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Impact of Brand Origin on Brand Loyalty: A Case of Personal Care Products in Pakistan

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***Abstract*—**As the world is progressing, the needs and demands of the consumer market are also changing. Nowadays the trends of consumer purchase decisions are dependent upon multiple factors. This study aims to identify the influential impact of country of origin over the perception and devotion towards daily personal care products specifically in reference to the knowledge and awareness regarding that particular brand in Pakistan. To corroborate this study, a 30-item brand origin questionnaire has been used with 300 purchase decision makers belonging to different age groups. To illustrate this study, a model has been developed based on brand origin, brand awareness and brand loyalty. Correlation and regression analysis have been used to find out the results which conclude the findings on the perspective of Pakistan's consumer market as that brand origin has a direct relationship with brand loyalty provided that the consumer has a positive brand awareness. Support for the fact that brand origin impacts brand loyalty through brand awareness has been presented in this study.

***Keywords*—**Brand awareness, brand loyalty, brand origin, personal care products, P&G, Unilever.

I. Introduction

IN today's era, due to increased globalization and the use of social media and Internet, information about anything and everything is readily available, due to which, the chances of imitation of any product or service has increased. In such cases, the brand name may act as a differentiation factor for customers of products and services. The brand name in addition to being a source of value addition, communicates to the customer a high standard and image, perfection and high quality [13]. Globalization provided different companies with an opportunity to design and manufacture their products in different countries which brought about the emergence of the concept of brand origin. Brand origin is considered to influence consumer buying behavior and their perceptions of a product or service because consumers perceive brands of foreign developed countries to be of supreme quality, more credible and of high standards.

There are number of factors that influence the purchase decisions of customers. One of them is brand awareness. Companies use the element of brand awareness to market their products. It is the factor that helps firms to distinguish their product and services from their competitor's products. The brand image is built on the basis of brand awareness [1]. The more an individual is aware about the brand, the clearer the brand image will be. Moreover, when a consumer will have an awareness about the brand, the association between consumer and brand will be easily developed [7].

According to different studies, another factor that impacts the purchase intention of a consumer is brand loyalty. Research has shown that a relation exists between brand associations and brand loyalty [5]. The brand origin of a product influences the loyalty of customers towards a particular brand both in a positive and negative way. A consumer's positive perception of a country where the brand has originated can lead to the development of the consumer's loyalty towards that brand [10].

The variables of brand origin, brand awareness and brand loyalty have been discussed widely [3], [12], [14], [20]. But none of them has done a collective study on these variables, to the best of our knowledge. Moreover, none of the researchers have seen the impact of brand origin on brand loyalty with respect to the products of Unilever and Procter & Gamble. The concept of brand origin impacts customer's buying behavior in various ways. The quality of the products is somehow measured by the information about brand origin.

In this research, we will consider the product line of personal care products of two renowned brands, Unilever and Procter & Gamble. The impact of brand origin on brand loyalty will be measured by asking the participants of this study, different questions about particular products belonging to this category.

II. Literature Review

A. Brand Origin

Brand Origin can be explained as the place, region or country with which target consumers associate a particular brand [20]. The concept of brand origin is used by marketers in situations in which the relationship between the brand and a certain country's resources and qualities can prove beneficial for the brand's image. Development of brand origin associations can be achieved either through advertisements or by using language that is associated with brand name [20].

The importance of the place of origin of a brand varies according to customer perception [20]. A study revealed that during the assessment and valuation of a brand, knowledge of the manufacturer country does not impact the evaluation of customer when this information is in agreement with that of brand origin. But in a case where the manufacturer country is being perceived lower than that of brand origin, the information about the country of manufacture can negatively affect the image of the brand as well as its evaluation [8]. Another study was conducted on the culture of brand origin which is defined as "the set of beliefs, attitudes, references,

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and inferences that a consumer expresses when hearing, seeing, or reading about a brand". Findings uncovered that the culture of brand origin has a significant impact and presence in customers' minds. This can be exemplified with the mention of the name of Volkswagen Fox, which customers spontaneously associate with Germany and its electronic power; however, mostly cars of this brand are manufactured in Brazil and sold in Latin America [11].

B. Brand Awareness

The set of beliefs a consumer has about any specific brand is known as brand awareness [16]. Brand awareness affects the decision making of consumers by creating an influence in their minds about which brand, from all the brands available in the market, enters their consideration set and it creates an influence on consumers when they make selections from their consideration set [14]. The image that a consumer holds towards a specific brand is formed by brand awareness providing proper reminiscence. Therefore, it can be said that the knowledge of a product effects brand awareness that consumers may have been exposed to.

There are three levels of brand awareness, brand recall, brand recognition and top of the mind awareness [2]. The lowest level of awareness is brand recognition and is related to the customer's ability to confirm any previous experience with the product of a particular brand when a certain clue is given. Awareness of the brand is the consumer's capacity to remember and recognize the brand and there is a link between product class and brand, but the strength of this link for the brand is not important. Awareness of the brand is defined as a process from where your brand is just recognizable for your customer to the level where your customer places your brand on a higher rank and that higher rank is at the top of their mind [2].

C. Brand Loyalty

Brand loyalty can be defined as an attachment towards a particular brand despite its changing prices and product features in an optimistic trend [3]. Behavior illustrates loyalty; hence, loyalty can also be stated as a behavior of consistent repurchase of a brand or product over a time period [2]. It is a combination of both a psychological and behavioral process, which represents the positive attitude of an individual towards that particular brand enforcing repetitive buying behavior [19].

The literature supports two different schools of thought while explaining brand loyalty. Some researchers support the behavioral side of the repetitive buying pattern as an indicator of brand loyalty, whereas others support the psychological pattern that buying behavior does not solely represent brand loyalty as it could be a habitual phenomenon, its buying intentions might also act as an indicator of brand loyalty [6]. Therefore, while quantifying brand loyalty, both behavioral and psychological aspects must be accounted for. Brand loyalty is shown in many forms, positive word of mouth is the strongest of them all, while other forms can be emotional attachment or unique experience [21]. Another study showed that brand loyalty has a noteworthy impact upon profitability and performance of brand in market [4].

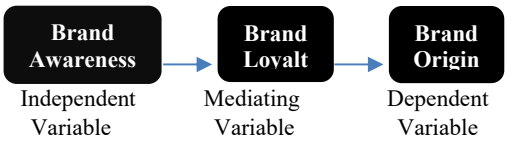


Fig. 1 Theoretical framework of the study

D. Impact of Brand Origin on Brand Awareness

Origin of the brand creates a significant impact on the awareness of consumers. Many companies from different countries strive hard and work on different product categories to create expertise in that area to increase awareness of their brand in the mind of a customer [18]. Any traditional, historical, political or economic connection can also be built in this country of origin effect. The evaluation of different customers showed that country of origin affects perceived quality, customer's beliefs and loyalty of the customers towards the product [17]. The effect of the brand origin on the customer awareness and their set of beliefs about a particular brand are widely studied by different researchers and many studies have also been conducted by a number of researchers on the impact of the brand origin on the awareness of customers and their buying behavior towards specific brands [15].

E. Impact of Brand Origin on Brand Loyalty

Regardless of the quality, competitive edge and other brand effects of a product, brand origin serves as the most important tool to trigger buying intentions. A weak brand can prompt positive brand origin and gain preference over a strong brand [9]. There is a general concept that Japanese cars are generally more trustworthy; similarly, the "Made in" tag has resulted into a premium positioning of a brand and thus, highlights the impact of brand origin over purchase decision. The brand origin concept enhances the brand loyalty concept in many ways through its perceived norms, ethical values, quality and competitiveness in the market [20]. Establishing brand awareness and positive brand image was a key managerial strategy but with advancements, management has taken a step forward and is focusing on not only generating brand awareness but also the brand-customer relationship to enhance brand loyalty [7].

H1. An association exists between brand origin and brand loyalty.

F. Relationship between Brand Awareness and Brand Loyalty

Every customer has its own kind of demands and expectations about a product or brand. These expectations are built upon the basis of awareness provided to a consumer through various means. In the recent era of multimedia and with the increase in globalization, customers are becoming more and more aware of the alternative choices. With the increase in awareness and knowledge of the consumer, market competition is becoming more and more intense. Brand awareness has a noteworthy impact upon the repurchase

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decision, one of the key elements of brand loyalty of a consumer.

If a product or brand is unable to provide the desired or expected outcomes, a customer tends to neglect that product in the future; thus, resulting in a poorer image and relatively fewer loyal customers of a brand in the market. Development of brand loyalty and awareness is the necessity of time. Brand managers all around the world should aggressively promote brand awareness to make consumers loyal to the brand and enhance their intentions of making a purchase. These efforts are more likely to be productive if these practices are accompanied by communication about the brand to the targeted customers [12].

H2. Brand origin has an effect on brand awareness which in return impacts brand loyalty.

III. Methods

A. Data Collection Procedure

The data for this study was gathered through questionnaires from 300 participants who are the ones who mainly make the purchase decision and belonged to the age group of 18-60 years. The study level was individual and study type was cross-sectional due to the collection of data at one time. This study included both genders and half of the participants were male. The study was conducted both online and offline by keeping in view the psychographics of participants. The data was specifically collected regarding the usage of personal care products of Unilever and P&G.

IV. Measures

A. Brand Origin

The variable of brand origin was measured with the help of 7-item questionnaire. This questionnaire is the combination of various questionnaires which were developed by Julia Baeza and Caroline Ånmo, Norjaya Mohd Yasin, Mohd Nasser Noor and Osman Mohamad, and Lianxi Zhou, Zhiyong Yang and Micheal K. Hui to measure the same variable. To measure this variable 5-point Likert scale was used (1= Strongly Disagree, 5= Strongly Agree).

B. Brand Awareness

This variable was tapped using a 9-item questionnaire. This questionnaire is the combination of two questionnaires developed by Mohd Yasin, Mohd Nasser Noor and Osman Mohamad, and Erfan Severi and Kwek Choon Ling. These questionnaires were used to tap the same variable. *A* 5-point Likert scale was used for measurement (1= Strongly Disagree, 5= Strongly Agree).

C. Brand Loyalty

Brand loyalty was measure through 8-item questionnaire which is the combination of questionnaires introduced by Erfan Severi and Kwek Choon Ling, and Johan Bruwer, Courtney Buller, Anthony John Saliba and Elton Li. The participants were asked to respond on 5-point Likert scale using this legend (1= Strongly Disagree, 5= Strongly Agree).

V. Results

Software of SPSS was used to study the hypothesis of this study. A reliability analysis was conducted to measure the internal consistency reliability of the 30-item brand origin questionnaire. According to the results, the value of α was higher than the conventional standards of 0.07, which showed that the scale was reliably measured.

TABLE I
RELIABILITY ANALYSIS

Variable	No. of Items	Cronbach's Alpha
Brand Origin	7	0.827
Brand Awareness	9	0.811
Brand Loyalty	8	0.815

Two of the tests, correlation and regression analysis, has been used in this study. The results of correlation analysis show that the correlation between brand origin and brand loyalty is highly significant and positive ($r = 0.529$, $p < 0.05$), between brand origin and brand awareness is also highly significant and positive ($r = 0.573$, $p < 0.05$) and between brand awareness and brand loyalty is highly significant and positive as well ($r = 0.648$, $p < 0.05$). This result indicates that there exists a positive relation between brand origin and awareness and brand origin and brand loyalty which means that if the consumer's perception about the place of origin of brand is positive then he/ she will consider the brand to be of high quality, standards and more credible.

TABLE II
CORRELATION ANALYSIS

	Brand Origin	Brand Loyalty	Brand Awareness
Brand Origin	1		
Brand Loyalty	0.529**	1	
Brand Awareness	0.573**	0.648**	1

**. Correlation is significant at the 0.01 level (2-tailed) i-e $p < 0.05$
N = 300

In order to examine the impact of independent variable on dependent through mediating variable, bootstrapping has been used. Firstly, the result of regression analysis shown in Table III, supports the first hypothesis which says that an association exists between brand origin and brand loyalty ($\beta = 0.2616$, $t = 4.4864$, $p < 0.05$). These results show that the relationship is significant.

TABLE III
REGRESSION ANALYSIS

Variables	β	S. E	t	P
Brand loyalty regressed on brand origin	0.2616	0.0583	4.4864	0.0000
Brand awareness regressed on brand origin	0.6838	0.0567	12.0622	0.0000
Brand loyalty regressed on brand awareness, mediating the relationship between brand origin and brand loyalty	0.4814	0.0488	9.8545	0.0000
	Bootstrap results for indirect effect			
	M	S. E	LLCI	ULCI
Effect	0.3292	0.0456	0.2477	0.4242

N = 300, LLCI = Lower limit confidence interval, ULCI = Upper limit confidence interval.

Secondly, the results also revealed that brand origin has a positive impact on brand awareness ($\beta = 0.6838$, $t = 12.0622$, $p < 0.05$). This depicts the significance of the relationship among two variables.

Lastly, in support of the second half of second hypothesis of this study, the variable of brand awareness is found to have an impact on brand loyalty ($\beta = 0.4814$, $t = 9.8545$, $p < 0.05$). Therefore, a significant relationship exists between brand awareness and brand loyalty as well.

Apart from the results discussed above, brand origin is found to have an indirect impact on brand loyalty. The results shows that the indirect effect of independent on dependent variable is positive and significant ($M = 0.3292$, $SE = 0.0456$, $LLCI = 0.2477$, $ULCI = 0.4242$) and is shown in Table III.

VI. Discussion and Conclusion

The factor of brand origin impacts on consumer buying behavior in one way or another. Mostly, the decisions of consumers are based on the information about brand origin, particularly in the case of personal care products. This study analyzed the relation between brand origin, brand awareness and brand loyalty.

The results show that information about brand origin impacts brand awareness, which in return impacts on brand loyalty. From this, it is interpreted that the marketers should focus on the positive information related to the place of origin of their brands while advertising or marketing their products. Once the information is being provided to the customer and brand awareness is being created, it will then result in brand loyalty. Information about brand origin consciously or unconsciously impacts the decision-making process of the consumer while making the purchase because of their perception of a country as a high quality producer or low quality producer of a specific product. Moreover, the products produced in well-known countries are comparatively easier to sell, because in this case, marketers are not required to create a positive image in the minds of consumers since they already perceive that country to be the producer of high quality and high standard products. Due to globalization, people are becoming more and more aware about the choices that various brands offer them, and therefore, in order to create the differentiating factor, marketers can use the factor of brand origin to create brand loyalty.

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