Impact of a Brand Equity on Consumer Purchase Decision in L'Oreal Skincare Products

NAEEM AKHTAR
Lecturer; Department of Management Sciences
University of Okara (Punjab), Pakistan.
E-mail: naeem_akhtar46@hotmail.com

QURAT-UL-AIN
Student of MBA; Department of Management Sciences
University of Okara (Punjab), Pakistan.
E-mail: annieshah30@yahoo.com

UMER IQBAL SIDDIQI
Lecturer; Department of Management Sciences
University of Okara (Punjab), Pakistan.
E-mail: siddiqishah@gmail.com

AMNA ASHRAF
Student of MBA; Department of Management Sciences
University of Okara (Punjab), Pakistan.
E-mail: amnashraf888@gmail.com

MUNIBA LATIF
Student of MBA; Department of Management Sciences
University of Okara (Punjab), Pakistan.
E-mail: munibalatif12@yahoo.com

Abstract

The primary goal of a company is to build and maintain the proper position of a particular brand in the consumers' minds to influence his purchase decision. Brand equity plays an important role in to boost up the performance of a company or any business. The purpose of this study is to examine the impact of brand equity on consumer purchase intention in students of university of education Lahore, Okara campus. This study is quantitative in nature. For this purpose 100 questionnaires were distributed among the students by using probability sampling technique. Further analysis tools are regression and correlation to determine the relationship between independent and dependent variables. The results gathered were analyzed through SPSS software to get meaningful results. The results shows that brand equity influence purchase decision.

Key Words: Brand Awareness, Perceived quality, Brand Association, Brand Loyalty, Purchase Decision.

Introduction

In this present age, brand is the important tool to uplift the economy of any country. Buying behavior of people can be changed by the help of brand name and equity. Brand name helps the consumer to choose easily in their busy routine life because now people are more conscious about the brand name so companies should consider that to compete in highly competitive environment they have to make a well-known brand

name and image in consumer's mind to influence their choice (Shehzad, 2014). Brand awareness is an important tool that can influence the purchase decision because when the customer want to buy a product a brand image or brand name comes to his mind that shows that company or brand has more loyalty. Higher brand awareness tend to have more loyalty and market image (Chi, 2009). Companies use different factor to make an image in the mind of consumer that can be a name, symbol design or mixture of these three so that customer can identify specific brand or product. To be in competition brand equity is an important tool to get attention of people that may lead buying decision (Bansah, 2015).

People give their attention toward brands when their level of income rise and in India income level of people is rising so their expectation of quality products rise and they prefer brands. A brand could be defined as seller's promise that he will provide a distinctive set of features to its customer's consistently when a brand provide quality products to its customers they will be loyal to brand and make repurchase decision (Joshi, 2013).

Consumer choice decision can be facilitated by brand equity factors as there are so many brands in market that offer similar products with little differentiation so it could be difficult for consumer to make a choice but brand equity is tool that could influence the buying decision of consumer and this study helps to check the impact of brand equity on purchase decision (Gunawardane, 2015). In order to gain awareness and understanding of consumer purchasing decision companies invest heavy resources of finance and time and study the behavior of consumers toward a brand.it indicates that brand is a key assets for businesses through which they can influence the purchasing decision of its customers (Rindell, 2008).

Consumer choice is influenced by awareness and loyalty of brand and companies tries to keep their brand in consideration of their customer by repetitive advertising and fulfilling the expectations of its customers. When customers has more knowledge about the perceived quality by a brand they will usually prefer that particular brand (Macdonald, 2000).

Now a day customers has more information about number of brands in market and customers need a brand which they are already aware of. Brand image is very important when customers made purchase decision for the first time but also family and friends effect is another crucial factor that affect the purchase decision (Baba, 2014).

Many researches has focused on different brand products but not only the product sector but service sector is also concerned about the brand awareness and brand loyalty in order to maintain good position in highly competitive environment. Customers are influenced by the quality service provided by the company or expectation meet by the brand in service sector (Hakkak, 2015).

This study is focused to define the relationship between consumer and brands because over past two decades many researches has been conducted on various dimensions of brand equity and now brand equity is an important success factor for a company to differentiate its products and company from its competitor and also influence the customer's decision toward a brand (Farjam, 2015). In the competitive environment it is necessary for any company to retain its customers and it's difficult for the company to retain its customer because brand has to fulfill his customer's expectation to prove that the decision of the customer was right. If the customer is convinced to repurchase the brand after using first time it shows the loyalty of customers toward brand (Krizanova, 2012).

Problems Identification

Companies are very keen in promoting brands and creating strong brand value to display their goods and maintain its position in highly competitive environment so brand equity is a factor to gain this. In food sector the competition is very tough, people prefer the well-known brand so it is necessary for companies to know the how significantly the brand equity influence the repurchase decision of consumer. So it is an

important issue to recognizing and evaluate the impact of brand equity on customer purchase decision and this research is conducted to investigate this important issue regarding customer intentions and their investment in cosmetics products.

Problem Statement

The study is to examine the impact of brand loyalty, brand awareness, perceived quality and brand association on consumer purchase decision.

Significance of the Study

This study will be helpful for future researches because it could serve as support for their research and they can work with other variables in addition to brand awareness, brand loyalty, perceived quality and brand association. This study will be helpful for both brand and companies to know the importance of brand awareness and brand loyalty and also how these could be helpful to influence the purchase decision of the customers. This study can also be helpful for business to manage its brand image in order to boost up the consumer repurchase decision by focusing on the results of this study.

Research Objectives

- To investigate the impact of Brand Loyalty on consumer Purchase Decision.
- To investigate the impact of Brand Awareness on consumer Purchase Decision.
- To investigate the impact of perceived quality on consumer purchase decision.
- To investigate the impact of brand association on consumer purchase decision.

Research Question

- What is the impact of Brand Loyalty on consumer Purchase Decision?
- What is the impact of Brand Awareness on consumer Purchase Decision?
- What is impact of perceived quality on consumer purchase decision?
- What is the impact of brand association on consumer purchase decision?

Literature Review

The study examines the impact of brand equity toward purchasing decision by focusing on brand awareness, perceived quality, brand loyalty and brand association in mobile telecommunication service sector of Srilanka. Sample is taken from Colombo and Gampaha through questionnaire. The results shows a positive impact of brand equity on purchasing decision (Gunawardane, 2015).

Researchers concluded in their research that brand image, brand trust and perceived quality some factors of brand equity has a positive impact on consumer purchase decision but brand satisfaction and experience has a low or moderate impact on purchase decision. This research has focused food sector of Iran and results are obtained by 165 samples that are collected by simple random sampling (Heidarian, 2015).

Investigated in their research the effect of halal brand image on purchase decision of consumer and to check that brand trust and religious commitment used as mediator and moderating variable. This study shows a significant result that a good brand image effect the consumer decision (Borzooei, 2013).

It is explored in this study the relationship between brand equity and purchase intension and also country of origin used as moderator variable. Samples were collected from the students of Iran and tested through correlation analysis in SPSS. The results of study shows the significant impact of brand preference on

consumer decision but moderating variable country of origin was not supported (Moradi, 2011). It is studied in this research the impact of brand equity on purchase attention and development, brand preference. Sample size was 384 and questionnaire were distributed among customers and stores of Sony. The findings of the study shows a positive significant impact of brand equity on purchase intention of customers (Naeini, 2015).

Researcher wants to prove in their study the impact of brand awareness, perceived quality and customer loyalty on purchase intention from reseller's point of view and also focused on examining the mediating role of purchase intention on the relationship of brand awareness and profitability. Data was collected from 200 resellers and Sobel test was used for mediator variable. The results concluded the positive impact of brand equity on purchase decision and also shows that purchase intension only mediates the relationship of profitability and perceived quality (Yaseen, 2011).

The research is conducted to investigate the effect of brand equity on consumer behavior in FMCG sector. Data is collected from 200 consumer by sampling technique and ANOVA technique has used to analyze the data. The results shows that consumer behavior is positively influenced by brand equity factors (Fouladivanda, 2013).

This study examines the effect of brand equity and its elements in private label brand purchase intention. Questionnaires were distributed to collect data from 400 consumer who use private label brand. Relationship was checked through structural equation model. The outcomes of study shows a significant positive relationship between brand equity and private label purchase intention (Yang, 2012).

This study proposed to check the impact of brand equity factors on purchase behavior of consumer in automobile sector. Researcher used the Aaker's model for framework of study. Sample size was 242 and hypothesis is tested through structural equation modeling. The results reveals that the purchase decision of a product is influenced by brand equity and brand loyalty (Jalilvand, 2011). The study focused on the whether the purchase decision is influenced by customer based brand equity. Aaker's model was used to support the study and data is collected from 403 customers of Starbucks coffee shop and data is tested through multiple linear regression as well as chi square and Pearson correlation. The finding shows indicate that there is positive relationship exist between brand equity and purchase intention (Khataan, 2014).

This study is intended to examine the impact of brand equity toward consumer purchase and for this purpose data has been collected from 120 respondents by using purposive sampling technique. Data was analyzed through multiple linear regression analysis. The results shows that brand awareness and perceived quality has no significant impact on purchase decision but brand loyalty is the major factor that influence the brand intention of consumers (Amelia, 2015).

The study is conducted to evaluate the effect of brand equity on customer response in the service markets. Data is collected through questionnaire from 384 customers of state bank from Iran and Tehran. Cronbach's alpha technique is used to check the reliability and validity of the data collected. The results indicate that brand equity has a positive significant impact on customer intention toward purchase (Monavvarian, 2015).

This study focused to check the relationship between different dimension of brand equity that may lead to influence the decision of consumers and to check the relationship the data has gather from 369 students. Cronbach's alpha and regression analysis was applied to data. Results of the study shows that different dimensions of brand equity are in relationship and has effect on one another (Dib, 2014). The research is conducted to investigate whether the customer purchase intention is influenced by the brand equity determinants. Data was collected from 350 respondents of food stores and data was analyze by Cronbach's alpha technique. The findings of the research shows that brand awareness has less significant impact on brand equity and brand loyalty is the key factor that could change the purchase intention (Roozy, 2014).

This study is examines the impact of brand equity determinants on purchase intention of consumers and for this purpose data has collected through questionnaire from the sample of 320 consumer of foodstuff. Data has analyzed by using Cronbach's Alpha technique. The results of study shows that brand loyalty is the major factor that influence the purchase intention while other variables also have less significant impact on purchase intention (Roozy M. A., 2014).

The study is conducted to determine the impact of service based brand equity on purchase intention white considering brand performance as a mediating variable. Data has collected from the ample of 150 people and then regression and correlation techniques has applied on data. The results indicate a positive impact of brand equity on purchase decision of a customer (Irshad, 2012).

The research was proposed to study the effect of different factors of brand equity on purchase intention toward luxury brand in Bangkok. Data has gathered by questionnaire from the sample of 405 consumer of luxury brand. Multi-stage random sampling techniques is used then data is regression analysis is applied on data. Results shows that eight factors of brand equity has a significant impact on purchase decision while brand loyal is the major factor that may affect the purchase intention of luxury brand (Lekprayura, 2012).

Study Model

Dependent Variables   Independent Variable
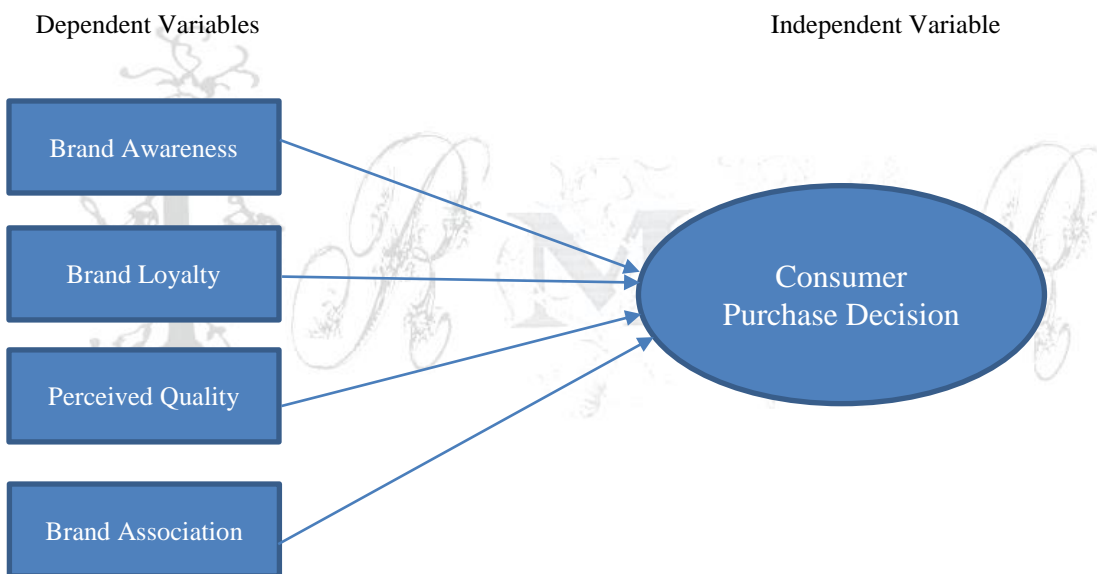
Research Hypothesis

H1: Brand Loyalty has a significant impact on consumer Purchase Decision.

H2: Brand Awareness has a significant impact on consumer Purchase Decision.

H3: Perceived quality has a significant impact on consumer purchase decision.

H4: Brand association has a significant impact on consumer purchase decision.

Research Methodology

Research Design

Research design holds the whole research together. It is referred as to show the rational aspects of the ways; the research was conducted. The research conducted by me follows the "Descriptive Research Design", in which examine the impact of brand equity on consumer purchase decision.

Technique

We have used Quantitative technique in this research, which is focused on the collection of numerical data for statistical analysis.

Population

We have collected the data from students of all departments of "University of Education Lahore". Data collection was based on impact of band equity on consumer purchase decision.

Sampling Technique

We have used random sampling technique which depicts the exact number of population.

Sampling Size

Data was collected via a structured questionnaire with a sample of 100 individuals who are brand user.

Research Instruments

We have collected data through questionnaire as a research instrument and tool. Likert scale is used to measure the questions in questionnaire. I have adopted questionnaire, modify it and now it is in adapt shape.

Data Analysis

After the data collection, the collected data has been analyzed through The Statistical Package for the Social Science (SPSS) to check the accuracy of data.

Reliability Test

This study measures the Cronbach's Alpha by using Statistical Package for Social Sciences (SPSS). If the value of Cronbach's Alpha is above 0.7 it clearly indicates that the results are reliable. The overall reliability of all variables is 0.713 that clearly indicates that the results of all variables is reliable and stable.

Reliability Statistics

Cronbach's Alpha	N of Items
.713	33

Correlation Test

The correlation table explains the correlation between purchase intention and brand awareness, perceived quality, brand association, brand loyalty. Results shows the significance between independent and

independent variables. Pearson represent two things: first is direction and second one is strength between the two variables.

Correlations

		Brand awareness	Perceived quality	Brand association	Brand loyalty	Purchase intention
Brand awareness	Pearson Correlation	1	.500**	.290**	.218*	.150
	Sig. (2-tailed)		.000	.003	.029	.136
	N	100	100	100	100	100
Perceived quality	Pearson Correlation	.500**	1	.069	.206*	-.049
	Sig. (2-tailed)	.000		.493	.040	.627
	N	100	100	100	100	100
Brand association	Pearson Correlation	.290**	.069	1	.186	-.116
	Sig. (2-tailed)	.003	.493		.064	.252
	N	100	100	100	100	100
Brand loyalty	Pearson Correlation	.218*	.206*	.186	1	.277**
	Sig. (2-tailed)	.029	.040	.064		.005
	N	100	100	100	100	100
Purchase intention	Pearson Correlation	.150	-.049	-.116	.277**	1
	Sig. (2-tailed)	.136	.627	.252	.005	
	N	100	100	100	100	100

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

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

Regression Test

Anova[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.091	4	8.523	4.653	.002[b]
	Residual	174.002	95	1.832		
	Total	208.093	99			

a. Dependent Variable: puechaseintention

b. Predictors: (Constant), brandloyalty, brandassociation, preceivedquality, brandawareness

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.539	1.501		1.691	.094
	brandawareness	.622	.267	.265	2.326	.022
	preceivedquality	-.611	.293	-.229	-2.088	.040
	brandassociation	-.548	.233	-.234	-2.354	.021
	brandloyalty	.956	.302	.310	3.168	.002

a. Dependent Variable: purchase intention

Conclusion

This study is conducted ti explore the impact of brand equity on consumer purchase decision. The results shows that if the companies want to influence the purchase decision of its customers then they should give proper attention towards its

Limitations

Based on results there are some recommendation that can be helpful for future researchers and the company:

The future researcher can widen the geographical area and select large sample size to get more accurate results.

The future researcher can work on the other variables that can influence purchase decision of customer such as brand positioning, marketing mix etc.
This research can be helpful for future researcher as a reference for further research by considering the variables that are not included in this study.

References

Abbas Monavvarian, N. A. (2015, Mar). Studying The Effects Of Brand Equity On The Consumers Responses In The Service Markets. *International Journal of Economics, Commerce and Management, Vol. 3*(3). Retrieved Mar 2016

Abdalla Mohamed Khataan, E. M.-E.-S. (2014, Mar). The impact of customer-based brand equity on purchase intention by adapting Aaker's model: application to a starbucks coffee shop in Alexandria. *The Business & Management Review, Vol 4*. Retrieved Mar 2016

Ali Bonyadi Naeini, P. R. (2015, May). Impact of Brand Equity on Purchase Intention and Development, Brand Preference and Customer Willingness to Pay Higher Prices. *Management and Administrative Sciences Review, Vol 4*(issue 3), 16-626. Retrieved Mar 2016

Amelia, S. (2015). The impact of brand equity towards consumer's purchase intention.

Baba, A.-A. (2014). Impact of a brand on consumer decision making process. Retrieved Mar 2016

Dr. Hsin Kuang Chi, D. H. (2009, Feb). The Impact of Brand Awareness on Consumer Purchase Intention. *The Journal of International Management Studies, Vol 4*, 135-144. Retrieved March 2016

Elham Heidarian, A. K. (2015). The effect of brand equity on consumer purchasing behavior. *Applied mathematics in Engineering, Ma nagement and Technology*, 335-340. Retrieved Mar 2016

Elham Heidarian, A. K. (2015). The effect of brand equity on consumer purchasing behavior Case study: Food famous brands in Mashhad Industrial Town. *Applied mathematics in Engineering, Ma nagement and Technology*, 335-340. Retrieved 2016

Emma K. Macdonald, B. M. (2000). Brand Awareness Effects on Consumer Decision. *Journal of Business Research*, 5-115. Retrieved Mar 2016

Essmaeel roozy, M. A. (2014). Effect of Brand Equity on Consumer Purchase Intention. *Indian J.Sci.Res.*, 212-217. Retrieved Mar 2016

Firoozeh Fouladivanda, M. A. (2013, Jan). The effect of Brand Equity on Consumer Buying Behavior in term of FMCG in Iran. *Interdisciplinary Journal Of Contemporary Research In Business, vol 4*, 945-957. Retrieved Mar 2016

Gunawardane, N. R. (2015, June). Impact of Brand Equity towards Purchasing Desition: A Situation on Mobile. *Journal of Marketing Management, 3*, 100-117. Retrieved 2016

Gunawardane, N. R. (2015, Jun). Impact of Brand Equity towards Purchasing Desition: A Situation on Mobile Telecommunication Services of Sri Lanka. *Journal of Marketing Management, Vol 3*, 100-117. Retrieved Mar 2016

Hadi Moradi, A. Z. (2011). The Impact of Brand Equity on Purchase Intention and Brand Preference-the Moderating Effects of Country of Origin Image. *Australian Journal of Basic and Applied Sciences*, 539-545. Retrieved Mar 2016

Hayan Dib, A. A. (2014, Oct). The hierarchical relationship between brand equity dimensions. *European Scientific Journal, Vol. 10*, 183-194. Retrieved Mar 2016

Irshad, W. (2012, Oct). Service Based Brand Equity, Measure of Purchase Intention, Mediating Role of Brand Performance. *Academy of Contemporary Research Journal, Vol. 1*(1), 1-10. Retrieved Mar 2016

Joshi, D. (2013, Feb). Effects Of Branding On Buying Behaviour. *The Macrotheme Review*, 156-159. Retrieved Mar 2016

Krizanova, A. (2012). importance of the brand for consumer purchasing decision in the slovak republic. *Business Systems and Economics*, 26-38. Retrieved Mar 2016

Lekprayura, S. (2012). Brand Equity and Factors Affecting Consumer's Purchase Intention towards Luxury Brands in Bangkok Metropolitan Area. *International Journal of Social, Behavioral, Educational, Economic, Business and Industrial Engineering, Vol. 6*, 2620-2625. Retrieved Mar 2016

Mahdi Borzooei, Maryam Asgari. (2013, July). The Halal brand personality and its effect on purchase intention. *Interdisciplinary Journal Of Contemporary Research In Business, 5*, 481-491. Retrieved 2016

Mohammad Hakkak, H. V. (2015). Study The Role Of Customer-Based Brand Equity In The Brand Personality Effect On Purchase Intention. *International Journal of Asian Social Science*, 369-381. Retrieved Mar 2016

Mohammad Reza Jalilvand, N. S. (2011). The Effect of Brand Equity Components on Purchase Intention. *International Business and Management, Vol 2*, 149-158. Retrieved Mar 2016

Nazia Yaseen, M. T. (2011, Dec). Impact of Brand Awareness, Perceived Quality and Customer Loyalty on Brand Profitability and Purchase Intention: A Resellers' View. *Interdisciplinary Journal Of Contemporary Research In Business, Vol 3*, 833-839. Retrieved Mar 2016

Pearl Fafa Bansah, M. D. (2015). The Effect of Branding on Consumer Buying Behaviour among Textile Ghana Fabric Users in the Ho Municipality of Ghana. *European Journal of Business and Management, Vol 7*, 117-125. Retrieved March 2016

Sanaz Farjam, X. H. (2015). Reviewing the Concept of Brand Equity and Evaluating Consumer-Based Brand Equity (CBBE) Models. *International Journal of Management Science and Business Administration, vol 1*, 14-29. Retrieved Mar 2016

Umer Shehzad, S. A. (2014, June). Influence of Brand Name on Consumer Choice & Decision. *IOSR Journal of Business and Management, Vol 16*(6), 72-76. Retrieved March 2016

Yang, Y. (2012). The Impact of Marketing Elements and Brand Equity on Private Label Brand Purchase Intention.