Factors Influencing Brand Loyalty in Durable Goods Market
Abdelbaset M. Alkhawaldeh & Bilal Mohammad Eneizan

To Link this Article: http://dx.doi.org/10.6007/IJARBSS/v8-i1/3811  DOI: 10.6007/IJARBSS/v8-i1/3811

Received: 29 Dec 2017, Revised: 25 Jan 2018, Accepted: 27 Jan 2018

Published Online: 31 Jan 2018

In-Text Citation: (Alkhawaldeh & Eneizan, 2018)

Copyright: © 2018 The Author(s)
Published by Human Resource Management Academic Research Society (www.hrmars.com)
This article is published under the Creative Commons Attribution (CC BY 4.0) license. Anyone may reproduce, distribute, translate and create derivative works of this article (for both commercial and non-commercial purposes), subject to full attribution to the original publication and authors. The full terms of this license may be seen at: http://creativecommons.org/licences/by/4.0/legalcode

Full Terms & Conditions of access and use can be found at
http://hrmars.com/index.php/pages/detail/publication-ethics
Factors Influencing Brand Loyalty in Durable Goods Market

Abdelbaset M. Alkhawaldeh & Bilal Mohammad Eneizan
Assistant Professor, Department of Marketing, Jadara University, Irbid, Jordan

Abstract: Industrial sector plays radical role in the economic development around the world. However, in Jordan, this vital sector faces some problems. They are not able to compete with foreign brands, and not paying more attention to brand loyalty. Brand loyalty is still a researchable area. Brand loyalty has become a vital strategy and has greatly contributed to brands success. Brand loyalty is affected by many variables. This study aims at identifying the impact of brand awareness, image and perceived quality in building loyalty towards the durable goods brand in Jordan since there is a debate in the literature about the significant relationship between these constructs on brand loyalty. Therefore, two-hundred valid surveys were obtained from the customers in Jordan. Data were analyzed using PLS-SEM technique. This study found direct significant relationships among the tested constructs. Finally, it introduces a number of recommendations and set of directions for future research.

Keywords: Brand Loyalty, Awareness, Image, Perceived Quality, Durable Goods

Introduction
The industrial sector occupies an important role in the national economy of the developed countries (Kunz et al. 2013) as well as developing countries, which seek to improve its economy. In Jordan, the industrial sector employs more than 240 thousand workers in 18 thousand industrial establishments distributed in all governorates (Abu Ragheb, 2017). This sector has witnessed a boom in the growth of companies producing conditioners, electronics and household electrical appliances, in addition to specialized companies in other industries. These companies as a whole constitute a valuable part of the industrial base (Al-Ghandoor, 2013), and are considered as one of the tributaries of the public treasury.

Of late, this sector is facing many challenges that have an effect on competitive of products in domestic and foreign markets (Abu Ragheb, 2017; Awwad et al. 2013). Also, strengthening loyalty to the Jordanian product is one of the challenges facing the industrial sector (Al-Homsi, 2017). Aziz et al. (2017) stated that brand loyalty is a critical issue faced by organizations. Mohammad (2017) revealed that brand equity dimensions are main priorities that can elevate brand loyalty. Hence, this study aims at identifying the impact and the role of brand awareness, image and perceived quality (Aaker, 1991; Keller, 1993) in building brand loyalty (Oliver, 1999) towards the durable goods (DGs) in Jordanian domestic industry. Moreover, showing the role of equity assets how companies raise the effectiveness of their brands, enabling them to market efficiently, due to the fact that energy has become a new issue in the Arab world (Verdeil, 2014).
Several studies in the field of branding management have mentioned that there are variables related to the effect of brand loyalty. However, few studies have attempted to consider the influence of brand awareness, image and perceived quality. Even if any, they have reported conflicting findings (Barrett and Miller, 2011; Boo et al. 2009; Buil et al. 2013; Chen and Tseng, 2010; Edward et al. 2010; Hosseini and Nahad 2012; Lee and Hsieh 2011; Liu et al. 2013; Loureiro 2014; Omar et al. 2013; Xu et al 2015). Thus, any part of brand equity dimensions is more effective on Jordanian customers’ loyalty of durable goods market.

This study is considered as one of the main issues of the modern marketing management where the customer has a considerable place in the top of the pyramid (Kotler, 2012). In addition, the accelerated interest in brand equity dimensions maintains a high degree of loyalty in order to investigate the impact of the brand equity. This feature is associated with customer so as to build loyalty for the locally brands since this issue has become the center of attention of companies and marketers. This study adds to the literature by showing non-financial variables such as brand awareness, image and perceived quality, which are important in understanding the brand loyalty towards the durable goods brand in Jordan. This study is one of the few studies that used theory of brand equity in the context of Jordan. Furthermore, it has proven its effectiveness in predicting the loyalty of customers towards using brands. In addition, the finding will help to design strategies to attract more customers to use the local durable goods brand.

Literature Review

Brand Loyalty

Brand loyalty is the main strategy used by commercial organizations (Ong et al. 2016). Brand loyalty has been a debatable topic among marketers and researchers recently (Huang and Cai, 2015). It is crucial to note that brand loyalty can be studied in various angles (Hameed, 2013; Parker 2012).

Brand loyalty is a commitment that is deeply held to consistently rebuy or re-patronize a service or preferred product in the future in spite of situational impacts and marketing efforts that gain the potential to create switching behavior (Oliver, 1997). Scholars identified two dimensions of brand loyalty: behavioral and attitudinal loyalty (Aaker, 1991; Dick and Basu, 1994; Jacoby and Kyner, 1973; Keller, 1993; Oliver, 1999; Zeithaml et al. 1996). Behavioral loyalty is the behavioral dimensions of the procurement procedure which includes repetitive buying behavior and continuation of this behavior (Rundle-Thiele and Mackay, 2001). Attitudinal loyalty, on the other hand, refers to a specific commitment to the brand and the intention to re-purchase. It is the tendency to be loyal to a focal brand, which is proved by the intention to purchase the brand as the main choice (Yoo and Donthu, 2001). It might be viewed as an emotional attachment to the brand entity (Fournier, 1998). The loyalty can be measured by three different indicators as opined by Oliver (1999). These include: (a) purchase repetition from the organization, (b) purchasing the available brand between others, and (c) motivating others to acquire the brand and use it. Loyalty has always been significant because it saves the cost of marketing using diffusion word-of-mouth (Keller, 1993).

Recently, several studies on loyalty have been conducted from the viewpoint of commercial settings. The majority of them have identified several predictors of loyalty in different settings with mixed results (Alkhawaldeh et al. 2017; Alkhawaldeh et al. 2016b; Chen and Tseng, 2010; Huang and Cai, 2015; Loureiro, 2014; Boohence and Agyapong, 2010; Sharma et al. 2013; Choi et al. 2011; Hameed, 2013; Iqbal et al. 2013; Omar et al. 2013; Mooala and Bisschoff, 2012). It should be noted that the majority of studies were conducted in the non-Arab countries.
Brand Awareness
Brand awareness is a driver of brand choice (Valavi, 2014). Brand awareness is the ability for a buyer to recall or recognize that a brand is a member of a certain product category. It has a hierarchy which is divided into four levels from “being unaware of the brand” to “the top of mind,” and each stage needs a different type of recall test (Aaker, 1991). Brand awareness is categorized into two aspects, namely, brand recognition and brand recall (Keller, 1993). Brand recognition is the overall level of familiarity with a specific brand. Recognition of a brand name is an essential part of brand awareness (Davis et al. 2009). On the other hand, brand recall means remembering the brand name in association with a similar brand group. Brand awareness also refers to one’s level of acquaintance with a brand or the strength of presence of a brand in the mind of the consumer (Aaker, 1996). In a similar vein, awareness can be seen as the extent to which consumers ponder of a brand when a provided product category is stated (i.e., a top-of-the-mind awareness) (Netemeyer et al. 2004).

Creating brand awareness is the first step towards building a brand (Buil et al. 2013). A brand with a strong brand recall can impact a person’s choice within a service and product category (Kimpakorn and Toqucer, 2010). Scholars also affirmed that brand awareness is the key prerequisite of brand loyalty (Pappu et al. 2006; Tan et al. 2012). Future brand decisions are positively affected by a strong brand presence (Kim et al. 2008). In a nutshell, brand awareness has been examined in human’ behavior studies (Bianchi and Pike, 2010; Hsu et al. 2011; Huang and Cai, 2015). Most models of it argue that awareness is a first and necessary but insufficient step for choosing the brand (Kim and Kim, 2005).

This research aims to test the direct relationships between brand awareness and brand loyalty. The findings on brand awareness and brand loyalty are mixed. Brand awareness is seen as critical in customer purchase goal (Valavi, 2014) but some studies however found no significant effect of brand equity (i.e., awareness) on loyalty (Ramaseshan et al. 2013). Brand awareness indirectly affected current purchases. Besides, the dimensions of brand knowledge did not significantly affect future purchases (Esch et al. 2006). Hsu et al. (2011) examined loyalty to a service brand and demonstrated that brand loyalty was a consequence of brand equity dimensions. The relationship between brand awareness and brand loyalty was significant but relatively weak. On the contrary, Liu et al. (2013) observed no significant direct relationship between brand awareness and loyalty in Taiwan. Tong and Hawley (2009), and Tranberg and Hansen (1986) found a significant relationship between brand awareness and brand loyalty. Subhani and Osman (2011) did not find a significant relationship between awareness and brand loyalty. More recently, Xu et al. (2015) demonstrated a significant positive influence of brand awareness on brand loyalty. Following the argument above, the current study proposes that brand awareness will have influence on DGs brands loyalty.

Thus, H1: Brand awareness has a significant relationship with brand loyalty.

Brand Image
A brand image is a vital factor in creating, building and maintaining good relationships (Aaker 1991; Keller 1993; Alkhawaldeh et al., 2016a). As such, it is often referred to as brand associations (Yoo and Donth, 2001). According to Aaker (1991) and Keller (1993), a brand image is a set of associations typically organized in some meaningful way in a customer memory and represents perceptions that may or may not reflect the objective reality. Additionally, Keller and Aaker pointed out that a brand image affects a purchasing decision by helping customer to retrieve information related to the brand at the time of buying.
Brand image is the perceptions about a brand as reflected by the brand association held in consumer memory (Keller, 1993). There are many definitions of brand image. However, the definition that has the most support in the literature indicates that a brand image has two dimensions of cognitive and affective aspects (Bianchi and Pike, 2010; Hsu and Cai, 2009). The cognitive aspect is an estimate of the attributes of the brand while the affective side is emotions toward the brand (Harahsheh, 2009; Lin et al. 2007; Serna et al. 2013). Aaker (1991) and Keller (1993), in particular, focused on the role of a brand image in creating value. A brand image provides value to customers as it leads to increased loyalty to the brand, thereby giving it a competitive advantage.

This study tested the direct relationships between image and loyalty. A prior study found that a brand image was as an important antecedent of brand loyalty (Brunner et al. 2008; Hermanto et al. 2014). Their result corresponded with the findings by Souiden and Pons (2009) in a way that reaffirmed a significant positive impact of the brand image on loyalty and purchase intentions.

The significant relationship between brand image and loyalty was established in Iran (Hosseini and Nahad, 2012). However, Ramaseshan et al. (2013) found an insignificant impact of image on loyalty. Also, Helgesen and Nesset (2007) revealed that loyalty was affected by the image of an institution. A similar result was revealed by Tsang et al. (2011), and Alves and Raposo (2010). Following the argument above, the current study proposes that brand image will have influence on DGs brands loyalty. Thus, H2: Brand image has a significant relationship with brand loyalty.

**Perceived Quality**

Brand quality is a central element of brand equity; brand quality often has been used reciprocally with customer perceived quality (Aaker, 1991; Yoo and Donthu, 2001). Aaker (1996) also postulated the role of perceived quality in building and maintaining brand equity. Perceived quality refers to the judgment about a product’s overall excellence or superiority (Netemeyer et al. 2004; Zeithaml, 1988). It is also defined as the overall judgment with respect to the dimensions of brand values (Aaker, 1991; Aaker and Jacobson, 1994). Consistently, perceived quality is an attitude that results from the comparison of consumer expectations with the actual performance (Parasuraman et al. 1985). Perceived quality is a perception of the consumer regarding the overall superiority of a brand in relation to its intended purpose and relative to alternative brands (Hsu et al. 2012). Additionally, perceived quality adds value to a purchase decision (Low and Lamb, 2000). Parasuraman et al. (1988) proposed five dimensions of service quality which are reliability, responsiveness, tangibles, empathy, and assurance. Meanwhile, in Lassar et al. (1995) study, brand performance was used to measure perceived quality. Perceived quality presents value to customers, leading them to buy the brand, and it is an important point of differentiation (Aaker, 1996; Al-Hawari 2011; Balaji, 2011). As the perceptions of brand quality improve other brand perceptions, brand quality will increase purchase intention and directly influence organizational performance (Aaker, 1991; Zeithaml, 1988).

This study examined the direct relationships between quality and loyalty. Earlier research conducted by Kinuthia et al. (2012) found a negative relationship between quality and brand loyalty. Their finding contradicts those reported by Yee and Sidek (2008), who demonstrated a positive relationship between loyalty and quality in Malaysia among 100 participants. Erdogmus and Budeyri-Turan (2012) aimed to identify the role of perceived quality in creating brand loyalty from the perspective of consumers. They found that perceived quality had a
positive effect on brand loyalty. However, Boo et al. (2009) revealed no significant effect of brand quality and brand image on loyalty. Chen and Tseng (2010) observed a significant influence of brand quality on brand loyalty. On the other hand, Liu et al. (2013) demonstrated that brand quality does not have a significant effect on brand loyalty. Similarly, a finding was reported by Bravo et al. (2007). Brand loyalty was an outcome of perceived quality in a service sector (Hsu et al. 2011). In contrast, Chen and Chen (2010), who tested the relationship between quality and behavioral intention in Taiwan among 447 participants, found no significant correlation. Also, Chen and Tsai (2007) found no significant effect of brand quality on behavioral intentions. Based on the argument above, the current study proposes that brand quality will have influence on DGs brands loyalty. Consequently, H3: Perceived quality has a significant relationship with brand loyalty.

**Theoretical Framework**

The theoretical framework is a collection of interrelated concepts which guides the study (Creswell 2013). Figure 1, shows the proposed model.

![Proposed Model](image)

**Research Methodology**

This study is quantitative in nature. It focuses on the customers of durable goods (household appliances) in the city of Mafraq - Jordan context. The total sample size is 200 respondents. A mall intercept survey using systematic random sampling has been used in the main shopping malls in Mafraq city - Jordan. The self-administered questionnaire has been distributed to respondents. Moreover, questionnaire is comprised of 23 items; they include “5 items” of brand loyalty (Cater and Cater 2010; Zeithaml et al. 1996), “7 items” of brand awareness (Netemeyer et al. 2004; Yoo and Donthu, 2000, 2001), “5 items” of brand image (Netemeyer et al. 2004) and “6 items” of perceived quality (Boo et al. 2009; Kimpakorn and Tocquer, 2009, 2010). This study has employed second generation structural equation modeling (PLS-SEM) technique to assess quality of model.

**Data Analysis**

**Measurement Model**

Confirmatory factor analysis approach has been employed to evaluate convergent validity of this study (Hair et al. 2014). Also, to measure the discriminant validity, Fornell and Larcker's (1981) criterion has been used.

As showed in Table 1 and Table 2, both types of validity were achieved. According to Hair et al. (2014) Average variance extracted (AVE) should be more than .50 and composite reliability (CR) and factor loading more than .70.
### Table 1: Convergent validity

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Loading</th>
<th>AVE</th>
<th>Alpha</th>
<th>CR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand Loyalty</strong></td>
<td>BL1</td>
<td>0.7937</td>
<td>0.6691</td>
<td>0.8758</td>
<td>0.9098</td>
</tr>
<tr>
<td></td>
<td>BL2</td>
<td>0.8114</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BL3</td>
<td>0.7494</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BL4</td>
<td>0.8519</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BL5</td>
<td>0.8775</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BA1</td>
<td>0.7699</td>
<td>0.5823</td>
<td>0.8803</td>
<td>0.9068</td>
</tr>
<tr>
<td></td>
<td>BA2</td>
<td>0.7626</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand Awareness</strong></td>
<td>BA3</td>
<td>0.7983</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BA4</td>
<td>0.8307</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BA5</td>
<td>0.7262</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BA6</td>
<td>0.7199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BA7</td>
<td>0.7273</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BI1</td>
<td>0.724</td>
<td>0.6843</td>
<td>0.8832</td>
<td>0.9151</td>
</tr>
<tr>
<td></td>
<td>BI2</td>
<td>0.8003</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand Image</strong></td>
<td>BI3</td>
<td>0.8764</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BI4</td>
<td>0.8796</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BI5</td>
<td>0.8455</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PQ1</td>
<td>0.7454</td>
<td>0.6060</td>
<td>0.8695</td>
<td>0.9021</td>
</tr>
<tr>
<td></td>
<td>PQ2</td>
<td>0.7494</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PQ3</td>
<td>0.8079</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Perceived Quality</strong></td>
<td>PQ4</td>
<td>0.8079</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PQ5</td>
<td>0.808</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PQ6</td>
<td>0.7488</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: AVE = variance accounted for, CR = Composite reliability

### Table 2: Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>BA</th>
<th>BI</th>
<th>BL</th>
<th>PQ</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand Awareness</strong></td>
<td>0.76</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand Image</strong></td>
<td>0.72</td>
<td>0.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Brand Loyalty</strong></td>
<td>0.63</td>
<td>0.68</td>
<td>0.82</td>
<td></td>
</tr>
<tr>
<td><strong>Perceived Quality</strong></td>
<td>0.70</td>
<td>0.75</td>
<td>0.74</td>
<td>0.78</td>
</tr>
</tbody>
</table>
Structural Model
The results of structural model analysis revealed that \( R^2 \) for BL is 0.59. It is a substantial measure as stated by Cohen (1988). Additionally, cross-validated redundancy \( Q^2 \) of the model for BL (0.103 > 0) is larger than zero (Hair et al. 2014).

Table 3: Path coefficient of Hypotheses

<table>
<thead>
<tr>
<th>H</th>
<th>Relationship</th>
<th>Std. Beta</th>
<th>Standar Error</th>
<th>t-Value</th>
<th>Decision</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>BA -&gt; BL</td>
<td>0.1392</td>
<td>0.0725</td>
<td>1.9197</td>
<td>Supported *</td>
<td>0.029</td>
</tr>
<tr>
<td>H2</td>
<td>BI -&gt; BL</td>
<td>0.2306</td>
<td>0.0883</td>
<td>2.6108</td>
<td>Supported ***</td>
<td>0.005</td>
</tr>
<tr>
<td>H3</td>
<td>PQ -&gt; BL</td>
<td>0.4683</td>
<td>0.0988</td>
<td>4.7422</td>
<td>Supported ***</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Note: t-values > 1.65* (p < 0.10); t-values > 2.58*** (p < 0.01)

Table 3 above shows the outcomes of hypotheses testing. The results revealed that all of the hypotheses H1; H2 and H3 are supported.

Discussion of Results
Hypothesis one is accepted; DGs brand awareness has a significant impact on DGs brand loyalty and it also has been confirmed in Jordanians setting. Moreover, this outcome is in line with the previous study of Xu et al. (2015) which found that brand awareness has an impact on brand loyalty. It means that an increase in awareness of brand significantly affects the increase in loyalty of brand. One possible justification can be stated that the customers have sufficient information about the brands given by marketers that makes them aware of what the brand has to offer that lead them to brand loyalty.

Hypothesis two is built on the relationship between brand image and brand loyalty. The result concluded that brand image is strongly associated with brand loyalty in Jordanian DGs context. This result is consistent with the earlier revisions (Hosseini and Nahad, 2012; Souiden and Pons, 2009). One possible reason for this result could be that the marketers build a strong brand image, i.e., they communicate with the audience always. Thus, to secure brand loyalty, a familiar brand with a positive image could build a positive brand relationship with the customer as a key antecedent of brand loyalty.

Hypothesis three is built on the relationship between perceived quality and brand loyalty. The result concluded that perceived quality is strongly associated with brand loyalty in Jordanian DGs setting. This result is consistent with the past study (Erdogmus and Budeyri-Turan, 2012). Brand quality is vital for an organization to ensure that its offerings are positioned in the minds of customers to prevent them from switching to other brands. In other words, the better-quality services lead to more loyal customers to brand in Jordan.

To recapitulate, brand equity elements are subject matters in customer’s preference. Marketers of brands are advised to emphasize activities that promote positive feelings of loyalty. The relationships with customers can provide all kinds of advantages with respect to brands in a way that leads to more loyal customers.

Conclusion
Implications
Overall, this study comes up to examine the relationship between brand awareness, image and perceived quality on brand loyalty. From the theoretical viewpoint, this revision contributes to
brand equity theory in DGs brand to understand customers' behavior particularly in Arab setting. In addition, this study provides benefits to the policy makers to enhance the positions of brands compared with other competitors. So, the above analysis showed the role of brand awareness, brand image and perceived quality is critical in creating and maintaining brand loyalty.

Limitations and Recommendations
The present study has some limitations that need to be considered when reviewing the results in term of sample size. The bigger sample size is needed. Also, additional constructs should be considered to explain brand loyalty in and out Jordan. These additional constructs could be satisfaction and promotion.

Corresponding Author
Email: kh.abdelbaset@mail.com

References


