



Perceived Quality, Brand Image and Brand Trust as Determinants of Brand Loyalty

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ABSTRACT:- While the importance of brand loyalty has been recognized in marketing literature for at least three decades, the development of a brand loyalty model had been addressed as an important issue. The purpose of our study was to develop a brand loyalty model. In addition, the interrelationships of perceived quality, brand image and brand trust in building brand loyalty are investigated empirically. The model is tested by structural equations modeling and the sample is 473 students from the higher institute of business administration (HIBA), the finding show that perceived quality has a significant influence on both brand image and brand loyalty, on other hand, the rest of relationship between brand loyalty dimensions and brand loyalty is confirmed. The study finding can be used by Sport-wear market in creating brand loyalty by using some strategies which can lead to the brand loyalty.

Keywords: Perceived quality, Brand image, Brand trust, Brand loyalty, Sport-wear.

I. INTRODUCTION

Brands have been considered as the second most important assets for a firm after customers (Doyle, 2001). Brand loyalty is widely discussed in marketing literature because it plays a more and more important role in the marketing. Develops in different market situations becomes an important issue for both marketing manager and

Brand loyalty has several important strategic benefits to the firms, such as gaining high market share and new customers, supporting brand extensions, reducing marketing costs, and strengthening brand to the competitive threats (Atilgan et al., 2005) and even more a loyal customer base represents a barrier to entry, a basis for a price premium, time to respond to competitor innovations and a bulwark against deleterious price competition. Mao (2010) indicates that such brand loyalty has many benefits as regarded as an essential feature of brand value, cut down costs, less sensitive to price, bring in new potential faithful consumers, and benefit in global marketplace. Keller (2003), on the other hand, examines brand loyalty under the term “brand resonance” which refers to the nature of customer-brand relationship and the extent to which customers feel that they are “in sync” with the brand. Customers, with true brand resonance, have a high degree of loyalty, actively seek means to interact with the brand and share their experiences with others.

II. LITERATURE REVIEW

Perceived quality

According to Aaker (1991) perceived quality lends value to a brand in several ways: high quality gives consumers a good reason to buy the brand and allows the brand to differentiate itself from its competitors, to charge a premium price, and to have a strong basis for the brand extension.

Perceived quality is defined as “the customer’s perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives” (Zeithaml, 1988), on other hand, Aaker (1991) defines perceived quality reflects upon “the customer’s perception of the overall quality or superiority of a product or service with respect to its intended purpose relative to alternatives”. Swinker and Hines (2006) further classify perceived quality into four categories as intrinsic, extrinsic, appearance and performance.

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Considering the relationship between perceived quality and brand loyalty, several studies indicate a positive impact of perceived quality on purchase intention (Tsotsou, 2006). Perceived quality is found to be the main antecedent of brand loyalty (Biedenbach and Marell, 2009). Perceived quality was found to have an effect on brand image (Ming et al., 2011; Chen and Tseng, 2010). Based on these the following hypotheses are proposed in this study:

H1: Perceived quality has a significant positive effect on brand image.

H2: Perceived quality has a significant positive effect on brand loyalty.

Brand image

Brand image has long been recognized as an important concept in marketing (Keller, 1998). Brand awareness is a necessary, but not always sufficient step in build brand equity .other considerations such as the image of the brand often come into play (Keller, 1993) and Chen (2010) shows that Brand equity is driven by brand image.

Aaker (1991) defines brand image as a “set of brand association that are anything linked in memory to a brand, usually in some meaningful way” and can be defined as the perception about a brand as reflected by the cluster of associations that consumers connect to the brand name in memory (Rio et al., 2001). On other hand, Kotler and Armstrong (1996) define brand image as “a set of beliefs held about a particular brand”. This set of beliefs plays an important role in the buyer’s decision making process when customers evaluate alternative brands.

Brand image was found to have positive effect on brand loyalty (Sung et al., 2010; Ming et al., 2011). Brand image was found to have positive effect on brand trust (Ming et al., 2011; Eschet et al., 2006) Based on these the following hypothesis is proposed in this study:

H3: Brand image has a significant positive effect on brand loyalty.

H4: Brand image has a significant positive effect on brand trust.

Brand trust

Brand trust has drawn increasing attention from both practitioners and researchers in recent years. Lau and Lee (1999) viewed brand trust as the “willingness to rely on the brand”. Moorman et al. (1992) defined trust as “a willingness to rely on an exchange partner in whom one has confidence”. Chaudhuri and Holbrook (2001) define brand trust as “consumer’s willingness to rely on the ability of the brand to perform its stated function”.

In relationship-marketing literature, trust has been viewed as a determinant of the loyalty (Berry, 1983). Brand trust in recent studies has been recognized as a key variable in long-term relationships with customers, which in turn positively affects brand loyalty (Matzler et al., 2008; Sung et al., 2010; Ming et al., 2011). Brand trust leads to higher levels of loyalty as trust creates exchange relationships that are highly valued (Morgan and Hunt, 1994). Chaudhuri and Holbrook (2001) argued that brand trust strongly influences the customer’s attitude and repurchase loyalty. Based on these the following hypothesis is proposed in this study:

H5: brand trust has a positive effect on brand loyalty.

Brand loyalty

Brand loyalty can provide both consumer and company essential benefits. Brand loyalty is, like brand loyalty, a complex construct in itself, which needs to be disaggregated if it is to be clearly understood? (Atilgan et al., 2005). Researchers have been challenged to define and measure brand loyalty because this dimension is formed by two different components: attitudinal and behavioral (Dick and Basu, 1994) and both components explain the formation of brand loyalty. On the one hand, the attitudinal component indicates that loyalty formation stems from a positive bond or commitment between consumer and brand, and this attitude, in turn, arises from the coincidence between the brand attributes and the consumer’s preferences. On the other hand, from the behaviour component, loyalty formation is explained by the consumer’s prior purchases which result in a certain purchase habit (Dick and Basu, 1994). brand loyalty is defined as “a deeply held commitment to re-buy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same-brand set purchasing despite situational influences and marketing efforts having the potential to cause switching behavior” (Oliver, 1997). Brand loyalty is defined as “a situation which reflects how likely a customer will be to switch to another brand, especially when that brand makes a change, either in price or in product features (Aaker, 1991).

III. METHODOLOGY

The model:

A research framework was designed to test the above hypothesized relationships, for the purpose, the Sport-wear market in Syria was targeted; the target population of interest was defined as the students of a local university. The model to be tested results from the hypotheses previously figures 1.

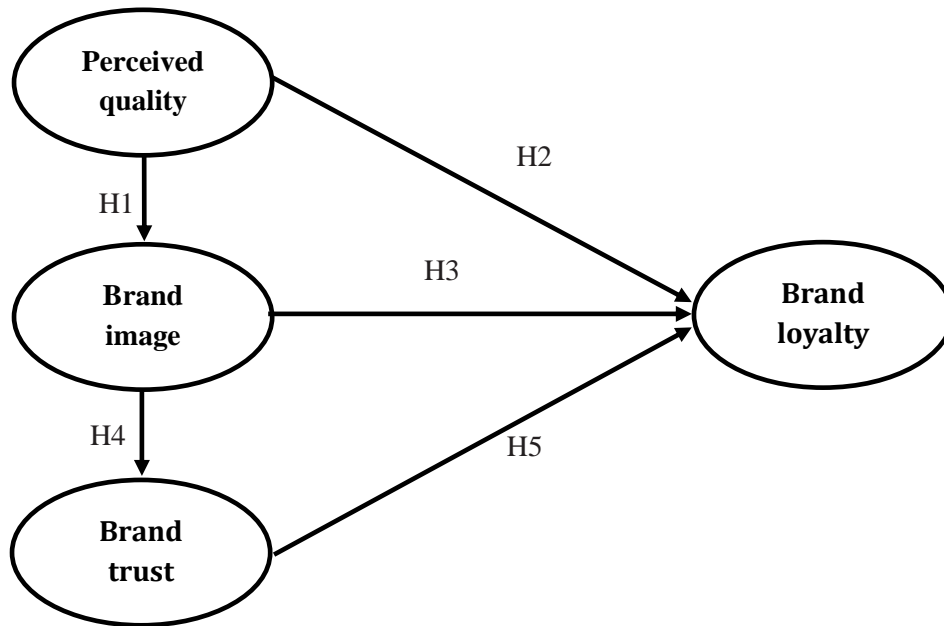


Figure 1. The research model

1.1. Sample’s definition

In order to test the proposed model we select a sample of university students because they are one of the most important customers of Sport-wear. A total of 500 business students from the higher institute of business administration (HIBA) participated in the study. Because of missing data, 27 questionnaires had to be excluded from further analysis. The Demographic profile of the sample is given in table 1.

Table 1. Demographic profile of the sample

		N	%
Gender	Male	273	57.7
	Female	200	42.3
	Total	473	100
Age	<20	150	31.7
	20 - 25	287	60.7
	>25	36	7.6
	Total	473	100
Education level	Under graduate	447	94.5
	Post graduate	26	5.5
	Total	473	100

1.2. Method of data obtainment

The questionnaire was designed as a survey instrument including all constructs of the proposed model to investigate the hypotheses of interest. The questions in the questionnaire are based on a review of the literatures and researches. The survey questionnaire consists of five sections. The first section is designed to obtain sample characterization. The second section deals with the measurement of perceived quality with six items using a five-point Likert-type scale following (Yoo et al., 2000). The third section deals with the measurement of brand image with four items using five-point Likert-type scale adapted from (Chen and Tseng, 2010). The fourth section is designed to measuring brand trust with three items using a five-point Likert-type scale following (Li et al., 2008). The fifth section is designed to measuring brand loyalty with three items using a five-point Likert-type scale following (Yoo et al., 2000). Respondents are asked to indicate their agreement

level of each item of the sections on the 5-point Likert scale anchored by “strongly disagree (=1)” to “strongly agree (=5)”.

1.3. Analysis of result

In this section we will evaluate the measurements scales used in the research and then we will use the regression analysis to proceed an estimation of the structural model (supplied by the AMOS 18). Figure 3 shows the estimation model with standardized regression weights.

A confirmatory factor analysis (CFA) was conducted, as shown in Figure 2, to empirically test the measurement model. Multiple tests on construct validity and reliability were performed. Model fit was evaluated using the maximum likelihood (ML) method.

Construct reliability was assessed using Cronbach’s α , and composite reliability (CR) using CFA. As the α -values (Table II) for all the constructs are greater than the guideline of 0.60, it can be concluded that the scales can be applied for the analysis with acceptable reliability (Malhotra, 2010). CR was calculated from model estimates using the CR formula given by (Bagozzi and Yi, 1988). In the measurement model, all constructs had a CR over the cut-off of 0.70 (Hair et al., 2011). Based on these assessments, measures used within this study were within the acceptable levels supporting the reliability of the constructs (Table II).

Construct validation includes content, convergent, and discriminate validities. Content validity was verified by expert judgment and by a careful literature review. Convergent validity can be evaluated by examining the factor loadings and average variance extracted (AVE), and each CR values should be greater than its AVE values. AVE was calculated from model estimates using the AVE formula given by (Fornell and Larcker, 1981). All estimated standard loadings (Table II) were higher than 0.70, and the AVE for all exceeded the recommended level of 0.50, and all of the CR values were greater than the AVE values, suggesting good convergent validity (Hair et al., 2011). To assess the discriminant validity, Fornell and Larcker’s (1981) criterion, that square root of the AVE for each construct should be greater than the correlation between constructs, also maximum shared squared variance (MSV), and average shared squared variance (ASV), should be less than AVE (Hair et al. 2010). Table III shows the values of the square root of the AVE were all greater than the inter-construct correlations and Table II shows MSV and ASV were less than AVE, suggesting good discriminant validity.

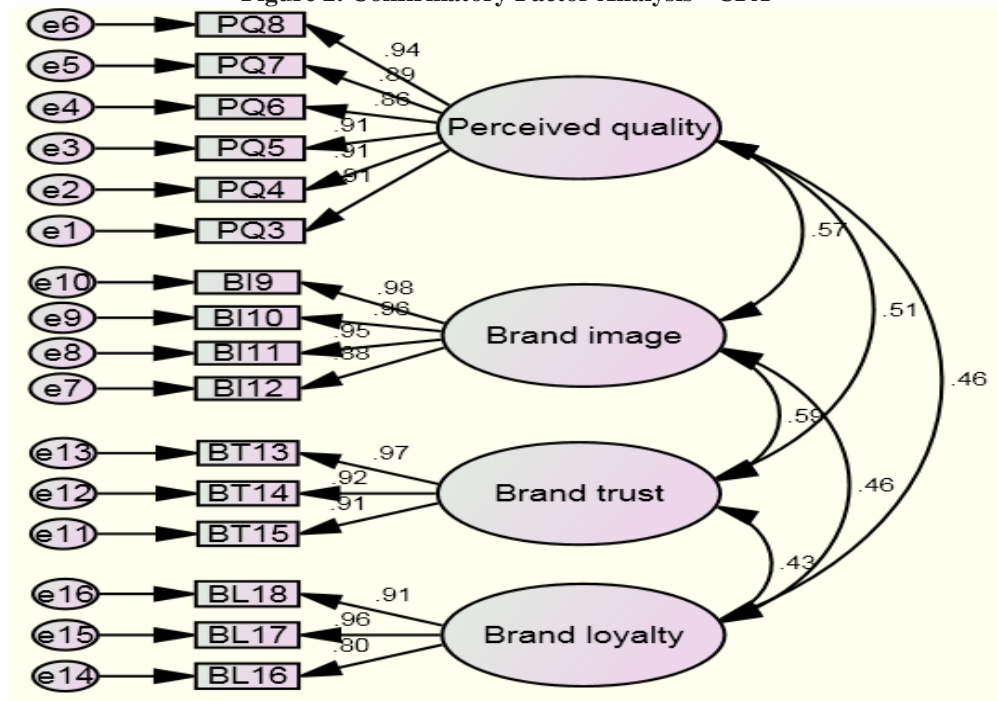
Table II. Results for the measurement model

Construct	Items	Factor loading	ASV	MSV	AVE	CR	α -values
Perceived quality	PQ3	0.91	0.265	0.327	0.817	0.964	0.963
	PQ4	0.91					
	PQ5	0.91					
	PQ6	0.86					
	PQ7	0.89					
	PQ8	0.94					
Brand image	BI9	0.98	0.296	0.352	0.889	0.970	0.969
	BI10	0.96					
	BI11	0.95					
	BI12	0.88					
Brand trust	BT13	0.97	0.266	0.327	0.872	0.953	0.953
	BT14	0.92					
	BT15	0.91					
Brand loyalty	BL16	0.80	0.203	0.210	0.795	0.921	0.914
	BL17	0.96					
	BL8	0.91					

Table III. Correlations and square root of the AVE

	Brand trust	Perceived quality	Brand image	Brand loyalty
Brand trust	0.934			
Perceived quality	0.507	0.904		
Brand image	0.593	0.572	0.943	
Brand loyalty	0.435	0.458	0.458	0.892

Figure 2. Confirmatory Factor Analysis - CFA



Fit indices calculated for the measurement model indicated a good fit between the structural model and data. The Chi-Square value is the traditional measure for evaluating overall model fit, Carmines and McIver (1981) recommend relative chi-square (X^2/df) of 1:3. The root mean square error of approximation (RMSEA) value below 0.08 indicates a reasonable error of approximation (Browne and Cudeck, 1993). As suggested for an acceptable model goodness of fit index (GFI) value is above 0.90 (Jaccard and Wan, 1996) also Adjusted Goodness of Fit Index (AGFI) is an adjusted measure of the Goodness of fit Index, which takes into account the degrees of freedom and values over 0.90 are seen as indicative of an overall good model fit (Joreskog and Sorbom, 1996). The other fit measures like Normed Fit Index (NFI), and Comparative Fit Index (CFI) are more than 0.95 which showed a well-fitting model (Hu and Bentler, 1999). Also Relative Fit Index (RFI) and Incremental Index of Fit (IFI) and Tucker-Lewis Index (TLI) are above 0.95 which showed good fit (Hu and Bentler, 1999). Table IV provides the value of the fit indices of the model.

Table IV. Measurement model fit indices

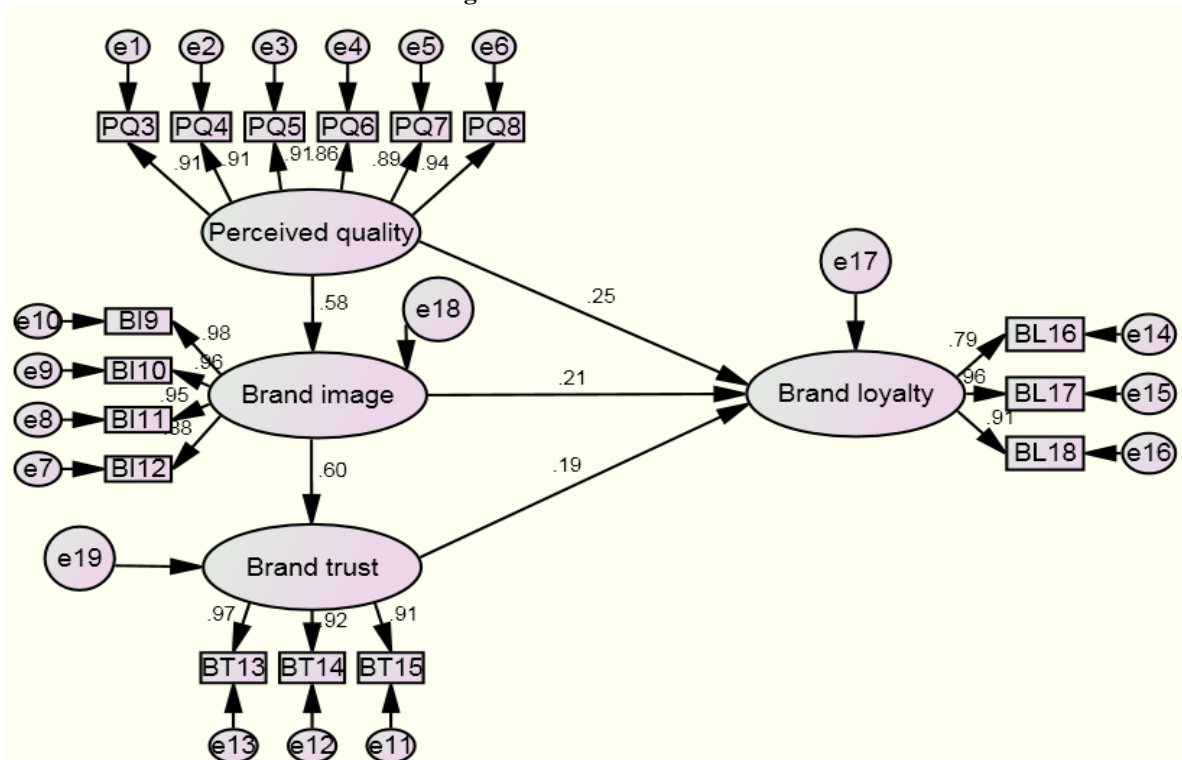
Fit indices	Recommended value	value Indices
$X^2 / (df)$	1:3	2.873
GFI	≥ 0.90	0.932
AFGI	≥ 0.90	0.906
NFI	≥ 0.95	0.970
CFI	≥ 0.95	0.980
IFI	≥ 0.95	0.980
RFI	≥ 0.95	0.963
TLI	≥ 0.95	0.976
RMSEA	0.05 to 0.08	0.063

Regarding the hypothesis tests as shown in Table V, all the hypothesized relationships are supported in the estimated structural model. As shown in Figure 3, Perceived quality has significant positive effects on both brand image ($\beta = 0.58$, t-value = 13.361) and brand loyalty ($\beta = 0.25$, t-value = 4.737). Hence, H1 and H2 are supported. Furthermore, brand image also has significant positive effects on both brand loyalty ($\beta = 0.21$, t-value = 3.386) and brand trust ($\beta = 0.60$, t-value = 13.924), indicating that H3 and H4 are supported. Finally, a significant positive effect of brand trust on brand loyalty ($\beta = 0.19$, t-value = 3.637) is also found, and thus H5 is supported.

Table V. Result of the structural model

Structural equations	Coefficients (β)	t-values	P	Result
Perceived quality \longrightarrow Brand image	0.58	13.361	***	Supported
perceived quality \longrightarrow Brand loyalty	0.25	4.737	***	Supported
Brand image \longrightarrow Brand loyalty	0.21	3.386	***	Supported
Brand image \longrightarrow Brand trust	0.60	13.924	***	Supported
Brand trust \longrightarrow Brand loyalty	0.19	3.637	***	Supported

Figure 3. Structural model



IV. CONCLUSIONS AND IMPLICATIONS

Based on the results obtained in this study, perceived quality has significant positive effects on both brand image and brand loyalty. Brand image also has significant positive effects on brand trust as well as brand loyalty. Finally, brand trust is found to have a significant positive effect on brand loyalty. We also observe that perceived quality has the bigger impact on brand loyalty ($\beta = 0.25$) when compared with the both dimensions, brand image ($\beta = 0.21$) and brand trust ($\beta = 0.19$). Results based brand loyalty model which contains from three dimensions which is perceived quality, brand image and brand trust.

This study has taken a new look at brand loyalty, which receives continuous attention from academic researchers and managers. Marketing managers of companies must focus on increasing the brand loyalty by focusing on dimensions like perceived quality, brand trust and brand image.

The first is that marketing managers should concentrate their efforts primarily on perceived quality which, if increased, will contribute positively to their brand loyalty. Therefore there are a lot of ways to increase perceived quality: first company must offering a large assortment of sport -wear collation which a lot of models and colors can give a company the appearance of abundance and having many resources, which implies success

and increased quality, second company should use Celebrity Endorsements because consumers often respond positively to a well-known figure they trust, finally company can align with some sports organizations by becoming the official brand of a sports team gives you a quality endorsement.

The more people trust your brand the more success you will have. Therefore there are a lot of ways to build brand trust. A great way to build trust with your customers is to let them know that you care about them more than just yourself. Another way to build brand trust is to be consistency and confidence: you should have strong levels of consistency in all parts of your business: price and values.

The brand image is important, therefore to build brand image we must building advertising awareness, brand awareness and brand association by focus on marketing activity to help a certain sport-wear brand become a customer's decision choice set. In other words, if customers are not aware of your brand elements when they search for a sport-wear, then it is very unlikely for them to choose your brand.

Summing up the results, the study goals were reached and the study provides a model to enhance the brand loyalty and gives several important implications for strategic brand management.

V. RESEARCH LIMITATION AND FUTURE RESEARCH

There are several limitations to this study. First, this study does not consider all brand loyalty dimensions. Therefore, future research should consider more dimensions like perceived value, customer satisfaction and other dimensions. Second, we should investigate the effect of those dimensions on attitudinal loyalty and behavioral loyalty. Third, we should investigate this study in service industries. Forth, the subject of this study is student. It is suggested that future research can expand its participants to general consumers. Finally, we should try to replacing this study with more product categories.

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