Brand Equity within Mobile Phone Industry of Pakistan

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The brand equity’s creation and management for mobile phones is a very difficult job due to the intensely dynamic and brand-conscious market. The research explored the interaction between brand equity’s dimensions and purchasing intentions using brand preference as a mediator. Data were obtained by means of questionnaires circulated to mobile phone customers. For statistical analysis by using SmartPLS software, a total of 304 functional answers were eligible. In this paper, the association between different branding strategies, quality perceptions and purchase intentions is formed in a specific context consisting of five direct relationships and an indirect relationship. PLS-SEM statistical findings indicate that both branding strategies have helped increase customers' understanding of product quality and purchasing intentions. It has been pointed out from any point of view that brand equity has a dominant impact either directly or through brand preference on purchasing intention. This is the most important impact that suggests that brand equity’s growth is necessary to create consumers' purchasing intentions for mobile brands. These considerations with brand equity’s dimensions may be analyzed independently from prospective research. Marketers and makers should take these factors into consideration before deciding on promoting products and branding in particular.

Key words: Brand Attitude, Brand Image, Brand Equity, Brand Preference, Purchase Intentions, Mobile Phone.

JEL Classification: M300, M310.
Introduction

For more than 30 years, marketing research has become the subject of advertisement review. A brand is a name, term, symbol, picture or plan or a combination of these components used by contending firms to identify the goods and administrations for one entity (Kotler & Armstrong, 2010). Keller and Lehmann (2003) elaborated that” At the unclear resources spoken about by their brands, the advancement of the value of the brand is perhaps one of the most important and helpful practices because advertisers can take over from efficiently branded companies”. Brand equity is viewed in economic terms or from the point of view of shoppers. However, previous researches have demonstrated that the buyer-based perspective of brand value is more relevant because brand estimation occurs for customers (Keller & Lehmann, 2003). Aaker (1991) and Keller (1993) made multi-dimensional concepts, such as brand mindfulness, perceived quality, mark associations, and brand certainty, developed client-based brand value. When customers establish a good, strong and one of a kind brand relationship, Customer based brand value exists (Keller, 1993).

The brand management concept has appeared notably in recent decades. The explanation might be that almost every industry, industry and economy have wide, thriving competition (Koren, Wang, & Gu, 2017). Whatever the global recession or financial crisis, conflict or terrorism, the businesses are now struggling hard to achieve strategic edge and to identify challenging strategies to grow through the interaction of consumers and consumer markets (Martins, Martins, Pereira, 2017; Walas & Celuch, 2014). Marquart, Kahle, O'Connell and Godek (2017) have examined the use of the List of Values (LOV) measures for brand equity, while Menon and Barani (2016) have evaluated brand attachments to brand equity as a determinant feature of higher educational institutes. Marquardts, Papagianis, O'Connell and Bourlakis (2017) have investigated brand equity. In the same way, other researchers stressed the value of brand equity and its consequences for many realms (See Iglesias, Markovic, Singh, & Sierra, 2017; Moussa & de Barnier,2017; Hervas, Alguacil, & Pomar, 2018). These facts and observational studies have emphasized the further analysis by brand equity drivers of science, experience and perception in their novel, maneuvering and research aspects.

The firms pay careful interest in customer’s psychology and behavior, diagnosis, recognition and perception of their intentions and behavior. The timely need for certain precise and enticing guidance practically obliges academics and scholars to vigorously disseminate their comprehension and information. The firms are very involved in their promotion and promotional campaigns and rely exclusively on client interactions and their brand loyalty. The current research therefore established the need for brand management to be taken seriously and to consider its origins in marketing and customer psychology. The research centered on the evaluation of the brand image, brand attitude, brand equity and brand preference as influencing factors for consumer purchase intention according to Aaker (1991) and Keller (1993). The current study functions effectively and explicitly to Pakistan's mobile
phone sector and researchers to deepen their understanding of brand equity management and its connection with customer behavior and psychology. However, it makes it possible for consumers both to use their perception and desires efficiently to avoid their psychological and behavioral factors from being overwhelmed by misleading and incorrect offers.

In recent years, Pakistan's mobile markets have to face up to the most challenging and aggressive business climate. With the increasing rivalry and brand development in Pakistan's mobile handset market, the entire operator relies heavily on the brand foundation and voting tools to provide customer satisfaction. In end, there is a great deal of brand and several consumers start expressing great preference for this brand. This study focuses on the problem of the mobile industry in the Karachi area. Our study measures mobile industry's brand equity. Pakistan is the most significant mobile phone market in the world and also the largest smartphone market in terms of sales but facing tough competition with Chinese and local brands. So, the brand value may also be seen to play a crucial role in enabling mobile handset managers to reap competitive gains and make wise strategic choices. The findings of the study indicate a better comprehension of the mobile phones’ brand equity concept and evaluating the effect of brand equity’s antecedents. The study further concludes that overall brand equity results in a purchase intention of the buyer.

**Literature Review & Hypothesis Development**

**Brand Attitude (BA) and Brand Equity (BE)**

Attitude is described as 'an assessment, feelings and tendencies toward an objective or concept that consistently favors or disadvantages an individual' (Kotler & Armstrong, 1996). The word revolution applies to shifts in beliefs, perceptions, convictions and actions (Huhmann & McQuitty, 2009). The IT revolution refers to the consequences of the boom in knowledge and digital technology growth. As user interactions build behaviors over time, they avoid modifying (Trivedi & Sama, 2020). This thesis deals with brand conduct as the ultimate appraisal of a single brand, whether beneficial or unfavorable. This thesis took Grimm's opinion, for the simplest calculation, that BA was a single-dimensional system that showed positive or negative results. Ngan et al. (2019) showed that business culture, as well as the beliefs of workers, are likely to affect the meaning cluster increasing customers see as a service brand. This means that positive attitudes can lead to the purchasing of brand, an outcome of brand equity. Given the discussion described above, we may infer that BA can play an important part in the creation of BE.

H1: BA and BE are positively associated.
**Brand Image (BI) and Brand Equity (BE)**

Marketing researches proposed that BI is an integral part of BE (e.g., Keller, 1993). Torres and Bijmolt (2009) has shown that high equity brands appear to have more favorable brand associations (brand image) than low equity brands with brands from the Landor study. Dmour, Zu’bi, & Kakeesh (2013) also report that premium rates and higher brand equity are attributed to higher picture products. Finally, Kwon and Shin (2019) observed that positive BI was more likely than non-preferred brands to be correlated with preferred brands. BI, a consumer construct is a vital part of the consumer decision making that offers expected brand evocation and appraisal that eventually helps brand equity (Kathiravanaa, Panchanathamanaa, & Anushan, 2010). Brand associations that are achieved by the marketing mix activities or by the product usage of the business lead to and eventually establish the BI to the consumer (Keller 1993). A special, strong and favourable BI also permits a strategically distinct and market positioning of the company, and its meaning in consumer’s mind, leading to the potential for increased brand equity (Pitta & Katsanis, 1995).

H2: BI and BE are positively associated.

**Brand Equity (BE) and Brand Preference (BP)**

The value of building BE has been highlighted by Cobb-Walgren et al. (1995) and Myers (2003), which gives more customer BP and purchasing intentions to the company, in contrast with the designated service given by other firms in consideration, Changm, Hao and Chung (2008) have described the brand preference as "the extent to which the customer favors the designated servicing offered by their present firm.” The purpose to purchase is the plan of a buyer to purchase a certain brand which has recently gained substantial publicity. With regard to branding, the purpose to continue the usage of the service supplied by particular providers is described in this study.

H3: BE and BP are positively associated.

**Brand Equity (BE) and Purchase Intentions (PI)**

According to Frederick and Patil (2010), in order to enable a real transaction over a span of time, PI is strongly correlated with customers’ plans. PI may also be defined as the push or drive of customers to buy a certain brand after evaluating it, before making any purchase on the basis of their desires, attitudes and expectations to the brands (Ross, 2006; Caesar, Kasumawati, & Sanawiri, 2018; Madahi & Sukati, 2012).

When selling a company, purchasing is considered an important element in understanding and predicting the behavior of consumers (Caesar, Kasumawati, & Sanawiri, 2018). Researchers have also found that purchase intention is a significant element in the eventual
final purchase and can be seen as a justification for re-acquisitions in the future (Kim & Chung., 2011; Qureshi et al., 2009). Tariq et al. (2013) claimed that the intention to buy is multi-stage. Consumers first gather all relevant branding details. Then they continue analyzing the product using its characteristics, since they recognize the product and have maximum product know-how. They can buy the stuff again in the future, if it helps them.

The consumer’s purchase intention can be assessed using interest, participation and details according to Hosein (2012). Interested is the emotions of customers regarding a brand that affect purchasing. The beneficial associations between BE and PI are also illustrated by Aaker (1991), and (1996b) and other research empirically endorsed (e.g., Ashil & Sinha, 2004; Chang & Liu, 2009).

H4: BE and PI are positively associated.

**Brand Preference (BP) and Purchase Intentions (PI)**

The higher equity brands also improved buying intent by Cobb-Walgren et al. (1995). Since Brand equity represents brand preference, brand preference may be derived from the desire to buy or use. In a research that is focused on the non-product brand relations suggested by Keller (1993), O’Cass and Lim (2001) investigated the preferences and purchasing intentions of young consumers in South-East Asia and measure their impact on brand preferences and on the brand purchase intention toward fashion clothes. In Singapore, data were collected through self-administered questions and the varying effects on customer brand preferences and purchase intentions of brand associations were seen. In the study, the emphasis of this current research was not explored the linkage between brand preferences and purchase intentions.

H5: BP and PI are positively associated.

**Brand Equity (BE), Brand Preference (BP) and Purchase Intentions (PI)**

The term preference implies the preferred or chosen option in marketing literature. Preferences are mainly behavioral patterns (Laroche, Kim, & Zhou, 1996). The predilections of brand name differ according to the 15 main ideas being triggered at a given time; the predisposition of the customer toward a brand; the degree to which consumer chooses one brand over another the brand predispositions (Ebrahim et al., 2016). Brand equity is closely correlated with brand preference, whereas brand preference is an aspect of brand equity. In addition, studies showed a clear and indirect (through brand equity) relationship with purchase intention for the brand preference (Cobb-Walgren et al., 1995; Chen & Chang, 2008; Chang & Liu, 2009).
A variety of studies affirm the correlation between brand equity and brand preference. Customer based brand equity dependent on the user has been regarded as a condition for brand preference, which in turn influences consumer’s intention to purchase (Wahid & Ahmed, 2011).

H6: BP mediates BE and PI relationship.

**Conceptual Framework**

In light of the above discussion, we develop a conceptual framework comprising five direct and one indirect relationship. Figure 1 depicts the conceptual framework of the study.

![Conceptual Framework Diagram]

*Figure 1: Conceptual Framework*

**Methodology**

**Data**

The study collected data by distributing questionnaires to general public. Convenience sampling method has been used. A total of 326 filled questionnaires were received out of which a sample of 274 useable responses were available for data analysis purposes. Hair et al. (2009) suggests that to develop structural equation models, a sample size of over 200 should be used. Therefore, the sample size of 300 used in this study was deemed sufficient.

**Respondents Profile**

The respondents of the study were general public from metropolitan city Karachi in Pakistan with the following demographic composition. 79% of the participants were males and 21%
were females; 32% of the respondents were in the age group of 24-29 years, 26% in the age group of 30-35 years, 23% in the age group of 36-40 years, and remaining 19% were above 40 years. With respect to income, 47% of the respondents were in the income group of Rs. 50,000-75,000, 23% were in the income group of Rs. 76,000-100,000, 16% were in the income group of Rs. 101,000-125,000 and the remaining 14% were in the income group above Rs. 125,000. Finally, 5% of the respondents had matriculate education; 20% had intermediate education; 55% had bachelor degrees and the remaining 20% had master degrees.

Measurement of Constructs

The survey questionnaire had two sections. Section one had demographic-related questions and section two has questions on 5 constructs that were adapted from previous literature. Brand image is measured through 5 items adapted from (Jin, Lee, & Huffman, 2012). Augustoa and Torres (2018)’s 4 item scale is adapted to measure brand attitude. Brand equity is measured through 11 items adapted from Chang and liu (2009). Brand preference is measured through 4 items taken from Chang and liu (2009). Purchase intention is measured through 3 items scale adapted from Chang and liu (2009). The items were examined on five-point Likert-scale where 1 displays highly disagree and 5 displays strongly agree.

Data Analysis

The SmartPLS software was used for preliminary analysis and empirically testing the hypothesis formulated above using Partial Least Squares-Structural Equation Modeling (PLS-SEM) approach. The PLS-SEM approach is considered superior to the CB-SEM approach for estimating complex statistical relationships between latent variables (Hair, Sarstedt, Ringle, & Mena, 2012).

Results

Descriptive Statistics

Descriptive statistics were computed to analyze the statistical properties of the research variables. These include the mean, standard deviation, skewness, kurtosis and Cronbach’s alpha. The descriptive statistics are presented in Table 1.
Table 1

Descriptive Statistics

<table>
<thead>
<tr>
<th></th>
<th>Cronbach's Alpha</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Attitude</td>
<td>0.850</td>
<td>4.09</td>
<td>0.88</td>
<td>-1.10</td>
<td>0.98</td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.919</td>
<td>3.72</td>
<td>0.77</td>
<td>-0.74</td>
<td>0.62</td>
</tr>
<tr>
<td>Brand Equity</td>
<td>0.848</td>
<td>4.09</td>
<td>0.72</td>
<td>-1.07</td>
<td>2.00</td>
</tr>
<tr>
<td>Brand Preference</td>
<td>0.874</td>
<td>3.91</td>
<td>0.89</td>
<td>-0.83</td>
<td>0.64</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.848</td>
<td>4.16</td>
<td>0.82</td>
<td>-1.13</td>
<td>1.62</td>
</tr>
</tbody>
</table>

The Cronbach’s alpha is a measure of the inter-item consistency of the research variables. The highest Cronbach’s alpha value is for Brand Image (Mean= 3.72, SD=0.77, α=0.888), and the lowest is for brand association (Mean= 4.12, SD=1.15, α=0.77). The research variables were considered consistent and reliable as their Cronbach’s alpha values are above 0.70. Table 1 also shows that the skewness coefficients lie between the -1.10 and -0.74. Further, the kurtosis coefficients lie between 0.62 and 2.00. As the skewness and kurtosis coefficient values are close to (-1, 1) and (-2,2) respectively, we may conclude that the research variables are approximately normally distributed (Hair et al., 1998).

Convergent Validity

Convergent validity was ascertained to determine the extent to which the constructs are theoretically related with one another. The convergent validity of the constructs was analyzed using the Fornell and Larcker (1981) criterion.

Table 2

Convergent Validity

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Attitude</td>
<td>4.09</td>
<td>0.88</td>
<td>0.898</td>
<td>0.688</td>
</tr>
<tr>
<td>Brand Image</td>
<td>3.72</td>
<td>0.77</td>
<td>0.932</td>
<td>0.560</td>
</tr>
<tr>
<td>Brand Equity</td>
<td>4.09</td>
<td>0.72</td>
<td>0.890</td>
<td>0.620</td>
</tr>
<tr>
<td>Brand Preference</td>
<td>3.91</td>
<td>0.89</td>
<td>0.914</td>
<td>0.726</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>4.16</td>
<td>0.82</td>
<td>0.907</td>
<td>0.765</td>
</tr>
</tbody>
</table>

Table 2 indicates that the composite reliability and average variance extracted values are greater than 0.7 and 0.5 respectively. Hence, as per the Fornell and Larcker (1981) criterion, we conclude that the constructs satisfy the requirements of convergent validity.
**Discriminant Validity**

Discriminant validity measures the degree to which the measurements of constructs are unrelated with one another. The Fornell and Larcker (1981) criterion was also used to assess the discriminant validity of the constructs.

Table 3

<table>
<thead>
<tr>
<th>Discriminant Validity</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Attitude</td>
<td>0.829</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Image</td>
<td>0.569</td>
<td>0.748</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Equity</td>
<td>0.690</td>
<td>0.708</td>
<td>0.787</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Preference</td>
<td>0.638</td>
<td>0.640</td>
<td>0.721</td>
<td>0.852</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.472</td>
<td>0.541</td>
<td>0.512</td>
<td>0.577</td>
<td>0.874</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3 indicates that the average variance extracted is greater than the squared correlation between the constructs. Therefore, the constructs satisfy the discriminant validity conditions stipulated by Fornell and Larcker (1981).

**PLS-SEM Results**

The PLS-SEM results for empirically validating the direct and indirect hypotheses are presented in Table 4. Furthermore, the measurement and structural models are provided in Figure 2 and Figure 3 respectively.

Table 4

<table>
<thead>
<tr>
<th>PLS-SEM Results</th>
<th>Beta</th>
<th>T Stat.</th>
<th>P Values</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct Relationships</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Attitude -&gt; Brand Equity</td>
<td>0.154</td>
<td>1.992</td>
<td><strong>0.036</strong></td>
<td>Accepted</td>
</tr>
<tr>
<td>Brand Image -&gt; Brand Equity</td>
<td>0.603</td>
<td>9.918</td>
<td><strong>0.000</strong></td>
<td>Accepted</td>
</tr>
<tr>
<td>Brand Equity -&gt; Brand Preference</td>
<td>0.640</td>
<td>15.182</td>
<td><strong>0.000</strong></td>
<td>Accepted</td>
</tr>
<tr>
<td>Brand Equity -&gt; Purchase Intentions</td>
<td>0.291</td>
<td>2.929</td>
<td><strong>0.003</strong></td>
<td>Accepted</td>
</tr>
<tr>
<td>Brand Preference -&gt; Purchase Intentions</td>
<td>0.391</td>
<td>4.890</td>
<td><strong>0.000</strong></td>
<td>Accepted</td>
</tr>
<tr>
<td><strong>Indirect Relationship</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Equity -&gt; Brand Pref. -&gt; Purchase Intentions</td>
<td>0.250</td>
<td>4.785</td>
<td><strong>0.000</strong></td>
<td>Accepted</td>
</tr>
</tbody>
</table>
The first hypothesis predicts a positive association between brand attitude and brand equity. The results reported in Table 4 provide empirical support to the hypothesis. The positive association between the two variables is evident from the positive and statistically significant beta coefficient ($\beta=0.154$, $p=0.036$). Our finding is consistent with the viewpoint that brand attitude and brand equity are essential facets for developing sustainable relationships with customers. In addition to other marketing strategies, firms should pay close attention to both brand attitude and brand equity for developing a strong competitive advantage.

The second hypothesis predicts a positive association between brand image and brand equity. The results reported in Table 4 provide empirical support to the hypothesis. The positive
association between the two variables is evident from the positive and statistically significant beta coefficient ($\beta=0.603$, $p=0.000$). The finding supports the view that brand image and brand equity relationships enable firms to attract customers towards existing and innovative new products. Moreover, brand image not only enhances consumer interest but also their purchase intentions. Consequently, brand image will substantially increase brand equity.

The third hypothesis predicts a positive association between brand equity and brand preference. The results reported in Table 4 provide empirical support to the hypothesis. The positive association between the two variables is evident from the positive and statistically significant beta coefficient ($\beta=0.640$, $p=0.000$). Our finding supports the view that strong brand equity will positively influence its customers’ brand preference. Moreover, consumers consider brand equity aspects as it reassures them that the brand with strong equity will deliver what it has promised.

The fourth hypothesis predicts a positive association between brand equity and purchase intentions. The results reported in Table 4 provide empirical support to the hypothesis. The positive association between the two variables is evident from the positive and statistically significant beta coefficient ($\beta=0.291$, $p=0.000$). The finding indicates that brand equity is a significant predictor of purchase intentions. Technological advancement has made it easier for firms to imitate competing goods. Thus, firms must focus on intangible aspects like brand equity to remain competitive and stimulate consumer purchases.

The fifth hypothesis predicts a positive association between brand preference and purchase intentions. The results reported in Table 4 provide empirical support to the hypothesis. The positive association between the two variables is evident from the positive and statistically significant beta coefficient ($\beta=0.391$, $p=0.000$). Our finding supports the viewpoint that despite the presence of similar value propositions in different brands, consumers purchase those products which arouse their interests and preferences.

The sixth hypothesis predicts that brand preference mediates the brand equity-purchase intentions relationship. The results reported in Table 4 provide empirical support to the hypothesis. This implies that brand preference is a mediator variable in the relationship. Our finding supports the notion that brand equity leads to brand preference which ultimately stimulates purchase intentions.

**Conclusion**

The creation of brand value is very critical for advertised commodity group. The cell phone faces the same market equity challenge since it is extremely successful and brand-aware. The study explored the correlation between brand equity dimensions and buying intentions. The study examines the significant positive impact of brand equity on either the purchase intent directly or through brand choice. Brand preference has an important influence on the scale of
the order. The brand equity history has also found an important impact on brand equity. It was found. It is the strongest impact that says that brand equity development is critical for mobile brands to purchase. This was analyzed further with the analysis of data.

**Limitation and future studies**

The study on the brand equity of mobile handset brands is limited to Karachi alone and so there is a deficiency to investigate the consumer's behavior and attitude in other provinces and on the Pakistani regional market to avoid the major regional deficiency. In addition, there are limitations on sampling (convenience sampling) that suggest that the findings of the sample cannot be generalized since data from easily accessible respondents are being obtained that may not reflect the whole population. The low response rate is another limit, as some respondents cannot return the survey. This applies to a lasting disparity between the survey results and the theoretical findings from the community as a whole.

The purchase intention was calculated in this research using a methodology of double measure technique which is explicitly carried out and via a single mediator. More multifaceted measures will be used in future to see the connection between the brand equity and the purchase intention, which would lead to recognizing the main contributor in purchase intention in terms of guidelines for usage. Our research showed that brand equity and brand preference are the main variables that affect the purchase intention.
REFERENCES


