The Effect of Brand Image on Consumer Decisions: An Investigation from Upscale- Karachi

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Abstract:

 The objective of the research was to examine the service industry and basically highlight those elements or factors which impact on a consumer's decision. In this research two sectors banks and ISP's are selected to be tested. The factors effecting consumer decision were obtained through observation from a previous research. Factors such as: Market reputation, offerings, perception, value for money, consistency, Relationship management, and service promotion were identified and then tested to see whether they influence the consumer's decision. Multi linear regression was used to test for impact of the independent variables on the dependent variable. The sample size was 200. The results of the statistical test showed that for banks: Consistency, Market reputation, and offering were the insignificant variable which means they do not have any impact on consumer's decision, while value for money, relationship management, service promotion, and perception are the significant variables and they impact on the consumer's decision. For ISP's the factors that affect consumer decision are: offerings, perception, and value for money, and service promotion. This means that in the service industry the brand image of a brand is determined or influenced by these factors.

Key words: Service Industry, Consumer Decision, Consumer Decision Determinants.

Introduction:

Background of the study

Since the past decade, organizations have seemingly increased their efforts and all their investments to develop and create brands from their usual generic produce. It is observed that in most of the sectors of the economy, brand generalization is observed, especially in those markets where people are the most reluctant to purchase them. The case has been localized to the technology & food agriculture sector.

A brand is not simply the name or the logo, it is a creation of how the brand effects and implies the image as well as the communication of the image in such a way that it can reach all the concerned groups that are associated to the brand and thus products pertaining to the brand are sold through these associations. The research of brand equity as per the given theory in marketing textbooks is given by Aaker's (1991, 1996) conceptualization while Keller's (1993, 1998) framework give more cognition and roots the focus on how consumers think during the brand selection process. Keeping this in mind the view related to the equity of a brand is as follows:

> . Brands add value for the organizations as well as for the customer purchasing the product;
> . The way a brand adds value is via the productions of value for the end-user; &
> . How a customer/ consumer associates with the brand is the key element for building brand equity while making the final decision to purchase the brand.

When it comes to brand equity, a small issue arises. Although the issue may be of less substance it is still very critical in the area of marketing management. To date many marketers and researchers have conducted in-depth analysis and research on how to gauge and investigate the associations that a consumer

has when making the final purchase decisions. These areas have been thoroughly tested and adopted in a more theory based perspective, without any empirical testing (Keller, 1993, 1998; Teas and Grapentine, 1996). However a lot of empirical studies have analyzed the overall relations between consumer selection/ purchase decisions and the image of the brand itself; without considering the different associations of the brand. (Kamakura and Russell, 1991; Cobb-Walgren et al., 1995; Yoo et al.)

Purpose of the study

(1) The first purpose of this research is to analyze how the brand image impacts the products related to the service industry sector based on how consumers decide to buy these products by analyzing the functions of the brand.
(2) To study the influence exerted by each of the factors on the consumer's willingness to pay a price premium for the brand, recommend it to others and in short lead to the overall decision to purchase or refute the brand.

Scope of the study

It is evaluated that there are certain factors that influence purchase decisions. Whether those factors may be a resultant of monetary attraction or non-monetary as it is called in marketing jargons, this will lead to exploration by probing the determinants of brand image after exploring the service sector/industry.

Hypotheses

H$_0$: None of the factors have effect on Consumer Decision

This hypothesis has been derived from the research of (Kamakura & Russell, 1991) where their research proved that overall relations between the factors related to consumer associations and consumer buying decision had no effect.

H$_1$: Offerings Influence Consumer Decisions

As stated by (Chattopadhyay and Alba, 1988) that offerings with a brand was the association that was highly deterrent by the customers when purchasing or deciding to buy a brand hence this hypothesis has been derived from their research.

H$_2$: Perception influences Consumer Decisions.

Consumer may decide on which brand to buy by the perception they have of it. This was proven by (Ambler, 1997), who clearly proved that the function most sought after while making the decision to buy the brand is how the consumer was perceiving, the brand to be. This led to formulation of this hypothesis.

H$_3$: Consistency influences Consumer Decisions.

Key to many top-selling brands is their consistency in product/service delivery, such as stated in Keller (1993, 1998) 's research and many books which clearly classifies that if the brand has stated or maintained its level of quality and commitment, they have proven to be the biggest brands or the

most equitable commodities in this century. This gave the base to create this hypothesis.

H4: Service promotions influence Consumer Decisions.

How a service is promoted, affects critically on consumer's decision to purchase that service. This was further elaborated and research in (Graeff, 1996; Hogg et al., 2000)'s research, where they pursued a theory that the brand image and how the consumer associated with its promotions led to the consumer's final evaluation of the brand while increasing intent to purchase that service.

H5: Market Reputation influences Consumer Decisions

How popular or bad your brand is, comes with the reputation you maintain in the market where you are selling your service, such was researched by (Dobni and Zinkhan, 1990), who had a researched a view which saw that people could connect to brand's which were in their memory and those which had a positive thought related to the brand would prefer buying that brand. Hence the conclusion that led to the development of this hypothesis.

H6: Relationship Management influences Consumer Decisions

Maintaining relationships in the service sector is necessary, (Sheth et al., 1991; Dubois and Duquesne, 1995)'s research led to the formulation of this hypothesis and similarly, it fits to associate how this function critically affects the consumer to retain a certain brand. If the after sales service leads to the consumer needs being satisfied, chances were that the consumer would retain to the usage of that service, while encouraging others to purchase as per their findings in their research results.

H$_7$: Value for money influence Consumer Decisions

After global levels of inflation and alternate products hitting every market, thanks to China's mass production, it is seen that people measure the value they have paid to attain a certain service. Such was observed in a lot of researches, especially in (Park and Srinivasan, 1994)'s research where it was seen due to certain brand associations and elements of the brand which came with a price preferred by the customer it was seen that the consumer was willing to pay a premium to acquire that service or brand, while recommending the service to their peers as well.

Methodology

Sources of Information

Information will be collected from customers of services outside internet service providers and banks in D.H.A& Clifton area of Karachi. Different sources already used have been presented by different analysts and researchers in the literature.

Sampling Technique and Procedure

Convenience sampling is the technique used to collect our research sample. This is to maintain the quality of research so only concerned people will fill out the questionnaire. 200 individuals will be selected and divided into two sectors (banking & ISP's) to gauge the impact of these seven factors on consumer decisions.

Sample Size

The research will be done on a sample size of 200 obtained from customers outside banking & ISP outlets.

Method of Data Collection

Primary Data:Questionnaire survey will be conducted as a tool for primary research and collection of data.

Instruments of Data Collection

Questionnaires based on likert scale (1-5). Where 1 being the highest level of disagreement and 5 being the highest level of agreement. Questions for each factor will be gauged at an average of those questions and cumulated to one sub-value (latent variable will be made) for each factor;

Statistical Instrument to Be Used

SPSS which is statistical software will be used in this research. Multiple linear Regression model is used as we are investigating a variables impact on another which is gauged by regression models.

Conclusion:

The backward method of regression automatically removed the insignificant variables and the variables in model 4 were only those that are significant and have an impact on consumer decision (dependent variable). For banks Model 4 contains the variables: relationship management, value for money, service promotion and perception. These 4 variables are significant as they had a significance value less than 0.05 or close to it and these variables impact on the consumer's decision. The excluded variables that were insignificant and do not have any impact on consumer decision includes offerings, market reputation, and consistency. Whereas for ISP in model 4 the significant variables that have an impact on consumer decision are: offerings, service promotion, perception, and value for money. The insignificant variables that have no impact on consumer decision are relationship management, market reputation, and consistency. Thus we conclude that, in the service industry for banks consumer decision is based and influenced by perception, value for money, service promotion, and relationship management. Whereas for ISP's consumer decision is influenced by offerings, service promotion,

perception, and value for money.

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Appendix

Output Statistics

Table:1

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.442[a]	.195	.166	.95130
2	.442[b]	.195	.170	.94883
3	.440[c]	.193	.172	.94757
4	.434[d]	.189	.172	.94782

a. Predictors: (Constant), offerings, perception, relationship_management, service_promotion, consistency, value_for_money, market_reputation

b. Predictors: (Constant), offerings, perception, relationship_management, service_promotion, value_for_money, market_reputation

c. Predictors: (Constant), perception, relationship_management, service_promotion, value_for_money, market_reputation

d. Predictors: (Constant), perception, relationship_management, service_promotion, value_for_money

Table:2

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.167	7	6.024	6.657	.000[b]
	Residual	173.753	192	.905		
	Total	215.920	199			
2	Regression	42.166	6	7.028	7.806	.000[c]
	Residual	173.754	193	.900		
	Total	215.920	199			
3	Regression	41.729	5	8.346	9.295	.000[d]
	Residual	174.191	194	.898		
	Total	215.920	199			
4	Regression	40.739	4	10.185	11.337	.000[e]
	Residual	175.181	195	.898		
	Total	215.920	199			

a. Dependent Variable: Consumer_decision

b. Predictors: (Constant), offerings, perception, relationship_management, service_promotion, consistency, value_for_money, market_reputation

c. Predictors: (Constant), offerings, perception, relationship_management, service_promotion, value_for_money, market_reputation

d. Predictors: (Constant), perception, relationship_management, service_promotion, value_for_money, market_reputation

e. Predictors: (Constant), perception, relationship_management, service_promotion, value_for_money

Table:3

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.720	.460		3.740	.000
	relationship_management	.210	.065	.219	3.230	.001
	market_reputation	.062	.070	.064	.888	.376
	value_for_money	.152	.071	.154	2.146	.033
	service_promotion	-.129	.066	-.140	-1.969	.050
	Perception	.269	.066	.281	4.073	.000
	Consistency	.002	.064	.002	.032	.975
	Offerings	-.042	.064	-.048	-.665	.507
2	(Constant)	1.725	.431		4.006	.000
	relationship_management	.210	.065	.219	3.244	.001
	market_reputation	.062	.069	.064	.890	.375
	value_for_money	.152	.071	.154	2.151	.033
	service_promotion	-.129	.065	-.140	-1.996	.047
	Perception	.269	.066	.281	4.085	.000
	Offerings	-.042	.060	-.047	-.697	.487
3	(Constant)	1.574	.371		4.238	.000
	relationship_management	.212	.064	.221	3.286	.001
	market_reputation	.071	.068	.074	1.050	.295
	value_for_money	.146	.070	.148	2.085	.038
	service_promotion	-.133	.065	-.144	-2.056	.041
	Perception	.266	.066	.278	4.059	.000
4	(Constant)	1.706	.350		4.879	.000
	relationship_management	.226	.063	.236	3.582	.000
	value_for_money	.128	.068	.130	1.888	.061
	service_promotion	-.116	.063	-.126	-1.854	.065
	Perception	.278	.065	.291	4.310	.000

a. Dependent Variable: Consumer_decision

Table:4

Excluded Variablesa

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics
						Tolerance
2	consistency	.002b	.032	.975	.002	.853
3	consistency	-.014c	-.206	.837	-.015	.964
	Offerings	-.047c	-.697	.487	-.050	.921
	consistency	-.022d	-.338	.736	-.024	.980
4	Offerings	-.059d	-.891	.374	-.064	.959
	market_reputation	.074d	1.050	.295	.075	.842

a. Dependent Variable: Consumer_decision

b. Predictors in the Model: (Constant), offerings, perception, relationship_management, service_promotion, value_for_money, market_reputation

c. Predictors in the Model: (Constant), perception, relationship_management, service_promotion, value_for_money, market_reputation

d. Predictors in the Model: (Constant), perception, relationship_management, service_promotion, value_for_money

Table:5

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.452[a]	.204	.175	.94597
2	.450[b]	.202	.178	.94457
3	.447[c]	.200	.179	.94373
4	.434[d]	.189	.172	.94782

a. Predictors: (Constant), market_reputation, offering, consistency, value_for_money, perception, relationship_management, service_promotion

b. Predictors: (Constant), market_reputation, offering, value_for_money, perception, relationship_management, service_promotion

c. Predictors: (Constant), market_reputation, offering, value_for_money, perception, service_promotion

d. Predictors: (Constant), offering, value_for_money, perception, service_promotion

Table:6

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.106	7	6.301	7.041	.000[b]
	Residual	171.814	192	.895		
	Total	215.920	199			
2	Regression	43.723	6	7.287	8.167	.000[c]
	Residual	172.197	193	.892		
	Total	215.920	199			
3	Regression	43.139	5	8.628	9.688	.000[d]
	Residual	172.781	194	.891		
	Total	215.920	199			
4	Regression	40.739	4	10.185	11.337	.000[e]
	Residual	175.181	195	.898		
	Total	215.920	199			

a. Dependent Variable: consumer_decision

b. Predictors: (Constant), market_reputation, offering, consistency, value_for_money, perception, relationship_management, service_promotion

c. Predictors: (Constant), market_reputation, offering, value_for_money, perception, relationship_management, service_promotion

d. Predictors: (Constant), market_reputation, offering, value_for_money, perception, service_promotion

e. Predictors: (Constant), offering, value_for_money, perception, service_promotion

Table:7

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.955	.444		4.401	.000
	perception	.206	.065	.214	3.146	.002
	relationship_management	.060	.069	.062	.872	.384
	service_promotion	.135	.071	.138	1.910	.058
	value_for_money	-.133	.065	-.145	-2.054	.041
	offering	.270	.066	.282	4.107	.000
	consistency	-.044	.067	-.043	-.655	.513
	market_reputation	-.098	.064	-.100	-1.523	.129
2	(Constant)	1.850	.414		4.471	.000
	perception	.213	.064	.222	3.314	.001
	relationship_management	.055	.069	.057	.808	.420
	service_promotion	.131	.070	.133	1.855	.065
	value_for_money	-.128	.064	-.140	-1.995	.047
	offering	.271	.065	.283	4.141	.000
	market_reputation	-.096	.064	-.098	-1.495	.137
3	(Constant)	1.973	.384		5.134	.000
	perception	.224	.063	.233	3.563	.000
	service_promotion	.116	.068	.118	1.707	.089
	value_for_money	-.115	.062	-.125	-1.854	.065
	offering	.281	.064	.293	4.364	.000
	market_reputation	-.104	.063	-.106	-1.642	.102
4	(Constant)	1.706	.350		4.879	.000
	perception	.226	.063	.236	3.582	.000
	service_promotion	.128	.068	.130	1.888	.061
	value_for_money	-.116	.063	-.126	-1.854	.065
	offering	.278	.065	.291	4.310	.000

a. Dependent Variable: consumer_decision

Table:8

Excluded Variables[a]

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics Tolerance
2	consistency	-.043[b]	-.655	.513	-.047	.947
3	consistency	-.037[c]	-.566	.572	-.041	.958
	relationship_management	.057[c]	.808	.420	.058	.821
	consistency	-.030[d]	-.453	.651	-.032	.962
4	relationship_management	.074[d]	1.050	.295	.075	.842
	market_reputation	-.106[d]	-1.642	.102	-.117	.987

a. Dependent Variable: consumer_decision

b. Predictors in the Model: (Constant), market_reputation, offering, value_for_money, perception, relationship_management, service_promotion

c. Predictors in the Model: (Constant), market_reputation, offering, value_for_money, perception, service_promotion

d. Predictors in the Model: (Constant), offering, value_for_money, perception, service_promotion