

## “Brand Image and Trust on Customers Loyalty: A Study on Private Label Brands in Hubli-Dharwad Conglomerate City of Karnataka”

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### ABSTRACT:

Brand image plays vital role in building the brand and loyalty. This can also be measured through the trust. The focus of this study is to show the relationship between the brand image, trust and customer's loyalty towards private label brands in Hubli-Dharwad city. This study consists of 194 valid questionnaires. The Baron and Kenny (1986) four step method of mediation was used to test the model which consists of trust as mediating between the brand image and loyalty. Linear regression method was used in measuring relationship between the dependent and independent variables. The result show that there exist a relationship between direct brand image and customer loyalty, between Brand image and trust, between trust and customers loyalty and trust mediates the relationship between the brand image and customers loyalty. The study evident that there is a mediating effect of trust between the brand image and customers loyalty.

**Keywords:** Private Label Brands, Brand Image, Trust and Customers Loyalty.

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### I. INTRODUCTION:

Brand Image plays a very important role in building brand (Moa, 2010). The brand image has a positive action in building trust and loyalty (Abdulla Alhaddad, 2015). The willingness of the average the consumer rely on the ability of the brand to performers a stated function (Kabadiya & Alan, 2012). The trust is logically and experientially a critical variable in relationship (Komunda .M and Osarenkhoe A (2012)). The brands with high trust gain more advantage in higher purchase power and greater sales (Thorbjorsen, H and SupphellenM (2011)). Trust is more important factor to enhance loyalty among the customer's (Ying-Kai Liao, 2015).  
Brand Image:

Brand image positively influence customers loyalty (Wu P.C, Yen G .Y .Y & Hsiao C .R (2011)). Brand image has specified impact on loyalty intentions that is customer repurchase intentions. Social, confident and special brand image has positive impact on loyalty intention. ( Vazquez-Carrasco R & G .R Foxall (2006). Symbolic, affective and trade off benefits work as indicator for purchase value of brand and has positive relationship on loyalty intention. Brand image also drives loyalty (Johnson M .D, Gustafsson .A, Andreassen T .W, Lervik .L & Cha .J (2001)). Many research have showed and conformed that favourable image will

lead to loyalty (Koo) and also lead to purchase behaviour and performance. (D .M (2003). May research have found that brand image have positive effect on loyalty.( Ogba & Tan 2009, Anwar et al 2011, Chen and Tseng, 2010 & Ming et al, 2011).

Trust:

(Ming T.T & Ismil H. B, Rasiah D, (2011)) brand image has positive effect on brand trust. (Ming T.T & Ismil H. B, Rasiah D, (2011)) Brand image was found to have positive effect on brand trust. (Delgado Ballester, E & Munuera Aleman (2005)) their research says that the introduction of trust as a core of the relationship variable can give understanding of buying behaviours and can help in predicting and assessing the market and He formulated the hypotheses that introduction of trust affects purchase behaviour as exhibition of successful relationship between customers and brand. The research found that brand image has direct impact on brand trust. (Rajpopal (2010)) the research argued that higher the brand dimensions, including brand emotion, brand associations, brand image and brand reputation will result in higher brand trust which can further promote brand loyalty. This tells first the trust is a certainty, emotions and the partner's expertise (brand) reliabilities from exchange partner's worthiness. Second the trust is the behaviour intention reflected from confidence on partners and weakness or doubt

about the trustee (Customer). Identified trust as a drive to consumer behaviour which leads loyalty and trust is an antecedent to loyalty there is a direct link between trust and loyalty (Chaudhuri .A & Holbrook M .B (2001)) they found that trust is antecedent to loyalty and important factor in building customers loyalty

Trust is a fundamental factor which explains brand loyalty, purchase behaviour and word of mouth. (Komunda .M and Osarenkhoe A (2012)) Trust is logical and experientially variable in building relationship. (Thorbjorsen, H and SupphellenM (2011) Trust leads to commitment and loyalty. Brands which have high trust can result in higher purchase power and generate sales and trust is a dominant factor to retain customers. (Rio, R and Riquelem, H 2008) trust is positively related to the loyalty. The purpose of the study is to analyse trust can be mediating variable in understanding relationship between brand image and customers loyalty.

Customers Loyalty:

With loyal customers company will get benefit they will be willing to purchase more frequently, spend more money on products and services, recommend products and services to others and suggest sincerely to others. The corporate brand loyalty is the outcome of brand image (Juntunen et al (2011)). Loyalty is used as barrier to switching brands and these repeat actions can be based on inertia that generates not to switch to other brands

(Reichheld F (2003)). (Bondesson (2012)). Attitudinal loyalty tells that how customer's psychology will work in suggesting brand to others and behavioural loyalty indicates actual repeat purchase behaviour. He also suggested that in spite of situational influence and marketing efforts customers will not switch to other brands if deep commitment, trust and loyalty are there to repurchase particular preferred brand in future. The loyalty is more affected by the trust and they hold correlation between them. Trust influences customers to have more loyalty towards the brands (Hussein & Gholam 2013).

### Objectives

1. To examine the relationship between brand image and customer's loyalty in private label brands in Hubballi - Dharwad cities.
2. To examine mediating effect of trust on the relationship between brand image and customer's loyalty.

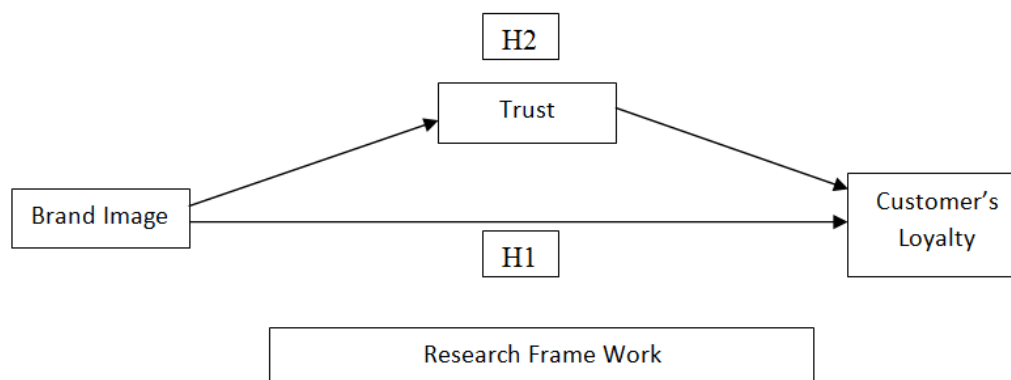
### Hypothesis

H1: There is a positive linear relationship between brand image and customer's loyalty

H2: There is a mediating effect of trust on the relationship between brand image and customer's loyalty

H2a: There is a linear relationship between brand image and trust.

H2b: There is a linear relationship between trust and customer's loyalty



## II. RESEARCH METHODOLOGY

Descriptive research design was adopted for the study considering the nature and scope of the study. Emphasis was given on studying the impact of brand image on customer's loyalty towards Private Label Brands and the mediating effect of trust in Hubli-Dharwad Conglomerate City of Karnataka.

In order to elicit the information required for the study. Primary data was collected by taking response on different aspects with respect to the Impact of Brand Image on customer's loyalty towards Private Label Brands with help of structured

questionnaire from 200 out of which 6 were rejected due to incomplete questionnaire. Secondary data was elicited from different websites and journals for the study. The data collected was analyzed by using the statistical software viz., IBM SPSS 20 was used as statistical software in this Croanbach alpha reliability test conducted to test the reliability and to identify the relationship and mediating effect the liner regression method was used. Baron and Kenny (1986) method of mediation was used to test the model (Samaan & Abdullah (2016), Xinshu, John & Qimei (2010)).

**Measuring Instruments**

Variable	Construct	Reference
Brand Image	20 Items	Tsai S. P (2005), Sweeney J .C & Soutar G. N (2001), Del Rio A.B, Vazquez .R & Iglesias .V (2001), Park C .W, Jaworski B .J & MacInnis D .J (1986) & Stephen L. Sondoh Jr., Maznah Wan Omar, Nabsiah Abdul Wahid Ishak Ismail and Amran Harun ( 2007) Self Constructed Keller (1993)
Brand Trust	5 Items	Matzler al, (2008) & Chouday and Holbrook (2001)
Customers Loyalty	4 Items	Zeithmal V .A, Berry L .L & Parashuraman .A (1996)

**III. RESULT AND DISCUSSION**

**Reliability Test:** Croanbach alpha reliability test was applied to check the reliability of all the items into the questionnaire. Universally it is considered that

the reliability value if it is more then 0.7. The reliability of all the constructs values were found to be more the then standard value for the current study.

Construct Name	Items in construct	Cronbach's Alpha Reliability
Brand Image	20	0.915
Trust	5	0.899
Customers Loyalty	4	0.844

**IV. ANALYSIS & DISCUSSION:**

Baron and Kenny (1986) method of mediation is used which suggests that 1. There is direct relationship between brand image and customers loyalty. 2. The relationship between brand image and trust. 3. The relationship between trust and customer's loyalty. 4. The relationship between brand image, trust and customer's loyalty

H1: There is a positive linear relationship between brand image and customer's loyalty  
 Liner regression method was used to test the effect of relationship between brand image and trust as independent variables on customer's loyalty as dependent variable. From the model summary the adjusted R square value was found for brand image to be 0.417 indicating that brand image have 41.7% variance on customers loyalty.

**ANOVA<sup>b</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	36.602	1	36.602	137.084	.000 <sup>a</sup>
Residual	51.265	192	.267		
Total	87.867	193			

- a. Predictors: (Constant), Brand\_Image
- b. Dependent Variable: customer\_loyalty

The goodness fit for the model was tested using ANOVA and the F value brand image found to be 137.084 which was significant for 0.000 level of significant and model is fit.

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.684	.276		2.474	.014
	Brand_Image	.835	.071	.645	11.708	.000

- a. Dependent Variable: customer\_loyalty

Contribution of individual independent variable was evaluated through computing Beta value. The Beta value for independent variable brand image was found to be 0.645, which was tested through t-value which was found

to be 11.708 which is significant at 0.00% level of significance. This shows that brand image significantly contributes to customer's loyalty

H2: There is a mediating effect of trust on the relationship between brand image and customer's loyalty

From the model summary the adjusted R square value was found for brand image to be 0.606 indicating that brand image have 60.6% variance on trust.

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.228	2	26.614	146.747	.000 <sup>a</sup>
	Residual	34.640	191	.181		
	Total	87.867	193			

a. Predictors: (Constant), Trust, Brand\_Image

b. Dependent Variable: customer\_loyalty

The goodness fit for the model was tested using ANOVA and the F value for Brand Image and trust found to be 146.747 which was significant for 0.000 level of significant and model is fit.

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.363	.230		1.579	.116
	Brand_Image	.454	.071	.351	6.395	.000
	Trust	.464	.048	.525	9.575	.000

a. Dependent Variable: customer\_loyalty

Contribution of individual independent variables was evaluated through computing Beta value. The Beta value for independent variable brand image was found to be 0.454, which was tested through t-value which was found to be 6.395 which is significant at 0.00% level of significance and the Beta value for independent variable trust was found to be 0.464, which was tested through t-value which was found to be 9.575 which is significant at 0.000% level of significance. This shows that both brand

image and trust are significantly contributes to customer's loyalty but brand image is still significant after introduction of trust. There exists mediation.

H2a: There is a linear relationship between brand image and trust.

From the model summary the adjusted R square value was found for brand image to be 0.314 indicating that brand image have 31.4% variance on trust.

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.430	1	35.430	88.037	.000 <sup>a</sup>
	Residual	77.269	192	.402		
	Total	112.699	193			

a. Predictors: (Constant), Brand\_Image

b. Dependent Variable: Trust

The goodness fit for the model was tested using ANOVA and the F value brand image found to be 88.037 which was significant for 0.000 level of significant and model is fit.

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.690	.339		2.036	.043
	Brand_Image	.822	.088	.561	9.383	.000

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.690	.339		2.036	.043
	Brand_Image	.822	.088	.561	9.383	.000

a. Dependent Variable: Trust

Contribution of individual independent variable was evaluated through computing Beta value. The Beta value for independent variable brand image was found to be 0.651, which was tested through t-value which was found to be 9.383 which is significant at 0.00% level of significance. This shows that brand image significantly contributes to trust.

H2b: There is a linear relationship between trust and customer's loyalty. From the model summary the adjusted R square value was found for trust to be 0.521 indicating that brand image have 52.1% variance on customer loyalty.

**ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.811	1	45.811	209.144	.000 <sup>a</sup>
	Residual	42.056	192	.219		
	Total	87.867	193			

a. Predictors: (Constant), Trust

b. Dependent Variable: customer\_loyalty

The goodness fit for the model was tested using ANOVA and the F value trust found to be 209.144 which was significant for 0.000 level of significant and model is fit.

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.438	.173		8.324	.000
	Trust	.638	.044	.722	14.462	.000

a. Dependent Variable: customer\_loyalty

Contribution of individual independent variable was evaluated through computing Beta value. The Beta value for independent variable trust was found to be 0.670, which was tested through t-value which was found to be 14.462 which is significant at 0.00% level of significance. This shows that trust significantly contributes to customer's loyalty.

## V. CONCLUSION

The study results revealed that trust plays vital role in mediating the relationship between brand image and customer's loyalty towards private label brands in Hubli-Dharwad city. Marketers need to concentrate more on the communication and promotion of the brand to create brand trust and loyalty among the customers. In this study further trust is more important factor to enhance loyalty

among the customer's. This leads to even more importance in developing trust along with the brand image in the customers. The trust is a mediator in developing the relationship between the brand image and customers loyalty.

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