Impact of Brand Awareness, Perceived Quality and Customer Loyalty on Brand Profitability and Purchase Intention: A Resellers’ View

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Abstract
The study is to investigate resellers’ point of view about the impact of brand awareness, perceived quality and customer loyalty on brand profitability and purchase intention. Further the study is also focused on finding out the mediating role of purchase intention on the relationship of brand awareness and profitability, perceived quality and profitability and brand loyalty and profitability. The study was causal in nature and data was collected from 200 resellers. The results showed insignificant impact of brand awareness and loyalty whereas significant impact of perceived quality on profitability. Further the results revealed significant impact of brand awareness, perceived quality and loyalty on purchase intention. Sobel test for mediation showed that purchase intention mediates the relationship of the perceived quality and profitability only.

Keywords: Impact; Brand Awareness; Perceived Quality; Customer Loyalty; Brand Profitability; Purchase Intention; Resellers’ View

1. Introduction
In recent times, the increase of buyer awareness has made buyers want to pay for their recognizable and constructive brand. Thus, it is important for businesses to create attraction in their brands to be in better position than their competitors. This is evident that the consumers disseminate and always willing to acquire a product, so here the brand awareness is always a vital factor to manipulate the buying decisions and purchase intentions (Macdonald and Sharp, 2000). Retailer as well as purchase behavior of consumer slants if a product comprises of elevated alertness regarding the brand (Grewal, Monroe & Krishnan, 1998). Profitability performance tends to have positive relationship with brand awareness. Profitability performance is a monetary input of brand to the revenue of the retailer. The fundamental reason is that superior plane of responsiveness will direct to elevated buying behavior. Customers having no knowledge of the brand will have no intention of buying it either. High brand awareness can influence the retailers or resellers purchase decision (Grewal, Monroe & Krishnan, 1998). The purchase decision is also influenced by the perceived quality which is also an aspect of brand value that makes consumers pay for certain products or services (Aaker, 1991; Zeithaml, 1988). Apparent value can assist buyers for skewed verdict on the whole product set that make a product hold a most significant partiality and also it’s turn into a sharp product in patrons mind as well as also increase the interest of retailer to give best place to the specific product in market space. (Aaker, 1991). Many researches have inspected the effects of professed excellence on productivity (e.g. Jacobson and Aaker, 1987).

Though, only brand alertness and professed quality do not pledge of purchase and specifically repurchase intensions. The importance of brand loyalty cannot be ignored. Where brand awareness and perceived quality is necessary for the purchase of the brand, the loyalty is guarantee of purchase as according to Oliver (1997), brand loyalty plays a vital role in purchase, repurchase and switching behavior. So all three are significant for the purchase and purchase intentions. Aaker and Jacobson, (1994) concluded that towering level of brand loyalty considerably augment sales of a brand as well as increase the economic value of the brand. Loyal buyers are not as much of have an effect on them by price rivalry. Superior sales are to boost product productivity, calculating nix uneven boost in expenses. Moreover loyalty is also important due the fact that the price to catch the attention of a new customer considerably. (Reichheld and Sasser, 1990; Barsky, 1994).

The brand profitability that upholds (i) a product or manufacturing goods as the income that it attract, and, are used to make sure its stamina and growth to further better recognize how this production profitability is affected (Donna Sundblad, 2005) and (ii) the outcome all of these brand awareness, perceived quality, brand loyalty and...
brand profitability that further give help to generate a plan to make purchase intention which is basically a degree of preparation a specific good or services in the future.

1.1 Problem Statement
The study is to investigate the impact of brand awareness, perceived quality and brand loyalty on brand profitability with mediating effect of purchase intentions.

1.2 Knowledge gap
There is vast literature available on the impact of brand awareness (Keller, 1993; Macdonald & Sharp, 2000), perceived quality and loyalty (Dodds et al., 1991) and with respect to profitability and purchase intentions, (Aaker and Jacobson, 1994) from the consumer and company perspective. The literature is lacking in the knowledge of how above said dimensions influence reseller to have a preference for one brand over others. The current study is focused on how reseller is influenced by the brand awareness, perceived quality, brand loyalty, profitability and purchase intentions to fill such gap. Further the study is focused on the relationship of brand awareness, perceived quality and loyalty to purchase intentions and profitability resellers’ point of view.

1.3 Objective of the Statement
These are the objectives of the statement:
- To find out the influence of brand awareness, perceived quality, brand loyalty and purchase intentions on brand profitability
- To find out whether purchase intention mediates the relation between brand awareness and brand profitability.
- To find out whether purchase intention mediates the relation between perceived quality and brand profitability.
- To find out whether purchase intention mediates the relation between brand loyalty and brand profitability.

1.4 Practical Implications
The study would be helpful to understand how resellers are influenced with respect to brand awareness, perceived quality and brand loyalty while considering the purchase intentions and profitability. Companies can influence resellers positively by focusing on the results of the study.

2 Review of Literature
Ability of a retailer and consumer to organize and recall a brand is known as brand awareness (Aaker, 1996). Brand recall means when retailer as well as consumers watch a manufactured goods set, they can evoke a product name completely, and brand acknowledgment signify retailer and customers also has capability to recognize a brand when it is prompt. Hoeffler & Keller (2002) identified intensity and width as measures of product name completely, and brand acknowledgment signify retailer and customers also has capability to organize and recall a brand is known as brand awareness (Aaker, 1996).

H1. Brand awareness significantly influences the purchase intention.
H2. Brand awareness significantly influences the profitability.
H3. Purchase intention mediates the relationship of brand awareness and profitability.

From the above discussion the following hypothesis may be inferred:

apparent excellence is a user verdict on the total creation advantages and negativity towards quality of the product (Dodds et al., 1991). Aaker (1991) dibates that apparent eminence can prove the outstanding segregation of a creation or a service and results in being most preferred in consumers thinking. Manufacturers, retailer and consumers have always different analysis on the decision regarding the quality magnitude (Aaker, 1996). Though patrons have enough information, they may be inadequate in point in time and stimulation to do added decision, and in the closing stages they can only choose minor vital information and make any decision on quality (Wan, 2006). Perceived quality can be influenced by concerns such as past experience, education picked out jeopardy and provisional variables such as purchase cause, pay for state, occasion force, and community settings of customers (Holbrook & Corfman, 1985), Garretson and Clow (1999) propose that recognized class will sway customer trade idea, and Monore (1990) shows that choosen out quality will optimistically control buy purpose through apparent value. If a manufactured goods has superior make alertness.
it will have a superior market split and an improved eminence appraisal and lastly lift the brand profitability (Dodds, et al., 1991; Grewal, et al., 1998).

Following hypothesis may be inferred from the above discussion:

H4. Perceived quality significantly influences the purchase intention.
H5. Perceived quality significantly influences the profitability.
H6. Purchase intention mediates the relationship of perceived quality and profitability.
H7. Purchase intention significantly influences the profitability.

Brand devotion signifies product fondness that users won't think of supplementary brands when they acquire a manufactured goods (Cavero & Cebollada, 1997). Brand faithfulness assures the repurchase of the identical brand (Oliver, 1999). Product faithfulness comprises performance features and approach factors. Behavior devotion symbolizes repurchase activities, and devotion loom potrays psychosomatic pledge to a product (Assael, 1998; Oliver, 1999). Bloemer and Kasper (1995) suggest that a genuine brand devotion should include brand penchant and repurchase a behavior that is in attendance in a extended phrase promise, product compulsion and psychosomatic dispensation (choice making alongwith assessment). Parasuraman and Grewal (2000) suggest that the added optimistic retailer contract observations are, the powerful buyer fidelity is. Brand loyalty is a repurchase promise that vow regulars will repurchase their constructive brands in the future, and they will not change their loyalty under whichever condition (Oliver, 1999). Consumers must have encouraging feelings as well as complete pleasure toward brand, and then they will create purchase purpose and give supremacy to brand loyalty which further enhances brand profitability (Assael, 1998; Wang and Kan, 2002).

The following hypothesis may be inferred from the above discussion:

H8. Brand loyalty significantly influences the purchase intention.
H9. Brand loyalty significantly influences the profitability.
H10. Purchase intention mediates the relationship of brand loyalty and profitability.

Following is the hypothetical diagram of the relationship of variables:

```
Brand awareness  --- Purchase intention

<table>
<thead>
<tr>
<th>Perceived quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer loyalty</td>
</tr>
</tbody>
</table>

Brand profitability
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Source: Researchers proposed model

3. Research Methodology

The study is cross sectional in nature and follows the causal research design. The data was collected from 200 retailers about the two brands i.e. L’Oreal and Garnier. The retailers were selected to collect the data as the study was focused on resellers view. Convenience sampling technique was used to collect the data. Self administered questionnaire was used for the data collection which was adopted form the study of Artur Baldauf, Karen S. Cravens, Gudrun Binder, (2003).

3.1 Reliability for the instrument

Alpha reliability value for all variables stands more than 0.7 showing the internal consistency of the questionnaire.
4. Data Analysis and Discussion

Correlation and regression analysis were used to analyze the data and to measure the hypothesis which were not mediation based. Sobel test was used to check the mediation and measure the hypothesis of mediation. Correlation analysis was used as a prerequisite of Sobel test.

4.1 Hypotheses Testing

Table 4.1 Regression Analysis of Brand Awareness, Perceived Quality, Customer Loyalty, Purchase Intension and Profitability

<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>1.463</td>
<td>.350</td>
<td>4.178</td>
</tr>
<tr>
<td></td>
<td>brandawareness</td>
<td>.117</td>
<td>.076</td>
<td>.107</td>
</tr>
<tr>
<td></td>
<td>perceivedquality</td>
<td>.177</td>
<td>.071</td>
<td>.176</td>
</tr>
<tr>
<td></td>
<td>customerloyalty</td>
<td>.099</td>
<td>.074</td>
<td>.092</td>
</tr>
<tr>
<td></td>
<td>purchaseintension</td>
<td>.189</td>
<td>.043</td>
<td>.294</td>
</tr>
</tbody>
</table>

a. Dependent Variable: profitability
source: Field Data

Table 4.2 Regression Analysis of Brand Awareness, Perceived Quality, Customer Loyalty and Purchase Intension

<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>.855</td>
<td>.573</td>
<td>1.492</td>
</tr>
<tr>
<td></td>
<td>brandawareness</td>
<td>.269</td>
<td>.123</td>
<td>.159</td>
</tr>
<tr>
<td></td>
<td>perceivedquality</td>
<td>.212</td>
<td>.116</td>
<td>.146</td>
</tr>
<tr>
<td></td>
<td>customerloyalty</td>
<td>.290</td>
<td>.119</td>
<td>.174</td>
</tr>
</tbody>
</table>

a. Dependent Variable: purchaseintension
source: Field Data

Table 4.3 Regression Analysis Purchase Intension and Profitability

<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>2.725</td>
<td>.165</td>
<td>16.521</td>
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<td></td>
<td>purchaseintension</td>
<td>.250</td>
<td>.042</td>
<td>.389</td>
</tr>
</tbody>
</table>

a. Dependent Variable: profitability
Source: Field Data
Table 4.4 Sobel Test for the mediation of purchase intensions

<table>
<thead>
<tr>
<th></th>
<th>Sobel Test Statistics</th>
<th>Std. Error</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Quality and</td>
<td>1.96224816</td>
<td>0.02700984</td>
<td>0.0497336</td>
</tr>
<tr>
<td>Profitability</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Mediator: Purchase Intension

Source: Field Data

The first hypothesis of the study was brand awareness significantly influences the purchase intension. Regression analysis (table 4.2) showed that there was a significant influence of brand awareness on purchase intension with a beta value .146 showing the strength of the relationship i.e. almost 15%. The study is in line with the findings of Macdonald & Sharp, (2000) who concluded that brand awareness plays a positive role on the purchase intensions. Second hypothesis of the study was brand awareness significantly influences the profitability. According to regression analysis (table 4.1) there is no significant relationship between brand awareness and the profitability. So the null hypothesis is accepted. The possible reason may be that retailers are not concerned with the awareness rather they just concerned with their profits or it could be that both of the brands which were taken for the study were already known brands so no impact of awareness could be identified on profitability. Third hypothesis was that purchase intension mediates the relationship of brand awareness and profitability. As no influence of awareness on profitability is identified so mediation test could not be run as it is a prerequisite of mediation that there must be an influence of independent variable on the dependent for the calculation of mediation. The fourth hypothesis of the study was perceived quality significantly influences the purchase intension. Regression analysis (table 4.2) showed that there was a significant influence of perceived quality on purchase intension with a beta value .159 showing the strength of the relationship i.e. almost 16%. The study is in line with the findings of Garretson and Clow, (1999) who concluded that perceived quality plays a positive role on the purchase intensions. The fifth hypothesis of the study was perceived quality significantly influences the profitability. Regression analysis (table 4.1) showed that there was a significant influence of perceived quality on profitability with a beta value .176 showing the strength of the relationship i.e. almost 18%. The findings are in line with the study of Grewal, et al., (1998) who concluded that perceived quality is responsible for the increase in market share and the profitability. The sixth hypothesis of the study was purchase intension mediates the relationship of perceived quality and profitability. The Sobel test (table 4.4) proved the alternate hypothesis with p-value less than .05 i.e. purchase intension mediates the relationship of perceived quality and profitability. The seventh hypothesis was that purchase intension significantly influences the profitability. Regression analysis (table 4.3) showed that there was a significant influence of purchase intension on profitability with a beta value .389 showing the strength of the relationship i.e. almost 39%.

The eighth hypothesis of the study was brand loyalty significantly influences the purchase intension. Regression analysis (table 4.2) showed that there was a significant influence of brand loyalty on purchase intension with a beta value .174 showing the strength of the relationship i.e. almost 17%. The study is in line with the findings of Bloemer and Kasper (1995) who concluded the positive role of the brand loyalty to purchase intension. The ninth hypothesis of the study was brand loyalty significantly influences the profitability. According to regression analysis (table 4.1) there is no significant relationship between brand awareness and the profitability. So the null hypothesis is accepted. The possible reason may be that retailers are not concerned with the loyalty even and just concerned if customers are purchasing or not. So retailers are just concerned with the purchase intension. Tenth hypothesis was that purchase intension mediates the relationship of brand loyalty and profitability. As no influence of loyalty on profitability is identified so mediation test could not be run as it is a prerequisite of mediation that there must be an influence of independent variable on the dependent variable for the calculation of mediation.

4.2 Conclusion and Recommendations

It is obvious from the study that retailers are more concerned with the purchase intensions of the customers and quality of the brand. So to attract the retailers the brand managers have to work more on enhancing the purchase intensions and quality so that more and more customer demands the brand (follow pull strategy). Moreover purchase intention also mediates the relationship of the quality and profitability so the brand manager must also focus on such relationship to get more desirability from retailers to demand their products.

4.4 Limitations

1. A sample of 200 may be small. A larger sample may conclude better results.
2. Data was collected only from retailers.
References
