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MEDIATING ROLE OF BRAND EQUITY BETWEEN THE RELATIONSHIP OF BRAND EXPERIENCE AND BRAND PREFERENCE

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KEYWORDS	ABSTRACT
Brand Preference, Brand Equity, Brand Experience, Pakistan, PepsiCo Pakistan	<p>The aim of current research is to examine the relationships of brand preference, brand experience and the brand equity. For this purpose, current research considers the young customers of Pepsi Pakistan. 350 students were selected randomly from the three selected universities of Lahore likewise, Lahore Garrison University, Information Technology University and Lahor Leads University. Structured questionnaire was utilized for collection of data. Thus, 300 complete questionnaires were used in data analysis. To evaluate relationships, current study proposes four hypotheses. Three of the hypotheses are about direct relationships and one is about mediation effect of brand equity amid relationships of brand experience on brand preference. All three hypotheses of direct relationships give the same kinds of findings as the previous researches i.e. effect of brand experience on brand preference, brand experience on brand equity and brand equity on brand preference respectively. Similarly, brand equity partially mediates the relationship of brand experience and brand preference.</p>

INTRODUCTION

Aim of current research is to examine the relationships of brand preference, brand experience and brand equity. Brand equity is treated as mediation variable. Variable of interest of current research is brand preference. Consumers are more likely to choose that brand which they feel that really suits to their personality. Through this specific practice every consumer wants to be ideal as it is reflected by its choice. According to Catalin and Andreea (2014), specific pattern of choice towards particular brands by large number of society members may described as how they are being identified in that society. The preference of the brand is being considered as the most effective factor to make the decision to purchase even by considering its features as well (Hussein, 2018). When consumer establish their brand preference they always do comparison and ranking of diverse brands type on basis of particular features which make them different from other brands, brand preference is defined as “extent to which customer favors designed

service provided by his/her present company, in comparison to designated service provided by the other companies in his/her consideration set”.

On the basis of that consideration set consumer must decide to purchase that particular brand in the future (Jin & Weber, 2013). Gungor and Bilgin (2011) and Gansiniec (2018) also stated that consumer’s positive word of mouth always helps the brands to make positive image in the consumer mind and also to become the customer’s first choice. There are some issues with the concept of the costumer’s purchase priority or preference towards the brand. As described by Schultz and Block (2011), in current era mostly studies related to brands are being conducted to understand formula; how to elaborate, accelerate and expand the basic concept of brand preference. Kapferer (2012) has said that the concept of the brand and its preference remains always. In the academic literature of America, the concept of the brand preference is sacred with the motherhood and apple pie (Hollebeek, 2018). This concept is basically based on the flexible and qualitative feature, that’s why it is always being questioned how to establish this among the particular group of the consumers to serve them enthusiastically and committedly (Kapferer, 2012; Shukla, Banerjee & Singh, 2016).

Similarly, it has been seen that, with the passage of time brands in the market and their brand preferences remains at peak and even fell down like Victrola brand, White Rock, Woolworths, Rustler Steakhouses and some other brands, which at the time remains as first choice of their consumers and now they are not even present in market. According the research conducted by Schultz, Block and Viswanathan (2014) in the USA through the online questionnaire about the two consumer products and reported by using the analysis of Net Promoter Scores (NPS) that the brand preference is going down towards the product which is being manufactured among two studied products like ready to eat cereals and the salty snacks. Above discussion clearly indicates that brand preference is creating problem for organizations. To solve this problem, current research uses other variables such as brand experience and brand equity and finds the direct and mediating effect. From the best of researcher knowledge, current research adds in the body of literature by considering the brand preference, brand experience and brand equity in a single model. Likewise, also considers brand equity as mediator between the relationship of the brand experience and the brand preference.

LITERATURE REVIEW

Brand Experience

According to study of Hussein (2018) brand experience is another concept which has obtained the special attention from the marketing aspects. As Brakus, Schmitt and Zarantonello (2009), Hussein (2018) and Zarantonello and Schmitt (2010) stated that concept of brand experience is the tool to enforce the consumer’s behavior, action to purchase and their response. Hussein (2018) said that consumer experience related to brand can be obtained over direct interaction with the service providing companies, products, service delivery persons, after usage results, even with consumers and their specific experience & response on usage of service or product.

The brand experience has been defined as “something that happen to you that affects how you feel”, it is the emotional and expressive response on the particular event (Shahzad, Bilal, Xiao & Yousaf, 2019). Hui and Bateson (1991) said that experience is only emotional understanding and expression. The definition about the consumer and the experience related to brand does not relate with emotion, however it reflects the multidimensional aspects (Gentile, Spiller & Noci, 2007; Brakus et al., 2009).

Further, Brakus et al. (2009) has stated that experience doesn't provide the complete analysis about the brand but it provides the qualitative aspects like the perception, thought, feelings & behavior before the usage and on the usage of particular product. In broader view, the concept of brand experience is basically holistic. According to Shahzad et al. (2019) positive consumer experience about the product is very important for customer satisfaction, consumer value and to establish a long lasting buying and selling relation among the customer and brand. As Ding and Tseng (2015) have described that the consumer response on the utilization of product stands as the subjective due to the internal satisfaction. The consumer perception along with experience are “customer's wants are products, communications, and marketing campaigns that dazzle their senses, touch their hearts and stimulate their minds” (Shahzad et al., 2019). Zarantonello & Schmitt (2010) and Lin (2015) have stated that the positive action & reaction relationship among the experience of brand and its ability to establish a costumer based equity of brand. The positive and effective experience of product play vital role to develop brand equity (Shahzad et al., 2019).

Brand Equity

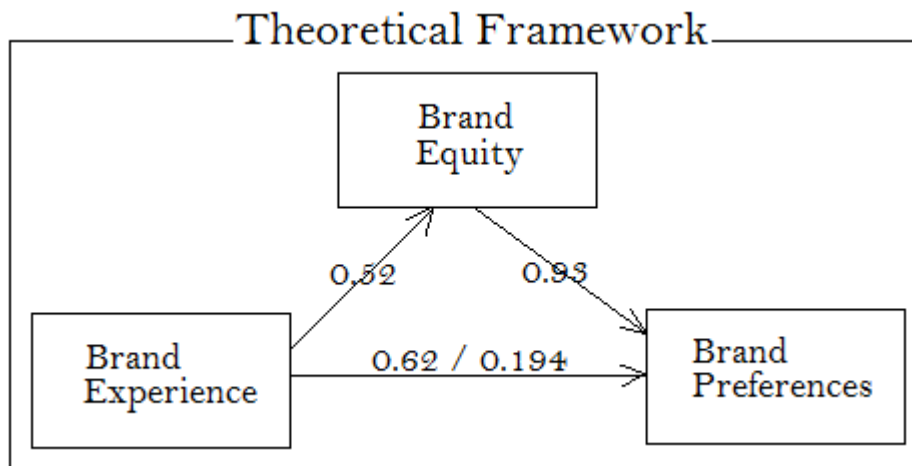
Yoo and Donthu (2001) and Kotler and Keller (2012) have described brand equity as the basic tool for managers who manage brand, as it provides the base to understand brand economics and brand efficiency within market. As per to Yoo and Donthu (2001), brand equity is defined as desire of consumer to purchase the brand even at higher price. It is the value enhancement particularly in the mind of consumer (Halkias, Davvetas & Diamantopoulos 2016; Schuiling & Kapferer, 2004). It is the brand equity, which may enable brands to get so many benefits. It is very important to understand the brand itself to have complete understanding about the brand equity. As per definition of brand suggested by American Marketing Association (2015) that brand is “a name, term, design, symbol or other feature that identifies one seller good/service as distinct from those of other sellers”. From above stated definition, it can be concluded that brand play vital to be selected for purchase among other same products available in market. At the same time, it can be concluded that a brand name which is being establish with high care and managed can provide base to add-value and strong place in customer mind that become reason for organization profitability. Brand positive position in customer mind is considered as the high brand equity.

Brand Preference

Preference as a word is defined in different fields by its experts like in the psychology Albanese (1987), in economy, Samuels (1978) and in sociology Tomer (1996). While, there is no general

definition offered among these fields (Ebrahim, 2013). March (1978) has expressed that in the field of economy smooth and consistent, considered as absolute and enforced by the selection of consumers. Ebrahim (2013) is against concept of preference within economy as it supposed that smooth and consistent. Albanese (1987), individual preferences are not consistent at all. Although, Samuels (1978) said that preferences can be differentiating. Oliver and Swan (1989) described the preference as per marketing field, it is considered as the selection of consumer among the alternatives and desired brand. Ebrahim (2013) has stated that preference about the brand is desire to have that particular brand among alternatives which ultimately creates undue favoring scenario. The scenario is displayed by holistic response but impactful response can be seen over the same like products, although cognitive response reflects exclusive value addition of product and consumer behavioral responses are being considered as the preference response towards particular product (Ebrahim, 2013). The preference towards a brand is being defined as “biased behavioral tendencies reflecting consumer’s predisposition toward a brand” it is considered as degree to which a customer desires to purchase one particular brand instead of any other (Ebrahim, 2011).

Figure 1 Hypothesized Research Model



Hypotheses

As Myers (2003) has stated that brand is highly preferred when it has greater equity. Prasad and Dav (2000) also supported the argument that high level of brand equity helps to establish high preference towards brand by the consumers. Studies concluded that well establish brands always able to get greater preference from the consumers (Hoeffler & Keller, 2003). There are different empirical studies suggested that the brand equity has great impact on the preference of brand from different aspects. There was a longitudinal study conducted by Myers (2003) to understand the impact of brand equity over the preference of brand particularly about the soft drink and he concluded that there is a strong relation among the brand equity and the brand preference.

Buil, Martinez and Chernatony (2013) conducted research on three diverse kinds of brands such as sportswear, car products and electronics to analyze the impact of brand equity on the brand preference and have concluded that brand equity has great impact on brand preference. Ultimately, it can be linked that high brand equity always has high level of brand preference (Chang & Liu, 2009; Walgren & Ruble, 1995). Tsai, Chang and Ho (2015) examines that brand experience imparts prominent influence on brand preference. This study assumes following hypothesis. Brand experience has significant influenced on brand equity (Shahzad et al., 2018 and Xixiang at al., 2016). Brand equity has significant affected on brand preference (Xixiang, Gilal & Gilal 2016; Prasad & Dev, 2000; Hsin, 2008). The current research assumes following hypotheses.

H₁: The Brand Experience has the positive and significant effect on the Brand Preference

H₂: The Brand Experience has the significant and positive effect on the Brand Equity.

H₃: The Brand equity has the significant and positive effect on the Brand Preference.

H₄: The Brand Equity mediates direct relationship of Brand Experience and Brand Preference

RESEARCH METHODOLOGY

Sampling and Analysis Techniques

In current research 350 student were selected randomly from the three selected universities of Lahore i.e Lahore Garrison University (LGU), Information Technology University (ITU) and Lahor Leads University (LLU) . 300 fully complete questionnaires were used in final analysis. SPSS 24 and AMOS 24 were used for data analysis.

Scale and Measurements

Brand equity was estimated by scale of 22 statements . This scale is further consisted of five dimensions. These scales are adopted from the previous researchers (Yoo et al., 2000; Atilgan et al., 2005). Brand experience was estimated by scale of 6 statements (Brakus et al., 2009). The brand preference and Brand experience was estimated by scale of 2 statements (Cantone & Marcello, 2011).

RESULTS AND DISCUSSIONS

Table 1 Reliability Statistics

S. No	Variables	Cronbach's Alpha
1	Brand Preference	0.726
2	Brand Experience	0.840
3	Brand Equity	0.666

Reliability of data is based on value of Cronbach Alpha. If this value >0.50 then we consider that data is reliable. Table 1 indicates that this value is 0.726 which is more than the standard value. So data of brand preference is reliable. Table no 1 indicates that this value is 0.840 which is more than the standard value. So data of brand experience is also reliable. Table no 1

also indicates that this value is 0.666 which is more than the standard value. So data of brand experience is reliable. Thus, from the results, it is concluded the variables have good as well as acceptable reliability with regard to internal consistency among the research variables under considerations.

Table 2 Correlation Analysis

		Brand Equity	Brand Experience	Brand Preference
1	Brand Equity	1		
2	Brand Experience	0.577**	1	
3	Brand Preference	0.580**	0.406**	1
** . Correlation is significant at the 0.01 level (2-tailed)				

Table no 2 indicates the nature of correlation among the variables of current research. Brand experience has positive significant relationship with brand equity and value of coefficient of correlation is 0.577**. Brand preference has positive significant relationship with brand equity and value of coefficient of correlation is 0.580**. Brand preference has positive significant relationship with brand experience and value of coefficient of correlation is 0.406**.

Table 3 Regression Analysis

	β	S.E	F	R ²	Decision
Step 1 (Path c)					
Outcome: Brand Preference					
Predictor: Brand Experience	0.62	.080	59.695	0.165	0.000<0.01
Step 2 (Path a)					
Outcome: Brand Equity					
Predictor: Brand Experience	0.520	0.040	150.36	0.332	0.000<0.01
Step 3 A (Path b)					
Step 3B (Path c')	0.93	0.081	135.86	0.310	0.000<0.01
Mediator: Brand Equity	0.194	0.88			0.029<0.10
Predictor: Brand Experience	0.815	0.089			0.000<0.01

P<0.01, P<0.05, P<0.10

Table 3 indicates the regression analysis of brand experience on brand preference. Values of R², Value of F are good and in acceptable range. Value of p of F is 0.0000 which is less than 0.01. Similarly, all values of t are non-zero. For relationship of brand experience on brand preference value of p is 0.0000 this value is less than 0.01. Hence, hypothesis for relationship of brand experience with brand preference is accepted. The value of β for this relationship is 0.62. This describes that change of one unit in brand experience will result in 62% change in brand preference. Results of Ebrahim (2013) and Tsai & Chang, (2015) given the same kinds of results. In their results, value of β is equal to 0.45 which is very closer to present value. Table 3 also indicates regression analysis of brand experience on brand equity. Values of R², Value of F are good and in acceptable range. Value of p of F is 0.0000 which is less than 0.01. Likewise, all values of t are non-zero. For relationship of brand experience with brand equity value of p

is 0.000 this value is less than 0.01. Hence our hypothesis for relationship of brand experience with brand equity is accepted.

The value of β for this relationship is 0.52. This describes that change of one unit in the brand experience will result in 52% change in brand equity. Results of past studies also give the same kinds of results like Shahzad et al. (2018) yeild β equal to 0.531. Result of current research is also consistent with results of previous researches. Furthermore, table 3 indicates regression analysis of the brand equity on brand preference. The values of R^2 , Value of F are good and in acceptable range. Value of p of F is 0.0000 which is less than 0.01. Similarly, all values of t are non-zero. For relationship of brand equity with brand preference value of p is 0.0000 this value is less than 0.01. Hence our hypothesis for the relationship of brand equity with brand preference is accepted. The value of β for this relationship is 0.93. This describes that change of one unit in brand experience will result in 93% change in brand preference. Results of past studies also give the same kinds of results which yeild β equal to 0.89, study of Moradi & Zarei, (2011) gives β equal to 0.94.

Also, research of Chang et al. (2009) gives β equal to 0.814. The result of current research is also consistent with the results of previous researches. For testing mediation effect of brand equity between relationship of brand experience and brand preference, first of all, researcher examine the direct relationships of all the variables. Tables 5, 6 and 7 indicates that these relationships are significant and their respective values of p, t, F and p of F are in acceptable range. For checking mediation, researcher compare the value of β for the direct relationship of brand experience and brand preference with combine effect of brand experience and brand equity with brand preference. It can be clearly seen that this value has been reduced from 0.62 to 0.194 which is not become zero. This indicate the existence of the partial mediation. The analysis also confirms that brand equity is acting as mediator between relationship of brand experience and brand preference.

CONCLUSION

The large number of organizations are facing the problem regarding brand preference and brand equity. The current study is focusing on the customers of Pepsi Pakistan. To evaluate the relationships current study proposes four hypotheses. Three of the hypotheses are about direct relationships and one is about mediation effect of brand equity between relationships of brand experience on brand preference. All three hypotheses of direct relationships give the same kinds of findings as the previous researches i.e. effect of brand experience on the brand preference, the brand experience on brand equity and the brand equity on brand preference respectively. Similarly, brand equity partially mediates the relationship of brand experience and brand preference. This is finding of current research. In future, this kind of research will also conduct on other sectors healthcare, telecom, banks for generalizing results. It is also better to collect the data from other important cities like Islamabad, Karachi and Faisalabad. In future researches, data will be collected from respondents of different age group instead of young age respondents.

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