (t-statistic = 39.112 and P-value= 0.000) which mean price has an impact on customer loyalty. There is significant relationship exist between customer loyalty and Product Quality (t-statistic

= 33.230 and P-value= 0.000). There is significant relationship exist between customer loyalty and Brand Image (t-statistic = 17.113 and P-value= 0.000). There is a significant relationships exist between customer loyalty and Packaging (t-statistic = 45.146 and P-value= 0.000) which mean packaging has an impact on customer loyalty. Hence the above result shows that the customer loyalty is dependent upon above mentioned variables.

**Correlation Analysis**

As shown in table 3 below, there is strong association between customer loyalty and Brand awareness and brand characteristics.

Survey demonstrates that there is a strong relationship between customer loyalty and advertising with Correlation coefficient (r = 0.749). For customer loyalty and Personal selling correlation coefficient is (r = .541). Which mean that Personal selling has a moderate influence on customer loyalty. As shown in table 3, there is strong association between customer

loyalty and sale promotion with correlation coefficient ( $r = .698$ ). There is a significant relationship exist

between customer loyalty and public relation with correlation coefficient ( $r = .332$ ).

**Table 3: Correlation analysis for variables of the study**

<b>BRAND AWARENESS</b>				
<b>S. No</b>	<b>Dependent Variables</b>	<b>Independent variable</b>	<b>R</b>	<b>R Square</b>
1	Customer Loyalty	Advertising	0.749	0.561
2	Customer Loyalty	Personal Selling	0.541	0.292
3	Customer Loyalty	Sale Promotion	0.698	0.487
4	Customer Loyalty	Public Relation	0.332	0.110
<b>BRAND CHARACTERISTICS</b>				
1	Customer Loyalty	Price	0.714	0.509
2	Customer Loyalty	Quality	0.903	0.815
3	Customer Loyalty	Brand Image	0.819	0.670
4	Customer Loyalty	Packaging	0.523	0.273

In case of Brand characteristics there is a significant relationship exist between customer loyalty and Price with correlation coefficient ( $r = .714$ ). Which mean that Price has greater impact on customer loyalty. There is a relationship exist between customer loyalty and product quality with correlation coefficient ( $r = .903$ ). Which mean that product quality can strongly influence the customer loyalty. Brand image is another brand characteristics that can influence the customer loyalty with correlation coefficient ( $r = .819$ ). Packaging has an influence on the customer loyalty with correlation coefficient ( $r = .523$ ).

**Conclusion**

Research finds that customer loyalty has a significant relationship with Brand awareness and brand characteristic. Both factors play a vital role in customer loyalty towards

purchase of branded milk. But findings of research show that brand characteristics contribute more toward customer loyalty for milk purchases in comparison of brand awareness. In case of brand awareness advertising is the dominant factor which contributes more towards customer loyalty with correlation ( $r = .749$ ), in comparison of other three variables of brand awareness.

While in case of brand characteristics product quality is the key player with correlation ( $r = .903$ ) which contribute more toward the customer loyalty for branded milk. The second variable from brand characteristics which contribute more towards customer loyalty for branded milk is brand image with correlation coefficient ( $r = .819$ ). Over all between all variables of brand awareness and brand characteristics the vital role is from the brand characteristics. Hence

it is concluded that both brand awareness and brand characteristics has influence on customer loyalty but brand characteristics has greater influence on customer loyalty and for this contribution quality of product and brand image is responsible.

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