

**Exploring Brand Awareness, Customer Loyalty and Perceived Quality: how they ensure Profitability and generate Purchase Intention: A study on cosmetic industry of Pakistan**

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**Abstract:** The research looks at the reseller's view of the brand's reputation, quality and customer loyalty on the profitability and purchasing of the brand. In addition, the research focuses on clarifying the role of the purchasing power intermediary in the relationship between brand awareness and profitability, quality and profitability, brand awareness and profitability. The investigation was of a causal nature and data was collected from 200 retailers. The results showed the brand awareness and loyalty meaningless impact, while the observed quality had a significant impact on profitability. In addition, the results revealed a significant impact on brand awareness, quality knowledge and loyalty for purchasing purposes. The conciliation Sobel test showed that procurement intensity only conveys the relationship between observed quality and profitability.

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

## 1. Introduction

Recently buyers' awareness raising has made buyers want to pay for their recognizable and constructive brand. That is why it is important for companies to attract their brilliant brands to a better position than their competitors. It is obvious that consumers are distributing and always wanting to acquire the product, so brand awareness is always a decisive factor in manipulating purchasing decisions and purchasing intuitions (Macdonald & Sharp, 2000). Reseller and consumer corner shopping if the product includes a branded alert (Grewal, Monroe, & Krishnan, 1998). Usability performance usually has a positive relationship with brand awareness. Profitability is a brand-financier of the retailer's income. The underlying reason is that the responsive level controls the increased purchasing behavior. Customers who do not have brand awareness are also not buying it. High brand awareness can affect dealers or retailers in purchasing decisions (Grewal et al., 1998). The purchasing decision is also affected by the observed quality, which is also the brand's value perspective, which makes consumers pay for certain products or services (Kotler & Gertner, 2002). The apparent value can help buyers to a controversial judgment on the entire range of products that makes the product a significant asset and also that it becomes interesting products and also increases the interest of retailers to give the best spot for a particular product in a market situation. (Kotler & Gertner, 2002). Many studies have looked at the effects of recognized excellence on productivity.

Although the brand's attention and qualitative quality are not committed to buying and specifically repurchase agreements. The significance of craftsmanship cannot be ignored. If buying a brand requires brand awareness and knowledge of the quality, loyalty guarantees the purchase, as Oliver (1999), the brand's loyalty plays a key role in buying, repurchasing, and switching behavior. So all three are important for purchasing and purchasing purposes. Aaker (1996) found that brand loyalty at a high level significantly boosts brand sales and increase the brand's financial value. The buyers did not have so much to do with price competition. Strong sales boost product productivity by lowering the so-called " Loyalty is also important because the price attracts the attention of the new customer considerably (Bandyopadhyay, Gupta, & Dube, 2005). The brand's profitability, which supports the product or its manufacturing equipment as a result that it attracts and which ensures its sustainability and growth in order to further identify how this profitability is affected (Dodds, Monroe, & Grewal, 1991) and ii) the end result of all of these brand awareness, brand loyalty and brand profitability that will further help create a plan to buy a purpose that is basically preparation for a specific feature or service in the future.

**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.

**Knowledge gap:** There is extensive literature on the effects of brand awareness (Macdonald & Sharp, 2000), quality and loyalty (Dodds et al., 1991) and profitability and purchase targets (Aaker, 1996) from the point of view of the consumer and the company. Literature lacks the knowledge of how the above dimensions affect the retailer, so that priority be given to one brand for others. The present study focuses on how a retailer affects brand awareness, quality awareness, brand loyalty, profitability, and purchases to fill these gaps. In addition, the research focuses on brand awareness, perceived quality and reliability from the point of view of buyers' interests and profitability dealers.

**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.

**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. Literature Review

The ability of a retailer and a consumer to organize a brand and restore it is known as a brand awareness (Aaker, 1996). Reselling a brand means that a reseller and consumers look at manufactured goods, they can fully name the product, and brand recognition means a reseller and customers also have the ability to identify the brand when it's fast. Hoeffler and Keller (2002) recognized the intensity and breadth of brand awareness. If the product has a brand concentration and the size at the same time, first the retailer and then the consumers think of a particular brand when they go to buy if the product has tremendous awareness. In addition, the brand is a very important factor in producing a picture of a brand (Davis, Golicic, & Marquardt, 2008). The brand provides a brand that helps retailers and consumers see service providers and wait for the results of the service (Hoeffler & Keller, 2002). Brand awareness has an impact on purchasing purposes as customers tend to pay money for a known and well-known product (Keller, 1993; Macdonald & Sharp, 2000). Brand awareness makes customers know the product on the product line and generates purchasing power. A product with a high brand awareness gains more retailers and consumer preferences because it has increased its market share and quality (Dodds et al., 1991). Kan (2002) suggests that brand awareness increases profitability assessment. From the above discussion the following hypothesis may be inferred:

H1. Brand awareness significantly influences the purchase intension.

H2. Brand awareness significantly influences the profitability.

H3. Purchase intension mediates the relationship of brand awareness and profitability.

Apparent excellence is the user's perception of the benefits of product creation and the negative nature of product quality (Dodds et al., 1991). Aaker (1996) argues that apparent eminence can prove a distinctive segregation of creation or service and is the most preferred consumer thinking. Manufacturers, retailers and consumers always have different analyzes of the quality decision (Aaker, 1996). Although patrons have enough information, they may be inadequate in time and encourage decisions to be taken, and in the closing stages they can choose only minor information and make high-quality decisions (Wu, 2002). Observed quality can be, for example, past experience, exclusion of education and temporary variables, such as purchasing, state payment, order power, and community preferences for customers (Hoyer & Brown, 1990). Fishbein and Ajzen (1977) suggest that a recognized class governs the idea of a customer's trade and Monroe (1990) shows

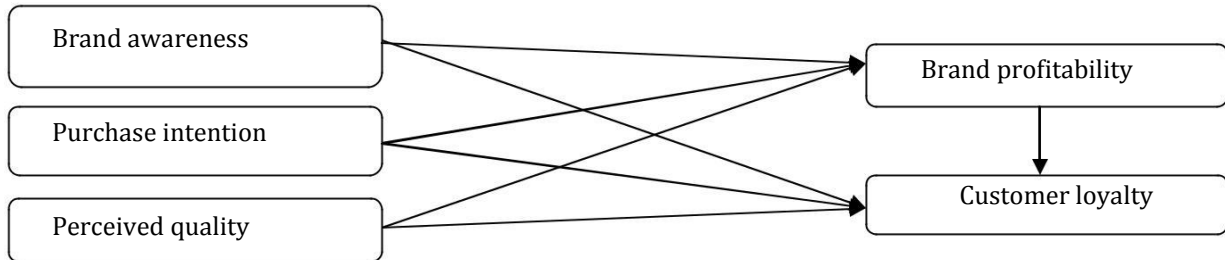
that the chosen quality guides the purchasing purpose with the optimum value. If the manufactured goods are overwhelming, they are alert it has an overwhelming market breakdown and improved better evaluation and ultimately raising the profitability of the brand (Dodds et al., 1991; Grewal et al., 1998). Following hypothesis may be inferred from the above discussion:

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

Brand devotion is a product secret that users do not think of complementary brands when they buy industrial products (Cavero & Cebollada, 1998). Brand fidelity guarantees the repurchase of an identical brand (Oliver, 1999). Product loyalty includes performance features and approaches. Behavior devotion symbolizes the repurchase activity, and devotion loom reflects the psychosomatic promise of the product (Monroe, 1990). Bandyopadhyay et al. (2005) suggest that the dedication of a genuine brand should include the brand's tendency to acquire the behavior that is present in the extended clause's promise, constraint and psychosomatic liberalization (making a choice together with evaluation). Parasuraman and Grewal (2000) suggest that the added optimistic retailer contract observation is a strong buyer's loyalty. Brand loyalty is a repurchase request that binds permanent purchasers of constructive brands in the future and does not change their loyalty on any condition (Oliver, 1999). Consumers must have encouraging feelings and complete joy in the brand, and then they create purchasing purposes and give the highest share of brand loyalty that will further improve the profitability of the brand (Wu, 2002). The following hypothesis may be inferred from the above discussion:

- H8. Brand loyalty significantly influences the purchase intension.
  - H9. Brand loyalty significantly influences the profitability.
  - H10. Purchase intension mediates the relationship of brand loyalty and profitability.
- Following is the hypothetical diagram of the relationship of variables:

**Figure 1: study framework**



Source: Researchers proposed model

### 3. 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 Baldauf, Cravens, and Binder (2003).

**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**

**Table 1: Model testing**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.463	.350		4.178	.000
	Brand awareness	.117	.076	.107	1.538	.126
	Perceived quality	.177	.071	.176	2.481	.014
	Customer loyalty	.099	.074	.092	1.348	.179
	purchase intension	.189	.043	.294	4.356	.000

a. Dependent Variable: profitability  
 source: Field Data

**Hypotheses Testing:** Table 1 Regression Analysis of Brand Awareness, Perceived Quality, Customer Loyalty, Purchase Intension and Profitability

**Table 2: Coefficient**

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.855	.573		1.492	.137
	brand awareness	.269	.123	.159	2.182	.030
	perceived quality	.212	.116	.146	2.028	.054
	customer loyalty	.290	.119	.174	2.437	.016

**Table 3: Regression Analysis Purchase Intension and Profitability**

Model		Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.725	.165		16.521	.000
	purchase intension	.250	.042	.389	5.922	.000

**Table 4: Sobel Test for the mediation of purchase intensions**

	Sobel Test Statistics	Std. Error	p-value
Perceived Quality and Profitability	1.96224816	0.02700984	0.0497336

The first hypothesis in the survey was that brand awareness had a significant impact on the acquisition. Regression analysis (Table 2) showed that brand awareness had a significant impact on the purchase intensive site with a beta value of 146, indicating a relative strength of almost 15%. The study is based on Macdonald and Sharp (2000) findings that concluded that brand recognition has a positive impact on buying interests. The second hypothesis of the study was brand consciousness, which significantly contributes to profitability. According to regression analysis (Table 1), brand awareness and profitability are not significant. So your null hypothesis is accepted. A possible reason may be that retailers are not interested in awareness rather than just dealing with their profits or it might be that the two brands that were included in the

research were already well-known brands so no impact on consciousness could be identified by profitability. The third hypothesis was that purchasing intensity mediates brand awareness and profitability. Since the awareness of profitability is unknown, the mediation could not be carried out; because the condition for mediation is that an independent variable must be given a dependence on the calculation of mediation. The fourth hypothesis found that quality has a significant impact on purchasing intensive. Regression analysis (Table 2) showed that the observed quality had a significant effect on purchasing power at beta159, which indicates a relative strength of almost 16%. The research is in the same direction as, who stated that the observed quality has a positive role in the procurement sphere. The fifth hypothesis of the study was the deterioration of quality significantly affected profitability. Regression analysis (Table 1) showed that the observed quality had a significant impact on profitability with beta1.176, which shows the ratio strength, i.e. nearly 18%. The results are from Grewal et al. (1998), and concluded that the observed quality corresponds to the increase in market share and profitability. The sixth hypothesis of the study was purchasing intensity to convey the relationship between the observed quality and profitability. The Sobel test (Table 4.4) showed an alternative hypothesis with a p value of less than 0.05, that is, purchasing power transmits the ratio of observed quality and profitability. The seventh hypothesis was that the purchase intentionally significantly contributes to profitability. Regression analysis (Table 4.3) showed that the effect of purchasing power on profitability had a significant impact on beta 389, which indicates a relative strength of nearly 39%.

The eighth hypothesis of the study was brand loyalty, which had a significant impact on purchasing intensive. Regression analysis (Table 2) showed that brand loyalty had a significant impact on purchasing power with a beta value of 174 indicating the strength of proportionality, i.e. almost 17%. The study is in line with the observations of Bandyopadhyay et al. (2005), which determined the positive role of brand loyalty in purchasing intensity. The ninth hypothesis of the study was brand loyalty, which significantly contributes to profitability. According to regression analysis (Table 1), brand awareness and profitability are not significant. So your null hypothesis is accepted. Possible cause may be that dealers are not interested in buying or not buying customers. So retailers are only concerned about buying intensive. The tenth hypothesis was that purchasing intensity mediates the relationship and profitability. Since loyalty has not been shown to profitability, a mediation test cannot be performed since it is a prerequisite for mediation that the effect of an independent variable on dependent variables is to calculate mediation.

## 5. Conclusion and Recommendations

The study shows that retailers are more concerned about customer buying goals and brand quality. By enticing retailers, brand managers need to be more focused on purchasing intensive and better quality so that more and more customers are calling for a brand (adhere to a challenging strategy). In addition, the purchase intent also conveys the relationship between quality and profitability, so the brand manager must focus on such a relationship in order to gain more retailers' demand for their products.

### Limitations

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

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