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Brand Awareness and Consumer Loyalty in Malaysia

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ABSTRACT

The objectives of this study is to evaluate consumer's awareness of brand by studying the relationship between brand awareness and variables such as customer loyalty, customer satisfaction, customer trust and quality of services. The study examines the relationship through a quantitative research methodology conducted in main peninsula Malaysia. The examined brand Air Asia airline's services in Malaysia. This study finds the existence of crucial association between customer loyalty, trust, satisfaction and quality of services that affects brand awareness among Malaysian consumers. Customer loyalty is found to have the highest impact on brand awareness. Findings of the study help organizations in enhancing brand images, improves brand recognition.

Keywords: Brand awareness; consumer loyalty; Malaysia

INTRODUCTION

Consumer loyalty is a condition in which a consumer received the same kind of product or service over time from varying vendors. Loyalty is an extent of commitment that a consumer purchases a particular brand of services or products of a particular firm. It is the final goal as far as the marketing of any organization is concerned. Firms make use of branding as a strategic tool with enhanced business regularity conditions. These are not new concepts. Branding itself has a history that dates back to over 100 years [7]. Rooney [17] confirms that firms use brands as a way of attracting and sustaining consumers by promoting its value, lifestyle, and overall image. Rooney also concur that branding is a method for building sustainable competitive advantage by appealing to human nature. This leads to the assumption that only human element can link the meaning and feeling to inanimate items. Recently, relationship marketing gathered popular momentum by academics and marketing practices.

It is generally applied in the antecedent industrial form of marketing to both the services and also in marketing of commodities. As time goes on researchers explore relationship marketing as a process of integrated marketing, promotion of sales, public relation and straight marketing and creating and maintaining valuable links with consumers[18]. Ultimately, venders aspire to win consumers' satisfaction, loyalty and trust. In a study conducted by Shani and Chalasaniand [19] showed that relationship marketing is the ability to enhance the loyalty of consumers. The link between brand and consumer on the level of loyalty is an important relevance to marketing practitioners. Duncan and Moriarty [3] asserted that modern marketing practices are integrating consumer centricity, relationship marketing, and marketing communication. It is understood in marketing practice that consumer loyalty and satisfaction are

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related inextricably [15]. The numbers of brands in the service sector particularly are increasing at a fast rate across the globe. Hence, the satisfaction of consumer plays a crucial role in brand loyalty. Organizations with stronger brand loyal are notably improving their return of investment (ROI) and market share [11].

Research objectives:

In light of increasing attention towards branding, improving ROI and cutting cost amongst Malaysian marketing practitioners and managers in the airlines industry, much attention is given to consumer retention in a highly saturated airline sector. The objective of this study is to examine the extent to which brand awareness impacts consumers' loyalty. This study also attempts to better understand the determinants of brand loyalty in the Malaysian airline industry. The significance of this study stems from this need derived by the industry to better understand consumers' perception towards brands and loyalty drivers.

Research questions:

The questions addressed in this research are as follows:
RQ1: what is the relationship between brand awareness and consumers trust?
RQ2: what is the relationship between brand awareness and quality of service?
RQ3: what is the relationship between consumers trust and consumers satisfaction?
RQ4: what is the relationship between service quality and consumers satisfaction?
RQ5: what is the relationship between consumer satisfaction and consumers loyalty?
RQ6: what is the relationship between brand awareness and consumers loyalty?

2. Literature:

Purchasing decisions made by consumers are influenced by higher level of brand awareness [13]. Perceived quality and brand awareness are important factors in consumers' purchasing decision [5]. Chi & Yeh further asserts that product with higher market share goes through superior quality evaluations and tends to enjoy higher level of brand awareness. Malik *et al.*, [13] further asserts that increasing awareness leads to consumer choosing familiar and favorable brands. Brand awareness is found to be specially important when consumers buy a given product for the first time [9], it is also viewed to be a tactical decision by consumers. Further purchases are made with emphases on the practical attributes of the product, such as, quality, taste, fragrance or functionality. If a given product or service has satisfied consumer's expectations, brand awareness tends to have strong influence on subsequent purchases [9].

Brand awareness according to [12] is consumers' ability of to identify and remember a brand. Brand recognition and brand recall make up brand awareness. Trust is still an elusive concept. This is because it is still conveyed in many cognate terms such as trustworthiness, confidence etc. Trust is one aspect that is multi-faceted and multi-disciplinary, as well manifested in various type of relationships, and its definition is far less agreed uniform [6]. Researchers have identified various aspects of trust. For instance, trust is structural in sociology, whereas it's an aspect of one's personality or character traits and interpersonal phenomenon. It's considered as a mechanism of rational choice in economics, whereas it's based from moral sides in ethics [2]. For stable and collaborative relationships in business, trust is deemed as the best relevant antecedents. Akbar and Parvez [1]research showed that trust is essential for long lasting relationships to develop and sustain. Akbar and Parvez further affirm that the concept of trust is intertwined with confidence in exchange, and correlate with integrity and reliability.

Trust according to [14] is considered to be a vital element in the selling process, as it contributes to competitiveness, lessens transaction costs and boosts long-term relationships. Trust is found to enhances motivation in relationships development and preserves consumers' commitment, particularly during business down turns [14]. Kuusik [10] eugra t tahtrust in a particular brand results in brand loyalty over time, and this in turn, results in creating trade association. Brand trust correlates with purchase intention and loyalty, which is attitudinal [10]. While Saeed *et al.*, [18] contend that loyalty is gained via trust. Park [16] stresses that trust positively impacts consumer loyalty. Foi [4] on the other hand asserts that ultimately, it is the cconsumer who defines the criteria for evaluating service quality. Foi further identifies ten such criteria that consumers uses to evaluate service quality. The first five are related to the quality of the service outcome, whereas the next five are related to the quality of the process of delivery. Consumers then, are highly influenced by their perceived satisfaction [20]. Perceived consumer satisfaction, adds value to the products and services, and positively contribute to brand's reputation [8].

3. Research Methodology:

A quantitative research was employed, utilizing a Likert scale survey for measuring variables of the study, which are awareness of brand, quality of service, loyalty, trust and satisfaction of consumer. A survey questionnaire was deployed and distributed at random in the following three cities; Kuala Lumpur, Johor Bahru, and Penang. In total 1,000 questionnaires were distributed at random in all three cities to Airasia customers. A total of 301 respondents participated in the study, out of which, only 288 questionnaires are usable in this study.

Airasia airline was chosen because of its brand awareness, which plays a pivotal role in consumer loyalty. Cron Bach Alpha was applied to assess the reliability and internal consistency of the items of measurement. Out of the 288 respondents, 74 individuals, equal to 25.7% were ethnic Malay, 80 individuals, equal to 27.8% were ethnic Chinese, and 62 individuals, equal to 21.5% were ethnic Indians and 72 individuals, equal to 25% were from other nationalities but reside and live in Malaysia.

Therefore, the highest frequency belongs to ethnic Chinese. Descriptive analysis was applied to the data, Skewness, Kurtosis Standard Deviation (SD), and Mean for data analysis. The maximum mean value observed for all variables is for trust and its value is equal to 3.2517. In addition, the minimum mean value for all variables is for consumer satisfaction and its value is equal to 2.8951. The maximum for the standard diviation was for consumer loyalty and its value is equal to 1.26005 and the minimum value was for service quality and its value is equal to 0.86664. As for Skewness, the maximum value is for consumer satisfaction and its value is equal to 0.266 and the minimum value belongs to trust and it is equal to -0.361. The negative values demonstrate that the peaks are centralized in right direction and those values that are positive demonstrate the peaks are centralized in left direction. Kolmogrove-Smirnov normality test was applied. Since all values are below 0.05. the value here is assumed to be normal because the sample size is more than 30 according to Central Limit Theorem.

3.1 Research hypotheses:
H1: Brand awareness has a significant and positive impact on service quality
H2: Brand awareness has a significant and positive impact on consumer trust
H3. Service quality has a significant and positive impact on consumer satisfaction
H4. Consumer trust has a significant and positive impact on consumer satisfaction
H5: Consumer satisfaction has a significant and positive impact on consumer loyalty
H6. Brand awareness has a significant and positive impact on consumer loyalty

4. Analyses and findings:
Four separated regression analyses were conducted to test the hypotheses.

4.1 Regression Analysis 1: Impact of Brand Awareness on Service Quality:
The R square is 0.353 for the impact of brand awareness on service quality. This suggests that brand awareness can explain 35.3% of the service quality variation. ANOVA analyses reveal that service quality can be significantly influenced by brand awareness due to p-value of zero and below

0.05. Hence, brand awareness can impact significantly service quality due to p-value is zero and below 0.05. The unstandardized coefficient demonstrates 0.510, which suggest there is a positive impact. Thus, for each unit increase in brand awareness, the service quality will rise to 0.510 units. Therefore, the first hypothesis is accepted. the final equation for regression will be formulated as follow:
Service Quality = 1.575+ 0.510 (Brand Awareness)

4.2 Regression Analysis 2: Impact of Brand Awareness on consumer trust:
The R square for impact of brand awareness on consumer trust is 0.715. It suggests that brand awareness can explain 71.5% of consumers trust variation. ANOVA analyses shows that consumer trust may be significantly influenced by brand awareness due to p-value is zero and below 0.05. Coefficient results shows that consumer trust can be impacted by brand awareness significantly, since p-value is equal to zero and below 0.05. The column of unstandardized coefficient demonstrates 0.892 which suggests there is a positive impact. Thus, for each increase of units in brand awareness, the consumer trust will rise to 0.892 units. Hence, we can accept the second hypothesis. The final equation of regression is as follows:
Consumer Trust = 0.448+ 0.892 (Brand Awareness)

4.3 Regression Analysis3: Impact of Service Quality and trust on consumer satisfaction:
The R Square for impact of service quality and trust on consumer satisfaction is 0.403, which suggests that service quality and consumer trust can explain 40.3% of the consumer satisfaction variation. ANOVA test shows that one of the independent variables at least significantly impacts consumer satisfaction with p-value is equal to zero and below 0.05. Based on coefficient results, values of VIF are below 5 so there will be no multi-co linearity among the independent factors. Coefficient analyses suggests that consumer satisfaction can be impacted significantly by service quality due to p-value is zero and below 0.05. The unstandardized coefficient shows 0.387 which suggests a positive impact. Thus, for each increase of units in service quality, the consumer satisfaction will rise to 0.387 units totally. Therefore, we can accept the third hypothesis.

Coefficient analyses further suggests that consumer trust can impact consumer satisfaction significantly due to p-value is equal to zero and below .05. The unstandardized coefficient demonstrates 0.345, which suggests a positive impact. Hence, for each increase of units in consumer trust, the consumer satisfaction rises to 0.345 units. Therefore, we can accept the forth hypothesis. The final equation of regression is as follows: Consumer Satisfaction = 0.545+ 0.387 (service quality) +0.345 (consumer trust)

4.4 Regression Analysis 4: Impact of consumer satisfaction on Consumer Loyalty:

The R square for the impact of consumer satisfaction on consumer loyalty is 0.353. This suggests that consumer satisfaction can explain 35.3% of the consumer loyalty variation. ANOVA test results show that consumer satisfaction significantly effects consumer loyalty. Based on coefficient results, consumer satisfaction impacts consumer loyalty significantly due to p-value is zero and below 0.05. Unstandardized coefficient shows 0.761, which means there is a positive impact. Therefore, for each increase of units in consumer satisfaction, the consumer loyalty will rise to 0.761 units. Hence, we can accept the fifth hypothesis. Based on the above, the final regression equation is as follows:
Consumer Loyalty = 0.734+0.761 (consumer satisfaction)

4.5 Regression Analysis 5: Impact of Brand Awareness on Consumer Loyalty:

The R square of the impact of brand awareness on consumer loyalty is 0.296.

This suggests that brand awareness can explain 29.6% of consumer loyalty variation. ANOVA analyses show that brand awareness significantly impacts consumer loyalty. Based on coefficient results, brand awareness impacts consumer loyalty significantly due to p-value is equal to zero and below 0.05. Unstandardized coefficient demonstrates 0.678, which suggests a positive impact. Therefore, for each unit increase in brand awareness, consumer loyalty will rise to 0.678 units. Hence, we can accept the sixth hypothesis. The final equation of regression then is as following:
Consumer Loyalty = 0.807+0.678 (Brand Awareness)

The implications of finding suggest that brand associated images and offerings should be consistent. Consistency in brand promotion supports image reinforcements in consumers mind and perception. A positive image of the brand enhances consumers' loyalty. Service quality and experience positively contributes to positive brand images. Consistency and frequency of advertising also found to contribute to positive brand images and consumer loyalty.

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