Relationships of Brand Awareness, Brand Association and Perceived Quality with Brand Loyalty and Repurchase Intention

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Abstract: Due to the intense competition in market place, customers nowadays are exposed to several brands from across the globe. This study assessed the effect of brand awareness, brand association and perceived quality on brand loyalty and repurchase intention among consumers of fashion brands in Iran. The study applied a quantitative research design using a structured questionnaire. Four hypotheses were posited and to empirically test these hypotheses, a sample data set of 202 business students was used. The findings illustrated that brand awareness has a positive considerable impact on brand loyalty, brand association has a positive considerable impact on brand loyalty, product quality has a positive considerable impact on brand loyalty and brand loyalty exerts a considerable impact on purchase intention. When brand awareness is high, its brand loyalty will also increase. Consumers will evaluate perceived quality of a product from their purchase experience. As a result, brand loyalty and brand preference will increase and also purchase intention.

Keywords: Brand Awareness, Brand Association Perceived Quality, Brand Loyalty, Repurchase Intention

INTRODUCTION

One of the most important components of management in the past many years is the brand, whose value is reflected in the intangible assets of companies. Brands do various precious functions. To begin with, level brands functions as markers for the introduction of the firms. For customers, brands make them make their choices easier, provide the quality level they need and reduce risks. Brands are created on the product itself, and brands comparatively make its awareness by powerful marketing media. Accordingly, brands emulate the sufficient knowledge that customers have with the products. Furthermore, brands an essential role in determining how the marketing efforts were efficient namely channel placement and advertising. Eventually, brands have become as assets for organizations as they become financial concerns. Hence, the brand brings their effects to three levels: the customer market, product market, and financial market. (Keller & Lehman, 2006). In recent years, consumers choose their favorable and familiar brands due to the rise in their consciousness. Accordingly, businesses must create love for their brands in the minds of consumers in order to compete with others. According to Macdonald and Sharp (2000) even though consumers are well-known and want to buy the product, brand awareness is another factor that still affects purchasing decisions. At any time, a customer is willing to buy a good or service the first brand name that clicks in his mind shows that this product has higher brand awareness. According to Dodds, Monroe and Grewal (1991), a high level of brand awareness could affect consumer purchasing decisions. As proved, this is correct Same was proved true by Grewal, Monroe and Krishnan (1998). This is one of the causes why a product with a high level of brand awareness will bring more market share and superior quality assessment. While studying the business world can know that most of the business purpose is to increase sales as well as their profits. To this end, companies are trying to encourage people to buy their products and services and value the customer's life, meaning buying steam during the lifespan. Brand awareness passes on that how to aware current and potential customers towards your product and service (Gustafson & Chabot, 2007). On the other hand, businesses must create brand loyalty. Reichheld and Sasser (1990) suggested that it takes 5 times more cost to attract the new customer than maintaining the old one. Barsky (1994) also indicated that cost of attracting new customer is higher than that of maintaining the customer loyalty. It means that less cost would be incurred on the product with higher brand loyalty. Therefore, people wanted to purchase any of the goods and services the brand name instantly comes over their mind, it reveals that products has a very higher brand knowledge. The buying pattern of individuals can be inclined if a good has a higher brand awareness. (Chi & Yeh, 2009) In addition, a host of marketing studies such as, for example, Anderson et al. (1994) and Hennig-Thurau& Klee (1997), have acknowledged that the good experiences of customers lead to re-consumption in the future. In addition, continuous repurchase behavior by consumers results in higher profit margins, competitive advantage and faster business growth (Chinomona & Dubihlela 2014, Singh & Khan, 2012; Farquahar, 2003). Since customers are key predecessors for sales, business’ growth and profitability (Owusuah, 2012; Rust & Chung, 2006; Thompson, 2005). Perceived quality can help consumers to have a subjective judgment on overall product quality that make a product hold a salient differentiation and become a selective brand in
consumers’ minds (Aaker, 1991). Besides, businesses have to build up brand loyalty. Some studies suggest that the cost to attract a new customer is more than five times of maintaining a loyalty customer (Reichheld and Sasser, 1990; Barsky, 1994). That is, the higher the brand loyalty, the less cost businesses to pay. The strength of brand could be traced from customer’s perception and understanding about what they have gained, observed, sensed and heard regarding a brand as a consequence of customer involvement with a particular brand in the past (Keller, 2003). The value of brand equity can be significant when the brand has meaning to the individual and vice versa (Keller, 1993; Cobb-Walgren et al., 1995; Rio et al., 2001). For that reason, a number of researchers have built up conceptualization of brand equity based on five factors, for instance, value, performance, social image, attachment and trustworthiness (Lassar et al., 1995). Whereas, Aaker and Joachimsthaler (2000) have defined brand equity in various concepts, which namely are; brand awareness, brand association, brand loyalty and perceived quality. Other scholars also argue that the brand equity is a multifactor structure that contains brand loyalty, brand awareness, brand knowledge, customer satisfaction, perceived equity, brand associations, and other proprietary assets (Aaker, 1991, 1996; Blackston, 1995; Cobb-Walgren et al., 1995). Further research is more inclined to consider brand equity and other brand assets, such as brand knowledge, brand awareness, brand image, brand loyalty, perceived quality, as inseparable parts of brand equity, yet independent (Keller, 1993; Kirmani & Zeithaml, 1993). Previous studies have left a gap on the influence of brand awareness, brand association and product quality on brand loyalty as a mediator variable with the end result of causing repurchase intention among male consumers of cosmetic brands. Premised on the identified research gap, the current study seeks to investigate the influence of brand awareness, brand association and product quality on brand loyalty and repurchase intention among male consumers of cosmetic brands in Iran. Beyond, the current study is expected to make academic and practical contributions to the existing branding literature and the practice of branding management in developing countries – Iran in particular.

**LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT**

**Brand Awareness**

Brand awareness means the ability of a consumer can recognize and recall a brand in different situations (Aaker, 1996). Brand awareness consists of brand recall and brand recognition. Brand recall means when consumers see a product category, they can recall a brand name exactly, and brand recognition means consumers has ability to identify a brand when there is a brand cue. That is, consumers can tell a brand correctly if they ever saw or heard it. Moreover, Hoeffler & Keller (2002) indicate that brand awareness can be distinguished from depth and width. Depth means how to make consumers to recall or identify brand easily, and width expresses infers when consumers purchase a product, a brand name will come to their minds at once. If a product owns brand depth and brand width at the same time, consumers will think of a specific brand when they want to buy a product. Brand awareness is a key and essential element of brand equity which is often overlooked (Aaker, 1996), and it is a prevalent selecting factor among customers (Cobb-Walgren et al., 1995). Aaker (1996) defines brand awareness as the durability of a brand that embedded in the customer memory. Therefore, brand awareness would be created by ongoing visibility, enhancing familiarity and powerful associations with related offerings and buying experiences (Keller, 1998). Keller (1993, 1998) further argues that brand awareness could influence customer decision making in buying goods via strong brand association. Pitta and Katsanis (1995) have argued that there is an inter-relationship between brand awareness and brand association by asserting that the brand awareness of a product could be produced in the consumer’s mind prior to brand association of the product is built and embedded in the consumer’s memory. Atigan et al. (2005) and Pappu (2005) have also pointed out the correlation between brand association and brand awareness. Brand awareness creates a great association in memory about a particular brand (Malik, hafoor, Hafiz, Riaz, Hassan, Mustafa and Shabbaz 2013). Brand awareness is one of the main factors in creating brand added value and is also considered as one of the key factors affecting the knowledge level of consumers about the brand (Ekhiveh and Darvish 2015). On the other hand, some researchers have argued that brand awareness has a significant effect on purchase intention (Macdonald & Sharp, 2000). Others have supported that knowledgeable consumers have high chances of being loyal (Parasuraman & Grewal, 2000 and Wu, 2007).

**Brand association**

Aaker (1991) believes that brand association and brand equity are strongly interrelated to each other because brand association enhances the memorable of a particular brand. According to Keller (1998), brand association could be created by the association with attitudes, attributes and benefits respectively. Brand association also acts as an information-collecting tool (van Osselaer and Janiszewski, 2001) to execute brand differentiation and brand extension (Aaker, 1996). James (2005) also discusses that highly effective association helps to boost brand and equity. In addition, Yoo et al. (2000) and Atilgan et al. (2005) have stated that strong brand association leads to higher brand loyalty. Moreover, brand association would provide consumers with a
purchasing reason, because most brand associations are linked to brand attributes, the target consumer market, and the benefits that consumers need, so that they form the foundation of brand loyalty and consumers’ purchasing decisions (Len, Cind and Lynn, 2007).

Perceived Quality

According to Aaker (1996), one of the main elements of brand equity is perceived quality and perceived quality itself is an essential part of study in evaluating brand equity. According to Aaker (1991, p. 85-86), perceived quality can be defined as the overall perception of customers about brilliance and quality of products or services in comparing with the rivalry offering. Zeithaml (1988) and Erenkol and Duygun (2010) state that quality of product is different from perceived quality because the perceived quality is the buyer’s subjective appraisal of the product. Kan (2002) points out that objective quality is that consumers will use their experience and knowledge to evaluate overall product benefit, function, durability, technology and reliability when consumers purchase a product. Perceived quality is a consumer judgment on the accumulative product benefits and a subjective feeling on product quality (Zeithaml, 1988; Dodds et al., 1991). The reason why perceived quality is different to real quality is because (a) a previous bad image of a product will influence consumers’ judgment on product quality in the future. Moreover, even the product quality has been changed, consumers will not trust that product because of their unpleasant experience in previous (Aaker, 1996), (b) manufacturers and consumers have different views on the judgment of the quality dimensions (Morgan, 1985; Aaker, 1996), (c) consumers seldom hold enough information to evaluate a product objectively. Studies have reported that perceived quality would affect the trust and satisfaction with the brand, which in turn leads to develop brand loyalty. In addition, Yee and Sidek (2008) concludes that the product quality is the most important factor that contributes to brand loyalty. However, Jones et al. (2002) argue that there is a positive relationship between perceived quality and purchase intention.

Brand loyalty

Brand loyalty is the attitudes of consumer toward a brand preference of a product (Deighton et al., 1994). Brand loyal consumers do not evaluate the brand; they just make a purchase confidently (Sidek et al., 2008). Aaker (1996) assumes that a loyal consumer base represents a barrier to entry, a basis for a price premium, time to respond to competitors, and a bulwark against deleterious price completion, and brand loyalty is a core dimension of brand equity. Brand loyalty is consumer attitudes on a brand preference from previous use and shopping experience of a product (Deighton, Henderson, and Neslin, 1994; Aaker, 1991), and it can be measured from repurchase rate on a same brand. Assael (1998) defines that brand loyalty is that consumers satisfy their experience in use of the same brand and incur repurchase behavior. Brand loyalty means brand preferences that consumers will not consider other brands when they buy a product (Baldinger and Rubinson, 1996; Cavero & Cebollada, 1997). Brand loyalty represents a repurchase commitment in the future purchase that promise consumers will not change their brand loyalty in different situations and still buy their favorable brands (Oliver, 1999). According to Jing, Pitsaphol and Shabbir (2014) brand loyalty represents a commitment of the consumer to the brand, which makes it as an intangible asset that reflects the company’s price of the product or service.

Repurchase intention

Engel, Blackwell and Miniard (1995) present the most recognized model of consumer purchase decision-making. This model divides the consumer purchase decision process into five stages: (1) problem recognition, (2) information search, (3) alternative evaluation, (4) purchase decision, and (5) post-purchase behavior. Also, Mowen and Minor (2001) maintain that consumer decision making are a series of processing results from perceiving problems, searching for solutions, evaluating alternatives, and making decisions. Repurchase intention refers to the probability or, chance of using the previous service provider again in the future (Upamannyu, Gulati, Chack and Kaur 2015). Repurchase intention, is the iterative process of purchasing goods and certain services from one particular store (Hellier et al., 2003) and the main reasons are the post-shopping experiences. Moreover, repurchase intention is a behavioral element, where there is an eagerness and ongoing interest in purchasing a product or a brand (Pather 2016). Therefore, drawing from the above elucidations it can be pointed out the repurchase intention is the likelihood the user will repurchase cosmetic brands in the future.

RELATIONSHIP AMONG BRAND AWARENESS, PERCEIVED QUALITY, BRAND ASSOCIATION, BRAND LOYALTY AND REPURCHASE INTENTION

Keller (1993, 1998) argues that brand awareness does create impact on buyer decision making process via brand association that embedded in the buyer memory. There is a correlation between brand awareness and brand association (Atigan et al. 2005; Pappu, 2005; Pappu & Katsanis, 1995). Brand awareness is the first and fundamental attribute of customer brand equity (Aaker, 1991; Aaker, 1996; Tong & Hawley, 2009). Grewal, Krishnan, Baker and Borin (1998) conclude that brand awareness and perceived quality have a positive and significant relationship in a bicycle
brand study. Many researches also maintain that the higher the brand awareness is, the higher perceived quality is (Monore, 1990; Dodds and Grewal, 1991; Wall, Liefeld, and Heslop, 1991; Lo, 2002; Lin, 2006). Kan (2002) further suggest that the higher the brand awareness is, the higher the consumers’ quality evaluation is. Furthermore, Aaker and Keller (1990) pointed out that a high-awareness brand and a good image could promote loyalty to consumers, and the higher the brand awareness is, the higher brand trust and purchase intention for consumers. Peng (2006) noted that brand awareness has the greatest impact on brand loyalty. When a business expands a new product or a new market, they need to raise awareness of their brand in order to get the best result, since brand awareness is positively related to brand loyalty (Aaker & Keller, 1990; Peng, 2006; Wu, 2002; Chou, 2005). Chang and Wildt (1994) express the idea that value can facilitate loyalty. Customer's positive transaction perceptions are more positive, customer loyalty is stronger (Parasuraman and Grewal, 2000). Sirdeshmukh, Sigh and Sabol (2002) also propose that the value will have a positive impact on customers. Wu (2007) points out that the consumer's perception will increase or decrease brand loyalty. Judith and Richard (2002) further indicate that perceived quality and brand loyalty are high and in particular affect the intent to buy. Other scholars will come up with a new perspective and evidence of a brand loyalty survey that customer perceived quality will affect brand trust and brand affect and in addition influence brand attitude and purchase behaviour increase (Chi, Yeh and Chiou, 2009). Hence, perceived quality and brand loyalty are positively related, if perceived quality increases, brand loyalty would increase. So, Consumers will have a higher purchase intention with a familiar brand (Kamins & Marks, 1991). Likewise, if a product has higher brand awareness it will have a higher market share and a better quality evaluation (Dodds, et al., 1991; Grewal, et al., 1998). A well-known brand will have a higher purchase intention than a less well-known brand (Hsu, 2000). Garretson and Clow (1999) suggest that perceived quality will influence consumer purchase intention, and Monore (1990) indicates that perceived quality would positively influence purchase intention through perceived value. Therefore, inferring from the literature and the empirical evidence above, there are hypothesized that:

**H1:** Brand awareness has a positive influence on brand loyalty  
**H2:** Brand association has a positive influence on brand loyalty  
**H3:** Perceived quality has a positive influence on brand loyalty  
**H4:** Brand loyalty has a positive influence on repurchase intention

**METHODOLOGY DATA COLLECTION AND ANALYSIS**

The researchers pick out for a quantitative research design using a structured questionnaire, since it raises the accuracy of results by statistical analysis (Berndt &Petzer 2011) and as the elements of subjectivity associated with the qualitative approach (Du Plessis &Rosseau 2007). Moreover, the design was suitable to solicit the required information relating to brand awareness, brand association, perceived quality, brand loyalty and repurchase intention. Furthermore, the approach enables to examine the causal relationships with the constructs utilized in the study. In this research, the target population covers all the existing full time business students who are study at science and Research Islamic Azad University. A total of 250 students participated in the study between the ages of 18 and 40 as young generations comprises the major consumers for fashion clothing brands (Dickson et al., 2004). Three fashion clothing brands (ZARA, CALVIN KLEIN, POLO) were selected as stimuli brand for the study. Excluding 48 invalid questionnaires, the effective questionnaires are 202 copies, and the response rate is 85%.

**Factor Analysis and Reliability Analysis:** The study uses Cronbach’s $\alpha$ to measure the internal reliability of the questionnaire. Cronbach’s $\alpha$ of brand awareness is 0.82. Brand association and perceived quality 0.79. Brand loyalty is 0.88 and repurchase intention is 0.84. According Guielford (1965) suggestion, when Cronbach’s $\alpha$ is greater than 0.7, it shows the questionnaire has a relative high internal reliability.

**DATA ANALYSIS AND RESULTS**

The proposed model and hypotheses were analyzed using partial least square (PLS), which allows researchers to simultaneously assess measurement model parameters and structural path coefficients. The Statistical Packages for Social Sciences (SPSS) and the Smart PLS software for Structural Equation Modeling (SEM) technique was used to code data and to run the statistical analysis. Smart PLS has emerged as a powerful approach to study casual models involving multiple constructs with multiple indicators (Chinomona and Dubihlela 2014). In addition, Smart PLS supports both exploratory and confirmatory research, is robust to deviations for multivariate normal distributions, and is good for small sample size (Hair, Ringle and Sarstedt 2013). After examining and verifying the validity of the model, regression coefficients and $t$ statistics are used to test the hypotheses. The Bivariate Correlation analysis was performed to ensure that the independent variables used are greatly correlated to the dependent variable of this study. Examination of the correlation of the variables brand awareness was found to be significantly
correlated to brand loyalty (r = .438, p<0.05), repurchase intention (r = .348, p<0.05) Whereas brand association was found to significantly correlated to brand loyalty (r = .591, p<0.05), repurchase intention (r = .515, p<0.05), Perceived quality was found to significantly correlated to brand loyalty (r = .535, p<0.05) and repurchase intention (r = .375, p<0.05). Finally Brand loyalty was found to be significantly correlated to repurchase intention (r = .520, p<0.05). Our result present the four hypothesized relationships, path coefficients, the t-statistics and the decision criteria. The value of the t-statistic will indicate whether the relationship is significant or not. It can be observed that H1, Brand Awareness (BAW) → Brand Loyalty (BL) is supported by the hypothesis result (0.179) and is significant at t-statistics 1.986. The strength of the relationship is indicated by a path coefficient of 0.179. This implies that brand awareness directly influences brand attachment in a positive significant way. High levels of brand awareness will lead to higher leads on brand loyalty. Brand Association (BAS) → Brand Loyalty (BL) emerged positively but has an insignificant influence as indicated by the path coefficient of (0.178) and the t-statistics (0.447). This implies that brand association (BAS) positively influences brand loyalty (BL) but has an insignificant impact on brand loyalty. H3, Perceived Quality (PQ) → Brand Loyalty (BL) is supported significantly. The t-statistics is 4.472. The strength of the relationship is indicated by the path coefficient of 0.523. This finding suggests that product quality has a direct strong positive effect on brand loyalty. So, the more a consumer fined a product is of good quality the more a consumer is loyal to the brand. H3, Brand Loyalty (BL) → Re-purchase intention is supported significantly. The t-statistics is 1.985. The strength of the relationship is indicated by the path coefficient of 0.131. This finding suggests that brand loyalty has a direct strong positive effect on repurchase intention. Thus, the more a consumer is loyal to a brand the more a consumer intends to repurchase the brand.

**DISCUSSION**

Developing Brand awareness and Brand Loyalty is a need of time. Managers all over the world should ctively promote and improve the brand awareness and brand loyalty of the customers to enhance their purchase intentions. These efforts are more likely to be productive if these practices are accompanied by communication about the brand to the targeted customers. This paper helps clothing industry to focus on the brand awareness and brand loyalty to increase the repurchase intentions for their brand. On the practitioners’ side, this study submits that marketers or brand managers of fashion industry can benefit from the implications of these findings. For example, given the strong relationship between brand loyalty and repurchase intention (0.484), brand managers ought to pay attention on selling fashion products which are of high quality, enhancing brand awareness campaigns for fashion products as well as promotions for consumers to be associated with brands in order for consumers to be loyal and to repurchase fashion brands. Therefore, he reflect reflects the past literature that stress on band loyalty as critical success factor to consumer purchase intention (Kandampully and Suhartanto, 2000 and Bennett and Rundle-Thiele, 2004). In addition, the study suggests that fashion industry should pay much attention to the influences of brand awareness, brand association, perceived quality and brand loyalty on purchase intention. When brand awareness is high, its brand loyalty will also increase. The study also suggests that manufacturers should emphasize production quality. Consumers will produce brand loyalty because good product quality and increase their repurchase behavior further. Moreover, they should be aware that consumers would evaluate perceived quality of a product from their purchase experience. A high evaluation indicates that consumers are satisfied. As a result, their brand loyalty and brand preference will increase and repurchase behavior. In the meanwhile, retailers should design the attractive loyalty program that motivates the customer towards purchase intention. Limitations were observed during this research. the study was restricted to four factors only; namely brand awareness, brand association, perceived quality, brand loyalty and repurchase intention. Future research could also include factors that influence the repurchase intention of fashion brands such as brand innovation and brand love or brand image.

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