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**THE DIRECT AND INDIRECT INFLUENCE OF BRAND  
IMAGE, BRAND EXPERIENCE, AND BRAND PERSONALITY  
ON BRAND LOYALTY**



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**UUM**  
Universiti Utara Malaysia

**DOCTOR OF PHILOSOPHY  
UNIVERSITI UTARA MALAYSIA  
January 2016**

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BRAND EXPERIENCE, AND BRAND PERSONALITY ON BRAND  
LOYALTY**

By

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**UUM**  
Universiti Utara Malaysia

**Thesis Submitted to  
School of Business Management  
Universiti Utara Malaysia,  
In Fulfilment of the Requirement for the Degree of Doctor of Philosophy**

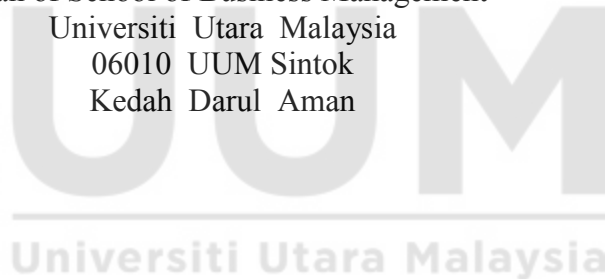
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## ABSTRACT

The objective of this study is to investigate the relationships between brand image (BI), brand experience (BE), brand personality (BP), and brand loyalty (BL) of automobile local brands in Malaysia and also determining the mediating effect of brand satisfaction (BS) and brand trust (BT) on those relationships. This study is embarked on the fact that only a few studies have examined how brand image, brand experience, brand personality, brand satisfaction, and brand trust contribute towards the emergence of brand loyalty. Based on a theoretical consideration, a model was proposed and 17 hypotheses were formulated. Questionnaires were used to collect data. A total of 330 usable responses were received from respondents in the northern part of Malaysia, (Kedah, Penang, and Perlis). Partial Least Squares Structural Equation Modelling (PLS-SEM) was employed in the data analysis. The findings reveal significant relationships between brand image and brand loyalty, and between brand experience and brand loyalty. However, this study does not find any significant relationships between brand personality and brand loyalty. This study observes that brand satisfaction mediates both the relationships between brand image, brand personality, and brand loyalty. In addition, brand trust mediates the relationships between brand personality and brand loyalty. However, brand satisfaction does not mediate the relationships between brand experience and brand loyalty. No significant mediation is observed of brand trust on the relationships between brand image, brand experience, and brand loyalty. The significance of this study can be seen in the incorporation of brand satisfaction and brand trust as the mediating tools to explain the relationships between brand image, brand experience, brand personality, and brand loyalty. The study concludes with a discussion on the contributions, limitations as well as suggestions for future research.

**Keywords:** brand image, brand experience, brand personality, brand loyalty, Malaysian automobile local brands

## ABSTRAK

Objektif penyelidikan ini adalah untuk mengkaji hubungan antara imej jenama (BI), pengalaman jenama (BE), personaliti jenama (BP), dan kesetiaan jenama (BL) bagi jenama automobil tempatan di Malaysia dan juga bertujuan untuk menentukan kesan pengantara kepuasan jenama (BS) dan kepercayaan jenama (BT) terhadap hubungan tersebut. Kajian ini didorong oleh hakikat bahawa hanya terdapat beberapa kajian telah meneliti bagaimana imej jenama, pengalaman jenama, personaliti jenama, kepuasan jenama, dan kepercayaan jenama boleh mendorong kesetiaan jenama tempatan, dan seterusnya menimbulkan kesetiaan jenama. Berdasarkan pertimbangan ke atas teori, satu model telah dicadangkan dan sebanyak 17 hipotesis telah digubal. Borang soal selidik telah digunakan untuk mengumpul data. Sebanyak 330 maklum balas yang boleh digunakan telah diterima daripada responden di bahagian utara Semenanjung Malaysia; (Kedah, Pulau Pinang dan Perlis). Partial Least Squares Structural Equation Modeling (PLS-SEM) telah digunakan untuk menganalisis data. Dapatan kajian menunjukkan bahawa terdapat hubungan yang signifikan antara imej jenama dan kesetiaan jenama, dan antara pengalaman jenama dan kesetiaan jenama. Walau bagaimanapun, kajian ini tidak menemui hubungan yang signifikan antara personaliti jenama dan kesetiaan jenama. Kajian ini mendapati bahawa kepuasan jenama mengantara kedua-dua hubungan antara imej jenama, personaliti jenama, dan kesetiaan jenama. Di samping itu, kepercayaan jenama didapati menjadi pengantara hubungan antara personaliti jenama dan kesetiaan jenama. Akan tetapi, kepuasan jenama tidak didapati menjadi pengantara hubungan antara pengalaman jenama dan kesetiaan jenama. Tiada pengantaraan yang signifikan juga ditemui bagi kepercayaan jenama terhadap hubungan antara imej jenama, pengalaman jenama, dan kesetiaan jenama. Kajian ini menunjukkan pentingnya penggabungan kepuasan jenama dan kepercayaan jenama sebagai alat pengantara untuk menerangkan hubungan antara imej jenama, pengalaman jenama, personaliti jenama, dan kesetiaan jenama. Kajian ini diakhiri dengan perbincangan mengenai sumbangan, kekangan, serta cadangan kajian masa hadapan.

**Kata-kata kunci:** imej jenama, pengalaman jenama, personaliti jenama, kesetiaan jenama, jenama tempatan automobil Malaysia

## ACKNOWLEDGEMENT

In the name of Allah, Most Gracious, Most Merciful.

First of all, I would like to express my humble gratefulness to Almighty Allah S.W.T., the One and only. He has granted me the perseverance and strength to complete my Ph.D. degree successfully. Alhamdulillah. May peace and blessings of Allah be upon Prophet Muhammad SAW, his family, and his companions, who are the source of inspiration and enlightenment.

My deepest and warmest gratitude go to my supervisors, Assoc. Prof. Dr. Salniza Md. Salleh, and Dr. Hasnizam Shaari for their assistance and patience in ensuring that my studies reached a meaningful completion. I am grateful for their understanding, advice, and encouragement, and for giving me confidence in my work with their timely feedback.

I am also grateful to the lecturers who have offered their comments on my proposal, especially Assoc. Prof. Dr. Sany Sanuri bin Mohd. Mokhtar, Assoc. Prof. Dr. Selvan Perumal, and Assoc. Prof. Dr Zolkafli Hussin.

On a more personal level, I would also like to express my gratitude to my parents, Haji Ahmed and Hajah Monya, who are my real mentors. I sincerely pray for their health, prosperity and, baraka in their life. Also my warm appreciation and gratitude to my loving wife, Amira, and my lovely, sons Ammar and Mohammed, my daughter, Afnan, for their encouragement and moral support throughout. Similarly, there could be no substitute for the prayers and support of my brothers and sisters Sultan, Ali, Salaman, Arwa, and Khadeja.

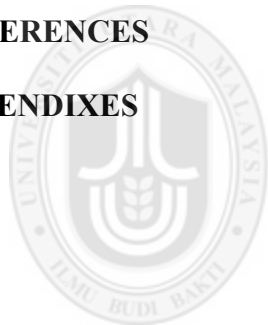
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## LIST OF ABBREVIATIONS

AFTA	Asean Free Trade Area
AVE	Average Variance Extracted
BE	Brand Experience
BL	Brand Loyalty
BI	Brand Image
BP	Brand Personality
BS	Brand Satisfaction
BT	Brand Trust
CMV	Common method variance test
JPJ	Jabatan Pengangkutan Jalan
PLS	Partial Least Squares
RM	Relationship Marketing
SET	Social exchange theory
SEM	Structural Equation Modelling



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## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of Study

The automobile industry is a world of constant change and improvement, and at this point in time, automotive is becoming necessities of life, and also the economic progress of certain countries are largely supported by their respective automobile manufacturing industry (Ghani, 2012; Rosli, Ariffin, Sapuan, & Sulaiman, 2014). Similarly, Malaysian automobile local brands are considered one of the most important industrial sectors. Nonetheless, this industry is reported to be facing extraordinary challenges due to global competition from foreign brands, and the constant changes are witnessed in customers' behaviour (Al-shami, Izaidin, Nurulizwa, & Rashid, 2012). Due to the challenges being faced by the automotive industry, in particular, the ones related to liberalization, globalization, and increasing competition among the market players, there seems to be a need to review the strategic direction and policy for the local automotive sector. This is crucial in an effort to maintain the competitiveness of the participants and for them to be viable in the long term (Zakuan, Mohd Yusof, & Mohd Shahraroun, 2009). Furthermore, Wad and Govindaraju (2011) argued that the Malaysian automotive industries have failed in the areas of industrial upgrading and international competitiveness because of low technological and marketing capabilities. Also, the Malaysian automobile brands are reported to possess inferior quality in reasonable terms (Thanasuta, Patoomsuwan, Chaimahawong, & Chiaravutthi, 2009), which are a matter of grave concern.

The main concern of companies, regardless of their nature of business, is to gain a higher market share (Ahmad, Rehman, Hunjra, & Naqvi, 2011). Also, the competition has tremendously rising with many brands and products coming into the market. Due to fierce competitions, uncertain economy, and continual changes in the market segment, companies have implemented various strategies to fulfil satisfaction and boost loyalty of customers, and, consequently, tried to improve business growth and profitability (Imandoust, Honameh, & Fahimifard, 2011; Ismail & Melewar, 2008).

Brands are relevant to marketing success as strong brands tend to generate the highest revenue (David, 1991). Branding gives companies a chance to capture and attract loyal consumers (Keller, 2005), which could provide some degree of protection from competitions (Delgado-Ballester & Munuera-Alemán, 2005). Furthermore, a strong brand represents a type of insurance during periods of recession when loyal customers are more probable to stay with the brand (Miller & Muir, 2005). As a result, loyalty has been found to have a strong influence on company performance (Edvardsson, Johnson, Gustafsson, & Strandvik, 2000; Lam, Shankar, Erramilli, & Murthy, 2004; Reichheld, Markey, & Hopton, 2000).

In the marketing literature, brand loyalty has always gained a great interest among scholars and practitioners for more than 90 years (Copeland, 1923). Loyalty is measured and defined in terms of various marketing aspects, like brand loyalty, service loyalty, and product loyalty (Olsen, 2007). Realizing that brand loyalty among current consumers can help create revenue (Dehdashti, Kenari, & Bakhshizadeh, 2012; Matzler,



Grabner-Kräuter, & Bidmon, 2008), companies spend millions of dollars annually to enable them to achieve higher levels of loyalty by engaging in marketing research (Bennett & Rundel-Thiele, 2005). However, sustaining and gaining brand loyalty is seen to be a key challenge in increasingly competitive markets (Brexendorf, Mühlmeier, Tomczak, & Eisend, 2010), highlighting the need to address and describe the key determining factors of brand loyalty through conceptual and empirical investigation.

Brand loyalty carries significant benefits for marketers, academicians, and researchers because it indicates the health of an organization (Bennett & Rundel-Thiele, 2005). Despite the fact that brand loyalty has been an essential research issue amongst marketing researchers for decades, it still receives a lot of interests mainly due to relationship marketing (Sheth & Parvatiyar, 1995). The cost of generating new consumers is much more than the cost of retaining the existing consumers (Dehdashti *et al.*, 2012). Also, the most important aspect of promoting a brand is said to be loyal customers who commend it to relatives, friends, and other potential consumers (Schultz, 2005). Researchers argue that the best strategy local companies can carry out is to design their local brands to respond to the local market's particular needs (Kapferer, 1994; Keller, Parameswaran, & Jacob, 2011; Schuiling & Kapferer, 2004). This indicates that local brands must be more flexible than imported brands to meet potentially the needs of local consumers by offering them unique experiences and satisfaction.

Furthermore, the annual brand loyalty survey conducted by Mark (2011) revealed some surprising shifts in customer loyalties. The greatest loss in loyalty to brand among the top 100 was: Nokia (a decline of 63%), followed by Blackberry (51%), Eucerin skin moisturizer (23%), Chanel cosmetics (23%), True Value (21%), and 3-Olives Vodka (18%). According to Rachael (2013), between 2006 and 2010, brand loyalty declined as customers no longer feel that owning the "best" brand is critical. Certain brands have suffered the loss of loyalty as customers turned to cheaper brands that have great meaning. Nevertheless, a brand that understands a real emotional relationship can serve as a substitute for the value-additions and it can successfully build a strong loyalty relationship (Passikoff, 2012).

Building loyalty to a brand has become more essential (Mohammad, 2012; Sahin, Zehir, & Kitapçı, 2011; Schoenbachler, Gordon, & Aurand, 2004; Zehir, Şahin, Kitapçı, & Özşahin, 2011) as it significantly contributes to company performance, position, and market share. However, previous studies on brand loyalty among customers toward automobile brands showed a significant decline in consumer allegiance to their favourite brands as showed in Table 1.1 (Harris, 2015), suggesting the need to investigate the factors pertaining to the fall in the customer loyalties.

Table 1.1  
*Automotive Brand Declines 2015 vs.2014*

No	Automotive brand	Significant Decline
1	Honda Motor Company	-4.1
2	Hyundai Motor Company	-3.9
3	General Motors	-3.9

Source: Harris (2015)

## 1.2 Malaysian Automobile Industries

Nowadays, automotive industries are continuously increasing, and they have been called the single largest industrial sector in the world (Rosli *et al.*, 2014). According to the International Organisation of Motor Manufacturers OICA (2014), statistics indicate that over 87.4 million vehicles were produced in 2013. In this context, the automotive industry has a significant contribution to the development of a country's economy (Sze & Hamid, 2012). However, according to statistics Jabatan Pengangkutan Jalan "JPJ." (2014), there was around 7.2% decrease in motor car registrations between 2012 to 2013 as shown in Figure 1.1. Also, the Consumer Sentiments Index survey, conducted by the Malaysian Institute of Economic Research TradingEconomics (2014) among 1200 customers, found that consumer confidence decreased to 70.20 in the third quarter of 2015 as shown in Figure 1.2.

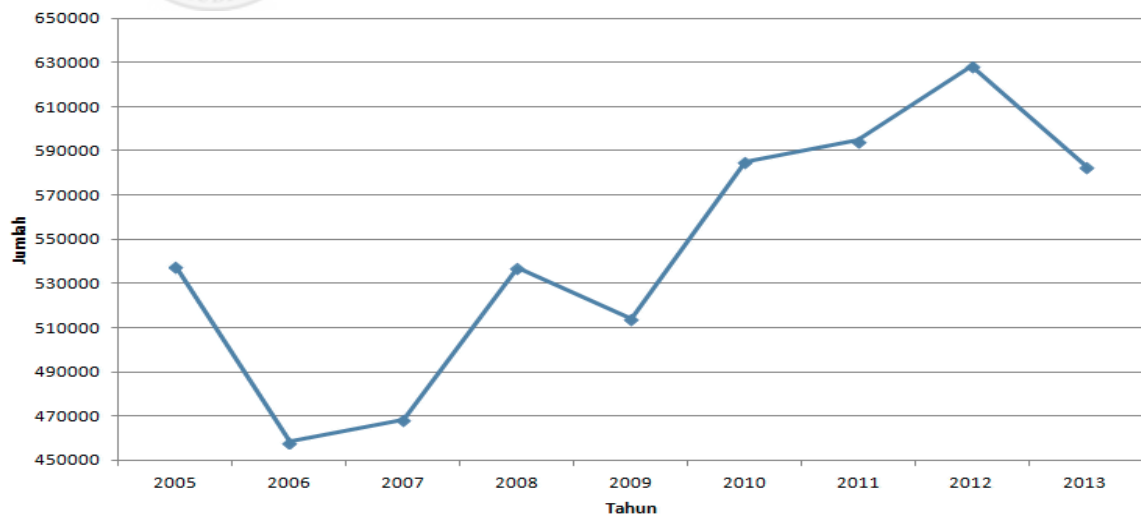


Figure 1.1  
*Statistics for motor car registrations 2014*  
Source: Jabatan Pengangkutan Jalan (JPJ)

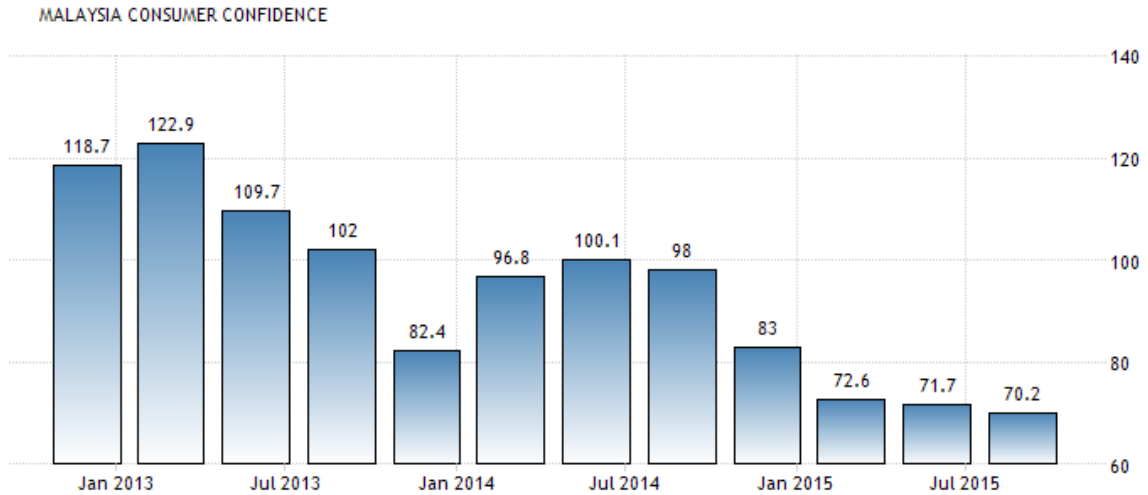


Figure 1.2

*Malaysia consumer confidence*

Source: [www.tradingeconomics.com](http://www.tradingeconomics.com) Malaysian institute of economic research

According to Al-shami *et al.* (2012), Malaysian automobile sectors are facing significant challenges, and at the core of these challenges is the rapid changes in customer behaviour, foreign competition, and increasingly saturated market. Therefore, these industries are eager to gain new technology and knowledge to advance their capability and sustain competitiveness while strengthening their position in the international marketplace. Nasir and Azura (2004) recommended that Malaysian automobile industries need to focus on image as it has been found to be significant in influencing customer satisfaction. The important starting point for companies to develop strong brands is by remembering that every contact with customers is a chance to build a relationship because the decision to purchase an automobile is made at both the emotional and rational levels (Hanna & Kuhnert, 2014).

In view of the intensified market competition in the Malaysian automotive industries due to the Asian Free Trade Area (AFTA), the automotive firms in Malaysia have greatly focused on customer value to increase the level of satisfaction among customers in the formation of brand loyalty. Based on past literature, a gap can be established between satisfaction/trust and brand loyalty since building brand satisfaction and brand trust alone does not fully explain brand loyalty towards local automotive brands. However, other known antecedents of brand loyalty i.e. brand image (Sze and Hamid (2012), brand experience, and brand personality are required to be integrated with brand trust and brand satisfaction to develop a brand loyalty model. This study addresses this gap in the context of Malaysian automotive local industries.

Manufacturing must enhance the quality of cars made and design a unique physical image of the automobile to attract potential customers. Previous research has shown that many buyers are attracted to the originator product when it can satisfy their needs and wants (Berger, Ratchford, & Haines Jr, 1994). Meantime, in the marketing perspective, in order to focus on customers' needs an understanding of customer behaviour is required (Berkman, Lindquist, & Sirgy, 1997).

### **1.2.1 The Importance of the Automobile Industries**

A Malaysian study by Abu Bakar *et al.* (2011) indicated that 82% of the sampled customers intended to buy imported automobile brands for their next automobile rather than local brands, even though, presently, the customers own local automobile brands.

Only 18% of them preferred to buy local brands. This finding suggests a low level of loyalty among Malaysian customers towards locally made automobile brands.

Table 1.2  
*Top Five Companies based on Total Market Share in Malaysia*

Rank	Manufacturer	Total market share (%)		
		2010	2011	2012
1	Perodua	34.7	<b>33.6</b>	34.1
2	Proton	28.9	29.6	<b>26.3</b>
3	Toyota	13.1	<b>11.9</b>	13.3
4	Honda	8.2	<b>6.1</b>	6.3
5	Nissan	4.8	4.8	4.9

Source: Frost & Sullivan Malaysia Automotive Outlook 2013 - Top Gear

The top five companies in Malaysia based on total market share kept their position firmly over the past three years. Table 1.2 shows that Perodua is leading the pack while Proton is trailing in the second place. Toyota continues its reign as the highest-selling foreign cars, followed by Honda and Nissan. It is worth noting that Proton is the only company in the top five that suffered a decline in its total market share from 29.6% in 2011 to 26.3% in 2012. Table 1.3 below shows the rankings and performance of the top 12 brands officially sold in Malaysia during 2013 and how they compared with the year before.

Table 1.3  
*Brand Volumes and Positions (2013 vs. 2012)*

<b>No</b>	<b>Brand</b>	<b>2013</b>	<b>(-/+)</b>	<b>2012</b>
1	Perodua	196,071	+	189,137
2	Proton	138,753	-	141,121
3	Toyota	91,185	-	105,151
4	Nissan	53,156	+	36,271
5	Honda	51,455	+	34,950
6	Mitsubishi	12,348	+	11,652
7	Hyundai-Inokom	12,217	+	11,938
8	Isuzu	12,061	+	10,673
9	Ford	10,660	+	7,108
10	Volkswagen	9,538	-	13,003
11	Mazda	9,197	+	6,332
12	Kia	7,184	+	4,374

Source: <http://www.motortrader.com.my/news/2013-malaysian-market-report/>

Tharmalingam (2013) reported a survey by J.D. Power of 2,622 new automobile buyers who bought their automobile brands between August 2012 and April 2013. Among 12 brands included in the 2013 survey are shown in Figure 1.3. International brands came first, starting with Toyota, which was ranked the highest with a score of 826, followed by Nissan 823 points, Suzuki (821), Mazda (813), and Ford (812). Perodua was ranked the ninth with 790 points while Proton the eleventh with 776 points under the industrial average.

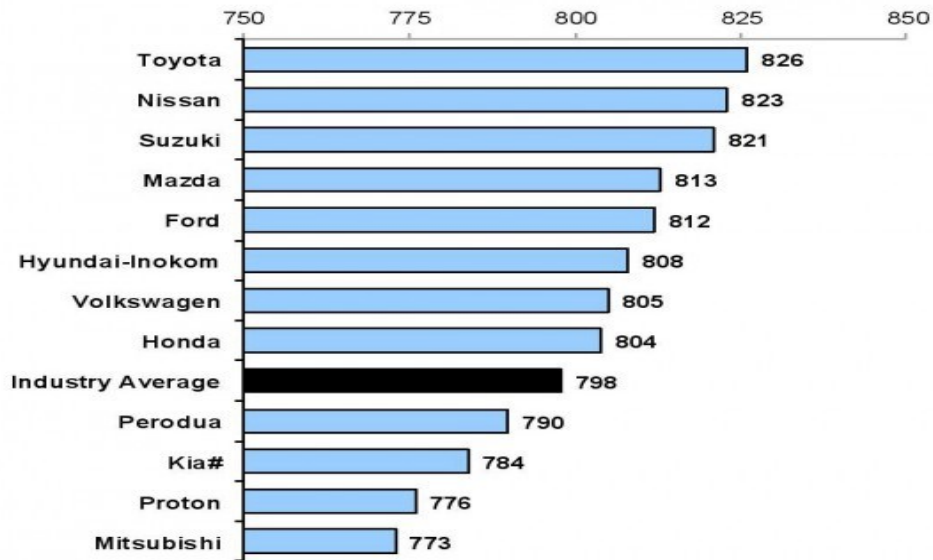


Figure 1.3

*JD Power: Customer satisfaction improves in Malaysia*

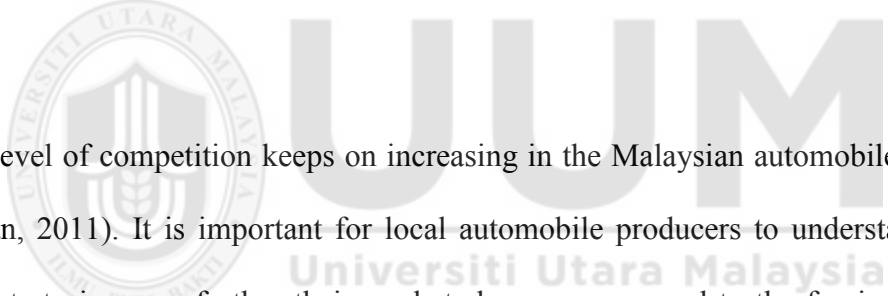
Source: <http://paultan.org/2013/10/01/jd-power-sales-satisfaction-index-2013>

### 1.3 Problem Statement

Brand loyalty is an essential component of a company's business strategy and its success (Che & Seetharaman, 2009; Hongfang & Weihua, 2009; Lim, 1999; Mishra & PatraY, 2010; Nguyen, Barrett, & Miller, 2011; Rosenberger III, 2007; Russell-Bennett, McColl-Kennedy, & Coote, 2007; Sadasivan & Zafar, 2011; Sahin *et al.*, 2011; Sharma & Sharma, 2012; Zehir *et al.*, 2011). Despite the growing number of empirical studies on brand loyalty towards international and global brands (Anholt, 2012; Hankinson & Cowking, 1996; Holt, Quelch, & Taylor, 2004; Maynard & Tian, 2004; Nezakati, Kok, & Asgari, 2011; Özsoyer & Altaras, 2008; Sze & Hamid, 2012; Tse & Gorn, 1993), to the researcher's knowledge, only a handful of studies have been conducted to understand consumer loyalty towards local brands (De Chernatony, Halliburton, & Bernath, 1995; Douglas, Craig, & Nijssen, 2001; Halliburton & Hünerberg, 1993;



Kapferer & Schuiling, 2003; Zhang & Schmitt, 2001), especially in Malaysia. Furthermore, as a country with a diversified culture, Malaysia offers an excellent opportunity to conduct research on loyalty towards product or brands (Rezaei, Amin, & Khairuzzaman, 2014). Also, Malaysian customers prefer imported automobile brands (Nezakati *et al.*, 2011). According to J.D. Power Asia Pacific Reports J.D. (2014), Malaysian sales satisfaction index (SSI) indicated that new automobile buyers prefer using technology during their pre-buying experience. Moreover, Toyota brand was ranked the highest in new automobile brand sales satisfaction among automobile brands in Malaysia for the second consecutive year (J.D., 2014), throwing a severe challenge to the local brands.



The level of competition keeps on increasing in the Malaysian automobile market (Yee & San, 2011). It is important for local automobile producers to understand consumer insights to increase further their market share as compared to the foreign competitors. Therefore, there is a need to understand what variables could influence loyalty among Malaysian customers towards local automobile brands. Moreover, the emotional behaviour of the customer is considered an important aspect of a purchasing decision. Hence, automobile brand makers must attract and convince both the minds and the hearts of their customers (Hanna & Kuhnert, 2014).

Lack of existence of a strong brand image has been giving a continuous challenge to the marketers of local automotive brands in Malaysia. Companies/manufacturers seek various ways to inform consumers of their products and their brands. One of them is by

using brand image (Bauer, Stokburger-Sauer, & Exler, 2008; Sarah, Kerrie, Lesley, & Ruth, 2010). Brand image is identified as a key determinant in influencing brand loyalty (Back & Parks, 2003; Delassus & Descotes, 2012; Holly, Kim, Elliot, & Han, 2012; Sondoh, Omar, Wahid, Ismail, & Harun, 2007). However, previous studies on brand image have been directed toward intangible products and retail contexts (Bloemer, Ruyter, & Peeters, 1998; Ghazizadeh, 2010). Little research has been undertaken to assess brand image for tangible products. Hence, expanding brand loyalty model by including brand image is needed not only to enhance the predictive power of the framework (Sondoh *et al.*, 2007), but also to provide a good understanding of the determinants that stimulate brand loyalty in a local brand industry. Furthermore, Sondoh *et al.* (2007) pointed out a lack of brand image studies associated with concrete products and its relationship with loyalty and satisfaction. A number of scholars also proposed similar recommendations for future researchers to explore the role of satisfaction/trust in influencing loyalty, especially in the context of local brands (Al-Ekam *et al.*, 2012; Nandan, 2005; Silva & Alwi, 2008; Sze & Hamid, 2012; Xing-wen & Zhang, 2008).

Although local companies have attempted their best to create a favourite and popular brand for their respective products, Malaysian consumers still value foreign brands more, hinting at the lack of success of local firms in offering delightful and greatly satisfying experience to the consumers. Which is why in marketing literature, experience of brand has attracted much attention (Brakus, Schmitt, & Zarantonello, 2009). It is essential for marketing professionals to recognize how brand experience

affects marketing strategies for their products and services (Aaker, Fournier, & Brasel, 2004; Breivik & Thorbjørnsen, 2008; Chang & Chieng, 2006; Haas, 2007; Huber, Vollhardt, Matthes, & Vogel, 2010). In the context of local brands, it is expected that loyalty to local brands may also be influenced by the extent of consumers' personal experience with the brands. Recent studies also have shown that brand personality is a crucial factor in relationship marketing and brand loyalty (Baek, Kim, & Yu, 2010; Brakus *et al.*, 2009; Choi, Ok, & Hyun, 2011; Ekinçi & Hosany, 2006; Mohammad, 2012; Yong-Ki, Back, & Kim, 2009). Hence, this study attempts to consider both brand experience and brand personality in the research model to achieve better explanatory power. The inclusion of these determinants is in line with the recommendation of Louis and Lombart (2010), who suggested that future research should consider the impact of brand personality on consumer behaviour.

Literature indicates inconsistent results on the effect of brand image, brand experience, and brand personality on the brand loyalty aspects. For instance, while several researchers reported significant results (Abbasi, Aqeel, & Awan, 2011; Andreani, Taniaji, & Puspitasari, 2012; Brakus *et al.*, 2009; Hee & Myung, 2012; Holly *et al.*, 2012; Hyun & Wansoo, 2011; Lin, 2010; Nysveen, Pedersen, & Skard, 2013; Pinson, 2012; Sahin *et al.*, 2011; Xing-wen & Zhang, 2008; Zarantonello & Schmitt, 2010), others did not (Chahal & Bala, 2012; Chen & Myagmarsuren, 2011; Cretu & Brodie, 2007; Forsido, 2012; Lai, Griffin, & Babin, 2009; Liu, Li, Mizerski, & Soh, 2012; Suhartanto, 2011). Such inconsistent findings indicate that more research works are

needed to establish the relationship between brand image, brand experience, brand personality, and brand loyalty.

In Malaysia, marketers continuously struggle to enhance the level of satisfaction and trust of consumers towards their brands, and, hence, their market share. In the present study, brand satisfaction and brand trust are considered the generative mechanisms that explain how brand image, brand experience, and brand personality affect brand loyalty. Many researchers have shown that when customers are satisfied with a brand, they will be more loyal to that brand (Ahmed, 2011; Bloemer & Ruyter, 1998). Moreover, satisfaction was found to be an intervening construct between image and loyalty (Chi & Qu, 2008), between brand experience and loyalty (Schmitt, Zarantonello, & Brakus, 2009), and between brand personality and brand loyalty (Yong-Ki *et al.* (2009).

It is argued that customers develop brand trust based on the positive beliefs in and their expectation for the behaviour of the organization and the performance of the products a brand represents (Ashley & Leonard, 2009; Lau & Lee, 1999; Moorman, Zaltman, & Deshpande, 1992). When consumers trust that they will keep getting value from the products they purchase, loyalty is developed (Zehir *et al.*, 2011). As such, in the present study, brand trust is associated with brand loyalty because it is argued that consumers will choose the best and the most trustworthy brands. It is pertinent to correlate loyalty with trust because loyalty is a product of trust in any relational exchanges. Morgan and Hunt (1994) observed that brand trust has a substantial influence on brand loyalty.

Furthermore, Uecharoenkit and Cohen (2011) found that brand trust acts as a strong mediator between experience and loyalty. Others found that satisfaction and trust are mediator variables between brand experience and brand loyalty (Nysveen *et al.*, 2013). Moreover, Sung and Kim (2010) revealed that brand personality can increase brand trust, which, in turn, enhances brand loyalty.

Based on the review of marketing literature, studies that established the mediating effects of brand satisfaction and brand trust on the relationship between brand image, brand experience, brand personality, and brand loyalty among automotive industries are limited. While Sahin *et al.* (2011) examined the antecedents and the consequences of customer satisfaction and brand trust on brand loyalty among global brands in Turkey, they did not propose mediator variables. Yu-Shan (2010) investigated green trust and satisfaction as the mediating factors between green brand image and green brand equity among consumers who used electronic products in Taiwan. Lee and Back (2010) proposed that trust has a significant mediating impact on the relationship between service quality, user imagery, perceived price, and brand loyalty in a hotel industry. Besides, Bouhlel, Mzoughi, Hadiji, and Slimane (2011) found that brand personality influences trust. Based on these works, it appears that limited studies on the mediating effect of brand trust on the relationship between brand personality and brand loyalty in an automotive industry are scarce (Uecharoenkit & Cohen, 2011). This study attempts to fill these gaps by investigating the mediating effect of brand satisfaction and brand trust on the relationship between brand image, brand experience, brand personality, and brand loyalty among automotive local brand industries in Malaysia.

Competition for customer loyalty among local branded products continues to be more aggravating as the markets move towards a higher degree of saturation (Gocek, Kursun, & Beceren, 2007). Although it is argued that having an established brand image, brand experience and brand personality could give a company its competitive advantage by producing strongly desirable brand loyalty (Mishra & PatraY, 2010; Sahin *et al.*, 2011; Sondoh *et al.*, 2007; Sze & Hamid, 2012), there is a lack of empirical evidence to support such claim (Bhardwaj, Kumar, & Kim, 2010; Kapferer, 2002; Kapferer & Schuiling, 2003; Nezakati *et al.*, 2011; Zhang & Schmitt, 2001). To date, there have been a few studies, if any, that investigated the linkage between brand image, brand experience, brand personality, brand satisfaction, brand trust, and brand loyalty together in an integrated framework. Therefore, this study fills the gap by investigating the essential factors purported to enhance brand loyalty in the Malaysian automobile industry. In the present study, brand image, brand experience, and brand personality are considered to influence both brand satisfaction and brand trust, which are postulated to affect brand loyalty. As there is a lack of studies on the mediating effect of brand trust and brand satisfaction in the automobile industry, this research will also cater to fill this potential gap.

In summary, the present research aims to fill the following gaps as indicated in the literature:

1. There is a dearth of empirical research that examined the effect of brand image, brand experience, brand personality on brand trust, brand satisfaction, and brand loyalty.

2. There is a limited number of research works that investigated the role of brand satisfaction and brand trust as the mediating variables in the relationship between brand image, brand experience, brand personality, and brand loyalty.

#### **1.4 Research Questions**

Based on the research background, this study aims to address the following research questions:

1. Do brand image, brand experience, and brand personality influence brand loyalty toward automobile brands in Malaysia?
2. Do brand image, brand experience, and brand personality influence brand satisfaction and brand trust toward automobile brands in Malaysia?
3. Do brand satisfaction and brand trust influence brand loyalty toward automobile brands in Malaysia?
4. Do brand satisfaction and brand trust mediate the relationship between brand image, brand experience, brand personality, and brand loyalty toward automobile brands in Malaysia?

#### **1.5 Research Objectives**

Consistent with the research questions above, the study specifically aims at meeting the following research objectives:

To examine the influence of brand image, brand experience, and brand personality on brand loyalty toward automobile brands in Malaysia.

To examine the effect of brand image, brand experience, and brand personality on brand satisfaction and brand trust toward automobile brand in Malaysia.

To investigate the effect of brand satisfaction and brand trust on brand loyalty toward automobile brands in Malaysia.

To investigate the mediating effect of brand satisfaction and brand trust on the relationship between brand image, brand experience, brand personality, and brand loyalty toward automobile brands in Malaysia.

### **1.6 Scope of Study**

In order to answer the research questions and realize the research objectives, the present study considers local automobile brands of Perodua and Proton. Data were gathered from customers in the northern part of Malaysia: Penang, Kedah and Perlis. Customers in the northern part of Peninsular Malaysia were recruited to respond to Mdnour and Lingam (2014) suggestion that is to extend the study beyond the Klang Valley area. The mall-intercept approach was primarily chosen because of a potentially high response.

### **1.7 Significance of Study**

This study has significant implications to theory and practice. Theoretically, this study contributes to the body of knowledge on the role of brand image, brand experience, and brand personality in determining brand loyalty, and the mediating effects of brand satisfaction and trust, especially in the development of brand loyalty. Local automotive brands in Malaysia were considered because previous studies noted the lack of focus on



the importance of the automotive brands to the national economy of a country. Furthermore, since our theoretical understanding is limited between brand image, brand experience, brand personality, and brand loyalty, the present study adds to the existing literature on automotive brand loyalty, especially in Malaysia and Asian countries, since previous studies have been mainly conducted in the West. Furthermore, by studying various predictors of brand loyalty in Malaysia, the extent of compatibility of the Malaysian and the Western findings can be ascertained. As such, this research adds value to the marketing literature.

From the practical point of view, the study is important because it provides new insights into automotive brand loyalty factors to business managers and marketers in Malaysia. By knowing what influences brand loyalty on automobile brand, relevant measures can be instituted toward that end. In particular, automotive industry managers should work to attract consumers towards local brands on the basis of quality, trust, and satisfaction in order to generate their loyalty. In essence, the findings can be used by practitioners on how to build confidence among consumers in Malaysia toward automobile brands with a simultaneous focus on strengthening the link between local businesses and local consumers. Furthermore, the findings will also be useful for Malaysian policymakers on the need to provide support to local industries and consider the relevant measures to decrease the importation of foreign branded products and increase the exportation of local brands for the benefit of the national economy.

## 1.8 Definition of Key Terms

For the purpose of the current study, the key terms are defined below:

1. Brand loyalty is defined by Oliver (1999) as "a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand, or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour." in another word, brand loyalty can be defined "as the degree of consumer's attachment to a specific brand" (p. 34).
2. Brand image is defined by Keller (1993) as "perceptions about a brand as reflected by the brand associations held in the consumer memory" (p. 3).
3. Brand experience is defined by Brakus *et al.* (2009) as "subjective, internal consumer responses (sensations, feelings, and cognitions) and behavioural responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments" (p. 53).
4. Brand personality is defined by Aaker (1997, p. 347) as "a set of human characteristics associated with the brand" and measure brand personality against five dimensions of excitement, sincerity, competence, ruggedness, and sophistication.
5. Brand satisfaction is defined by Oliver (1997) as "the consumer's fulfilment response; It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under- or over-fulfilment" (p. 8).

6. Following Chaudhuri and Holbrook (2001), brand trust is defined as “the willingness of the average consumer to rely on the ability of brand to perform its stated function” (p. 82).

### **1.9 Outline of Thesis**

This chapter explained the need to examine the influence of brand image, experience, personality, trust and satisfaction, on brand loyalty to local automobile brands. It also outlined the research questions, research objectives, scope of study, and significance of the study. Then, the definition of key terms was offered. Chapter two provides a review of past literature on the antecedents of brand loyalty. A discussion of the underlying theory that supports the relationships between brand loyalty and its predictors is also included. Next, a theoretical framework and hypotheses development are highlighted. Chapter three presents the methodology of the research by discussing population, sampling, data collection, measurement of variables, and techniques for data analysis. Chapter four presents the finding of the study. And, finally, chapter five discusses the findings, offers recommendations to theory, practice, and future research, and highlights the limitations of the present study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter discusses the literature in brand loyalty. In particular, it expounds the importance of brand loyalty, its definitions and theory, brand image, brand experience, brand personality, brand trust, and brand satisfaction. The literature helps in the formulation of the research framework and hypotheses.

#### **2.2 Overview of Brand Loyalty**

Prior studies argued that brand loyalty is the core of brand equity (David, 1991), and, hence, the success of business. Brand loyalty was firstly suggested by Day (1969) as consisting of repurchase patronage, which is provoked by a strong internal disposition. Later, it found support from other researchers (Dick & Basu, 1994; Jacoby, 1971; Taehyun & Lee, 2011). Brand loyalty is the intention to buy a product or brand and encourage other customers to do so (Lau & Lee, 1999). Besides, according to Oliver (1999), brand loyalty is a customer's commitment to repeat or re-purchase a brand or a particular product in the future.

The literature identifies three approaches to defining brand loyalty. They are behavioural, attitudinal, and composite. The behavioural perspective defines brand loyalty as a result of the frequent purchase behaviour, whereas the attitudinal

perspective defines it as the level of consumer brand loyalty based on consumer's intentions to be loyal to that brand (Pappu, Quester, & Cooksey, 2005). The composite perspective evaluates brand loyalty by both intention to purchase and frequent purchase. The composite definition of loyalty emphasizes two different approaches of loyalty i.e. attitudinal and behavioural.

The two dimensions of brand loyalty (i.e. attitudinal and behavioural) were originally suggested by Jacoby and Chestnut (1978) and, later, by Oliver (1997). The consideration of an attitudinal element in brand loyalty is important because most of the behavioural definitions are claimed to be problematic (Day, 1969; Jacoby & Chestnut, 1978; Oliver, 1999). For instance, Oliver (1999) argued that "all of these definitions suffer from the problem that they recorded what customer did, and none tapped into the psychological meaning of loyalty" (p. 34). The measurement of brand loyalty from the perspective of the consumer is an intrinsic factor in managing brand equity (David, 1991; Keller, 2003b). Besides, Day (1969) claimed that real loyalty is reflected in a steady purchase behaviour due to positive attitudes to the brand. The two dimensions of loyalty (i.e. attitudinal and behavioural) suggest attitudinal loyalty (psychological brand commitment) and behavioural loyalty (behavioural consonance in using a brand).

Later, a number of researchers operationalized loyalty from a compound approach (Dick & Basu, 1994; Iwasaki & Havitz, 1998). Some scholars (Bowen & Chen, 2001; Jacoby & Chestnut, 1978; Stern, 1997) argued that the different aspects of behavioural and attitudinal loyalty must be combined to develop a comprehensive measure. In other

words, the measure of brand loyalty must both be based on repeated purchase behaviour as well as the cognitive attitude towards a specific brand. In a similar vein, Gremler (1995) argued that the measurement of loyalty ought to be determined by considering both, or else, measuring it by considering either one element loses its meaningfulness. Hence, Oliver, Rust, and Varki (1997) generated a model of loyalty that consists of four distinct components: affective, cognitive, conative, and action. Affective loyalty is directed toward brand likeability. Cognitive loyalty focuses on the performance aspects of the brand while conative loyalties are experienced when a consumer desires to repurchase the brand. Lastly, action loyalty is committed to repurchase.

### **2.3 Definitions of Brand Loyalty**

There are different types of loyalty in the marketing literature. Loyalty can mean loyalty to service, loyalty to the store, loyalty to products, and loyalty toward a brand (Olsen, 2007). However, in general, firm performance is strongly influenced by loyalty (Edvardsson *et al.*, 2000; Lam *et al.*, 2004; Mitchell & McGoldrick, 1996; Reichheld *et al.*, 2000). There is a consensus of what brand loyalty is. Although there are many definitions of brand loyalty, many agree that it is a multidimensional concept involving behavioural and attitudinal components (Baldinger & Rubinson, 1996; Dick & Basu, 1994; Jacoby & Kyner, 1973). Brand loyalty defined from the behavioural perspective is the degree to which a purchasing unit, like a household, focuses its purchases over time on a specific brand as part of a class of product categories (Schoell, Guiltinan, Pritchett, & Pritchett, 1990; Tong & Hawley, 2009). On the other hand, from the attitudinal

perspective, brand loyalty is defined as “the tendency to be loyal to a focal brand as demonstrated by the intention to buy it as a primary choice” (Oliver, 1997; Yoo & Donthu, 2001, p. 3). Dick and Basu (1994) indicated that loyalty ought to be considered from both behavioural and attitudinal aspects, as brand loyalty is not only an outcome of psychological operations but also behavioural expressions. Similarly, Oliver (1999) defined brand loyalty as consisting of two elements: attitudinal and behavioural. The attitudinal and behavioural dimensions of brand loyalty are also adopted by various scholars (Chiou & Droge, 2006; Dick & Basu, 1994; Pritchard, Havitz, & Howard, 1999). The conceptualization comprises an attitudinal and behavioural component. Indeed, according to some scholars, the concept of brand loyalty in marketing concerns with commitment, re-purchase, allegiance, and preference (Chiou & Shen, 2006; Fournier & Mick, 1999; Sahin *et al.*, 2011).

Understanding the concept of loyalty assists companies in better managing customer relationship for the establishment of long-term profitability and investment. Brand loyalty provides companies with commercial influence and precious time in responding to the movements of commercial competition (Mitchell & McGoldrick, 1996). Brand loyalty means that consumers have a good attitude towards a specific brand more than the competing brands. In addition, clienteles who are loyal to brands are more willing to pay more in order to get the brand because they observe the unique value of the brand that is not available in other competing brands (Oliver, 1993).

Chaudhuri and Holbrook (2001) defined brand loyalty as a hostile attitude towards buying a particular brand over a long-term horizon. This attitude can lead people to purchase a particular brand, and this is the outcome of people perceptions. However, Oliver (1999) seemed to provide the best definition of brand loyalty, which reflects a long-term commitment on the part of a consumer by engaging in repeat purchases and receiving permanent product or service. Oliver (1999, p. 34) defined loyalty as "a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour."

In marketing research, loyalty is often used reciprocally with preference, allegiance, repurchase, and commitment. Furthermore, the concept of loyalty has alluded into a diversity of marketing specific contexts, for example, store, service, and vendor loyalty; it reflects the unit of measurement of brand loyalty and customer (Algesheimer, Dholakia, & Herrmann, 2005).

#### **2.4 Social Exchange Theory (SET)**

Social exchange theory has served as a theoretical foundation to explain different situations in business practices. It has contributed to the study of relationship marketing and organization-stakeholder relationships, relationship power, trust, and commitment (Arnett, German, & Hunt, 2003; Biggemann & Buttle, 2009; Dwyer, Schurr, & Oh,



1987; Lambe, Wittmann, & Spekman, 2001; Morgan & Hunt, 1994; Sweeney & Webb, 2007). The social interaction between parties depends on their appreciation for confidence, as well as their attitudes towards communication and negotiation. “With high levels of trust, expectations develop more favourably whilst parties’ bargaining games have less influence on relationship development” (Biggemann & Buttle, 2009, p. 556).

Many scholars have discussed the applicability of social exchange theory (Anderson & Narus, 1990; Dwyer *et al.*, 1987; Morgan & Hunt, 1994) in the marketing literature. Arnett *et al.* (2003) argued that social exchange theory is often used as a theoretical foundation for commitment and trust in relationship marketing. The authors contended that companies often rely heavily on the promises of the social benefits of their products; therefore, it is essential to gain a better understanding of the variables that affect relationships that include primarily social exchange. The basic idea of social exchange theory is that relationship that gives customers the most benefits with the least amount of cost is preferable to be kept in the long run.

SET is an important theory that explains the interaction between customers and companies/products as well as their impact on outcomes; consumers who are satisfied with the brands/products the company provides will feel obligated to reciprocate such as by increasing their loyalty to the products or the brand (Blau, 1964; Chiu-Han & Sejin, 2011). When consumers perceive that a company is performing effective product

attribute management that satisfies their wants and needs, they will probably have confidence in the product, which leads them to be loyal (Bagozzi, 1995).

SET is the theoretical basis for the building and development of the hypotheses in this study since this theory has been used to investigate brand loyalty in different settings (Joseph, 2000; Rujian, 2007; Sierra & McQuitty, 2005). On the other hand, relationship marketing is studied by using Fournier (1998)'s conceptualization of Brand Relationship Quality (BRQ). It focuses mainly on the relationship between customers and brands (Aaker *et al.*, 2004; Breivik & Thorbjørnsen, 2008; Chang & Chieng, 2006; Haas, 2007; Huber *et al.*, 2010). Various factors are proposed to support relationship marketing that leads to brand loyalty. This study investigates the factors that influence loyalty of local automobile brands in Malaysia. Social exchange theory and relationship marketing concept can be used to explain the relationship between the variables in this research i.e. brand image, brand experience, brand personality, satisfaction, and trust in brand loyalty among local automobile brands in Malaysia market.

#### **2.4.1 The Concept of Relationship Marketing**

Relationship marketing is a concept based on the interplay between sellers and buyers in the industrial market. It considers customers as a kind of resource that can estimate the value of a relationship. Relationship marketing pays high attention to utilizing resources to maintain customers and their loyalty. Keeping and developing a long-term

relationship with consumers is the most important content of relationship marketing (Cheng & Zhang, 2012).

Relationship marketing has received a lot of attention from both researchers and marketers over the last 20 years as one of the strategies companies can employ to remain competitive (Aelen, Dalen, Herik, & Walle, 2011). It includes all marketing activities a company can perform to build successful relationships with stakeholders (Morgan & Hunt, 1994). The term has generally been used to include many different activities, with a differentiation made between its operational, strategic, and philosophical dimensions (Wolfe, 1991). Grönroos (1994) described relationship marketing as mutually beneficial exchanges and completion of a pledge by both parties in a chain of interactions over the lifetime of the relationship between them. Several recurring themes have helped to define the field of relationship marketing, particularly commitment, trust, a long-term direction, and cooperation (Bagozzi, 1995; Morgan & Hunt, 1994; Palmer, 2002). However, the main focus of relationship marketing is building closer associations with consumers and stakeholders (Gronroos (1996), as a strategy to cope with difficulties, like gaining an international competitive advantage, dealing with rapidly changing technologies, and reducing the time-to-market of new products (Roy & Banerjee, 2008). In fact, it is argued that the declining levels of loyalty among consumers toward companies are probably considered evidence of ineffective relationship marketing programs and strategies (Ipsos-Mori, 2010), although there is an opinion that in customer markets, on-going relationships and loyalty are illusory (Ehrenberg & Goodhardt, 2000).

Within the increasing global trend of competition and price pressures, many companies employ numerous strategies for survival and profitability. In order to deal with these changes, a range of marketing approaches has been developed. Of these, relationship marketing has attracted the greatest attention from both academic scholars and practitioners (Berry, 1995; Grönroos, 1994; Wang & Head, 2005). Today's business environment is more dynamic and customers are more demanding, so companies have turned their attention towards relationship marketing to stay competitive (Mitrega & Pfajfar, 2015; Mullins, Walker, Boyd, & Harper, 2005). It is suggested that companies should treat customers like friends (Chia-wen, 2008). Hence, how to keep a good relationship is essential in relationship marketing (Storbacka, Strandvik, & Grönroos, 1994).

In addition to developing connections between companies and customers as part of the relationship marketing agenda, brand relationship focuses on the link between brands and consumers (Aaker *et al.*, 2004; Breivik & Thorbjørnsen, 2008; Chang & Chieng, 2006; Haas, 2007; Huber *et al.*, 2010). The utility of studying brand relationship is the capability to supply insight into the impact of brands on consumers to meet their desires (Breivik & Thorbjørnsen, 2008; Fournier, 1998; Monga, 2002). Chattananon and Trimetsoontorn (2009) maintained that relationship marketing has a specific importance to the manufacturing industry. A business company needs to deliver continually satisfaction and quality to create a mutually beneficial long-term relationship between consumers and manufacturers (Lovelock, Walker, & Patterson, 2001). Therefore, relationship marketing is more than just getting consumers; it is also about how to keep

existing consumers. In this context, the strength of relationship marketing might lead to loyalty toward a particular brand.

Lately, relationship marketing has become known as a tool to help increase a lifetime value of a consumer. As relationship marketing takes into account the economic aspects of consumer retention, there is an urgent need to maintain existing customers and also to attract new customers. This can be done by developing brand loyalty where companies can appeal to the psychological affection for the brand to consumers (Fournier, 1998).

This study employs relationship marketing concepts in an attempt “to discover, create, maintain and strengthen the relationship with customers” (Gronroos, 1996, p. 7). Relationship marketing is based on interpersonal relationships between brands and customers. Furthermore, relationship marketing relates to all marketing activities that lead to the creation and development as well as maintenance of successful relational exchanges (Morgan & Hunt, 1994). The main goal of relationship marketing is to understand and identify how management can control the antecedent factors that affect the essential relationship marketing consequences, like trust, loyalty and satisfaction (Gwinner, Hennig-Thurau, & Gremler, 2002). Therefore, this study employs social exchange theory and relationship marketing concepts to explain the antecedents and the consequences of brand satisfaction and brand trust on building brand loyalty among local automotive brand in Malaysia.

## 2.5 Importance of Brand Loyalty

Brand loyalty is very important to any business. Higher sales volume is a sign of increased customer loyalty towards the brand. For example, every year, companies in the United States lose 13 percent of their customers, suggesting stiff competition (Giddens & Hofmann, 2010). However, the general perception is that brand loyalty is something which is irrational, as people usually buy based on emotions, and not on rational thinking (Niemuth, 2008). However, Doyle (1990) maintained that this is not the correct perception of brand loyalty, as brand loyalty is not necessarily irrational (Doyle, 1990). Hence, companies must find ways to create loyalty among consumers.

Companies are increasingly facing many challenges in the provision of consumer needs in light of strong competition. As consumers become knowledgeable with respect to prices and improved varieties of products and exhibit varying degrees of loyalty and commitment towards a brand or product or service (Kandampully & Suhartanto, 2000), companies need to make considerable efforts to secure long-term loyalty with their customers for business success (Dekimpe, Steenkamp, Mellens, & Abeele, 1997; Keller, 1998; Tuominen, 1999). Generally, loyalty occurs when a customer purchases a product or service frequently and holds an appropriate and positive attitude towards services and products.

Shugan (2005) maintained that brand loyalty bears a strong positive influence on company profitability. Hence, it is of the interest to both brand marketers and

researchers to investigate the key antecedents of brand loyalty (Hyun & Wansoo, 2011). Besides, brand loyalty refers to a situation when a buyer is averse to switching from a brand a consumer already trusts and knows. Such loyalty is reflected in repurchase or preference toward the brand or other positive conducts like word-of-mouth patronage. As loyal consumers are less susceptible to changes in prices, they are generally willing to pay more money in order to get their preferred brand (raj, choudhary, & Kalai, 2008) due to the expectancy of some distinctive value in the brand that is lacking in others (Reichheld & Teal, 2001; Reinchheld, 1996a).

The central role of marketing strategies is the development and maintenance of customer brand loyalty, especially in markets with strong competition, great unpredictability, and decreased product differentiation (Fournier & Yao, 1997; Nawaz & Usman, 2011). Brand loyalty is a conventional marketing idea that focuses on developing a long-term consumer brand relationship. It has been employed to measure brand equity and successful marketing strategies (Knox & Walker, 2003). As getting new customers can be very expensive for companies, getting loyal customers is in the companies' best interest. That is why to Light (1994), "brand loyalty is the only basis for enduring profitable growth" (p.1). Brand loyalty is the strength of the brand acquired over time through goodwill and name recognition (Vitez, 2013), which lead to increased sales and higher profit margins against competing brands (Usman, Rida, Madiha, & Mohsin, 2012). Thus, companies need to devise new strategies to create brand loyalty (Doyle, 2012; Noton, 2009), and they can do this through strong advertising and marketing campaigns and provision of high-quality services or products.

Schuilng and Kapferer (2004) conducted a study in Italy, Germany, France, and the United Kingdom on brand loyalty. Their result indicated that local brand has the advantage of higher consumer awareness and strong brand loyalty in comparison to a global brand. In other words, the advantages of a local brand are not only that customers perceive the brand to be of high quality, but also because the brand is trusted to have better quality and better value than the global brand. The present study shows the possibility of using local automobile brands to respond to local market needs. By accurately positioning and effective advertising campaigns that reflect the ideas and local visions, companies can develop loyalty and trust to the local brand (Wel, Aniza, & Bojei, 2009).

## **2.6 Previous Research on Brand Loyalty**

Over the years, prior studies have identified numerous predictors of customer brand loyalty, such as brand image (Andreani *et al.*, 2012; Anwar, Gulzar, Sohail, & Akram, 2011; Boohene & Agyapong, 2010; Hsiang, Ching, & Cou, 2011; Hyun & Wansoo, 2011; Tu, Wang, & Chang, 2012; Wu, Liao, Chen, & Hsu, 2011), brand experience (Anisimova, 2007; Biedenbach & Marell, 2009; Hee & Myung, 2012; Iglesias, Singh, & Batista-Foguet, 2011; Nysveen *et al.*, 2013; Sahin *et al.*, 2011), brand personality (Anisimova, 2007; Choi *et al.*, 2011; Kumar, Luthra, & Datta, 2006; Lee & Back, 2010; Mengxia, 2007; Mishra & PatraY, 2010; Yong-Ki *et al.*, 2009), brand satisfaction (Andreani *et al.*, 2012; Bennett, Härtel, & McColl-Kennedy, 2005; Dehdashti *et al.*, 2012; Erciş, Ünal, Candan, & Yıldırım, 2012; Jonathan, Janghyuk, & Lawrence, 2001;



Kuikka & Laukkanen, 2012; Nam, Ekinici, & Whyatt, 2011; Nawaz & Usman, 2011; Nelloh, Goh, & Mulia, 2011; Nysveen *et al.*, 2013; Sahin *et al.*, 2011; Sondoh *et al.*, 2007; Tu *et al.*, 2012; Wu *et al.*, 2011; Yong, 2010; Youl & John, 2010), and brand trust (Anwar *et al.*, 2011; Erciş *et al.*, 2012; Hee & Myung, 2012; Kuikka & Laukkanen, 2012; Mazodier & Merunka, 2011; Mohammad, 2012; Punniyamoorthy & Raj, 2007; Ramesh Kumar & Advani, 2005; Uecharoenkit & Cohen, 2011; Wel, Alam, & Nor, 2011). Furthermore, it is widely accepted among products and branding scholars that brand image has an influence on brand loyalty (Cretu & Brodie, 2007; Gul, Jan, Baloch, Jan, & Jan, 2010; Martenson, 2007; Sondoh *et al.*, 2007; Thakor & Katsanis, 1997).

In the marketing field, Hanzabee and Asadollahi (2012) suggested that brand managers must consider the inter-correlations between brand equity's dimensions, particularly brand image and brand loyalty, as high-quality brand enable customers to identify a brand's superiority and distinctiveness which lead to satisfaction and loyalty (David, 1991; Oliver, 1997). Wu *et al.* (2011) indicated a positive influence of brand image on customer loyalty and customer satisfaction. Shaharudin *et al.* (2011) argued that the quality of product assists the company to deliver products that can satisfy the needs and wants of the customers, which lead to the constant demand of the goods. The brand image itself is more influential to the clients than the physical quality of the brand in determining to rebuy the same brand in the future. For instance, brand image is an important antecedent of brand loyalty (Aydin & Özer, 2005).

Brand loyalty is the propensity to choose for the continuation of one brand among many brands in the same group of products and buys it (Aaker *et al.*, 2004). When customers have high loyalty toward the brand, it means that they feel a strong commitment toward it and continuously purchase it (Baldinger & Rubinson, 1996). Al-Azzam and Salleh (2012) revealed the positive influence of brand quality and brand image on brand loyalty. The authors recommended other variables to be considered in future works that could affect brand loyalty, such as satisfaction and trust. In line with this recommendation, these two variables are integrated into the present study.

Brand experience is established when consumers use the brand, search for the brand, and talk to others about the brand, such as to friends, family, and so on (Ambler *et al.*, 2002). Hee and Myung (2012) revealed the positive impact of affective brand experience on brand trust and brand loyalty. Based on their findings, the authors recommended that brand experience is important to build brand trust and brand loyalty. In the western Liaoning province in China, Han and Li (2012) found that brand experience has a positive and significant effect on customer brand loyalty toward dairy products. Furthermore, Sahin *et al.* (2011) revealed the positive relationship between brand experience on brand loyalty through brand trust and satisfaction in an automobile industry in Istanbul, Turkey. Mohammad (2012) suggested several factors that may contribute to brand loyalty that can be integrated to develop a more extensive model to intensify its explanatory power, such as brand quality and brand experience. Nysveen *et al.* (2013) found a significant and positive influence of brand experience dimensions on brand loyalty in a mobile service industry in Norway. Brand experience is very

important to brand loyalty because when consumers have a positive experience with the brand, they will recommend it to their friends and relatives.

The concept of brand personality provides a new horizon for brand management in the area of relational marketing (Malik & Naeem, 2012). Scholars have indicated several consequences of brand personality in marketing literature, such as brand trust (Hess, Bauer, Kuester, & Huber, 2007; Hye-Shin, 2000; Lee & Back, 2010; Louis & Lombart, 2010), satisfaction (Achouri & Bouslama, 2010; Ekinici & Dawes, 2009; Ouwersloot & Tudorica, 2001), and brand loyalty (Erdogmus & Büdeyri-Turan, 2012; Kumar *et al.*, 2006; Lin, 2010; Mishra & PatraY, 2010). The dimensions of brand personality should be relevant determinants of added value to the brand that affect brand preferences (Hye-Shin, 2000). Choi *et al.* (2011) discovered that brand personality has a significant and positive relationship with brand trust. Sahin *et al.* (2011) recommended that it is essential to understand the relationship between brand loyalty and other variables related to relationship marketing like brand personality. In line with that, brand personality is included in the framework of this research.

Brand satisfaction and brand trust are vital variables in the improvement of brand loyalty (Chaudhuri & Holbrook, 2001; Erciş *et al.*, 2012). Ueacharoenkit and Cohen (2011) explored the positive and significant relationship between satisfaction and trust on behavioural brand loyalty among cosmetic products. Also, Kuikka and Laukkanen (2012) observed that brand satisfaction has a strong effect on behavioural brand loyalty. The authors also showed that brand satisfaction and brand trust affect attitudinal brand

loyalty. They further revealed that satisfaction is the most significant effect on behavioural brand loyalty. Similarly, Choi *et al.* (2011) demonstrated that behavioural and attitudinal dimensions of brand loyalty are directly and indirectly influenced by brand relationship quality (satisfaction and brand trust).

A number of scholars have proposed that future researchers study the role of brand satisfaction and brand trust in influencing brand loyalty, especially in the context of local brands (Al-Ekam *et al.*, 2012; Nandan, 2005; Silva & Alwi, 2008; Xing-wen & Zhang, 2008). This means that when customers trust and are satisfied with a brand, they will repeat buying that brand (Erciş *et al.*, 2012). In addition, Hongfang and Weihua (2009) demonstrated that satisfaction plays an exceptionally essential role in impacting brand loyalty. The findings imply that companies should offer their best to achieve customer satisfaction and develop brand loyalty (Yong, 2010) by highlighting its uniqueness in the market. Khraim (2011) recommended that marketers should understand how loyalty factors can encourage consumers to buy their brand. In other words, companies can improve marketing strategies to promote satisfaction and augment their consumer base. The customers also may be loyal because they are satisfied with the brand, leading to a continued relationship (Fornell, 1992).

In marketing research, brand loyalty is associated with terms like commitment, preference, allegiance, and repurchase (Chiou & Shen, 2006; Fournier & Mick, 1999; Sahin *et al.*, 2011). Dehdashti *et al.* (2012) indicated that a strong brand can assist in building a long-term relationship between companies and consumer, which leads to

brand loyalty. They argued that brand loyalty is the outcome of repeated buying action, which results from a psychological decision. Aydin and Özer (2005) revealed in their model the effects of several factors that affect brand loyalty, which is corporate image and trust. They also found the most important antecedent of brand loyalty, which is trust. Brand trust is influential in the improvement of brand loyalty (Mohammad, 2012; Nawaz & Usman, 2011).

The concept of trust in the research comes from the analysis of individual relationships. In the realm of social psychology, trust is an inherent feature of social interaction. Recently in marketing literature, the concept of trust has become a widespread issue because the social orientation emerges in marketing activities (Ganesan, 1994; Morgan & Hunt, 1994). Nawaz and Usman (2011) concluded that trust is the essential antecedent of brand loyalty. They further found that the development of brand loyalty depends on the relationship between customers and the brand.

Brand personality is also a very important variable that is likely to influence brand loyalty. Mengxia (2007) investigated the influence of brand personality on brand loyalty and brand preference of two brands (i.e. Sony and Nike) among 230 consumers in China. They found that brand personality had a strong influence on brand loyalty and brand preference. Kumar *et al.* (2006) also revealed that brand personality has a significant relationship with the brand loyalty of consumable durable products in an Indian market. Mishra and PatraY (2010) demonstrated that brand personality dimensions and length of the relationship play a significant role in customer brand

loyalty. The literature suggests that brand personality is an essential variable influencing brand loyalty.

Nezakati *et al.* (2011) examined the factors influencing customer purchase behaviour towards imported automobile brand in Malaysia. They observed that Malaysian customers prefer imported brand for several reasons. Brands, such as Mercedes-Benz, BMW, Toyota, and Honda, have appealed luxuries and are suitable for them. The customers believe that imported brands could reflect their social status and have high quality in terms of technology and performance. Ing *et al.* (2012) investigated the effect of status-seeking motivation on perceived quality of international versus local automobile brands in Malaysia. They found that international brand was generally preferred in terms of quality. Automobile brands need high involvement; so when the customers make purchases they tend to engage in external searches, are more aware of the source channel, and are more sensitive to the information on brands (Wel *et al.*, 2011). Among automotive customers in Indonesia, Murtiasih and Siringoringo (2013) found that a positive word of mouth triggers customers toward assessing the brand in terms of quality. The finding indicated that the stronger the positive word of mouth the higher the brand loyalty. Additionally, when customers receive positive information from people they trust, trust towards the brand is developed. Anatolevena Anisimova (2007) examined the influence of the corporate brand on attitudinal and behavioural consumer loyalty among 285 consumers of an automobile manufacturer in Australia and found a positive and significant relationship between the variables.

A study conducted in Malaysia among international students by Hin, Isa, Hee, and Swee (2013) found that the majority of the foreign customers agree that the products made in advanced or developed countries have better quality than the products made in the emerging or developing countries like Malaysia. The research also revealed that Malaysian cars were perceived to have lower quality than those in the developed countries and were ranked at number eight in terms of image. In view of this, the result of the research provides an opportunity for Malaysian car manufacturers, such as Proton and Perodua, to improve their quality of their product as well as a brand image from the perspective of international students. It is strongly believed that consumers should not worry where the products are made; all they have to worry is the product quality, price, design, value, and how the products appeal to them as customers.

Wiedmann, Hennigs, Schmidt, and Wuestefeld (2011) examined the influence of brand heritage on brand image, customer satisfaction, brand trust, and brand loyalty in the automotive industry. They found that brand heritage exhibits a very strong relationship with brand image and brand loyalty. Moreover, brand image has a strong relationship with satisfaction, willingness to pay a price premium, and trustworthiness. Satisfaction significantly affects trustworthiness and brand loyalty. The effect on brand image is significantly strong; therefore, brand heritage affects the overall image of a brand in the eyes of the consumers. Besides, the strong influence on the trustworthiness of a brand shows that the consumers tend to trust a heritage brand more and perceive a lower risk of buying products from a given brand.

Wu (2011) explored the automobile purchase patterns of Chinese Americans as he observed that most Chinese Americans prefer Japanese or European brands over US car brands. He investigated factors, such as country image, informational influence, collectivism/individualism, and brand loyalty. He indicated that Chinese Americans perceive the country image of Japan most favourable while the US least favourable, and European image in-between in making a car purchase decisions. Country image is important, but it is less so than other extrinsic cues, such as price, brand name and service, with reliability and safety being the most important intrinsic cues. Opinions of family and friends are important, second to prior knowledge and information from consumer reports. Chinese Americans' collectivism is positively related to their susceptibility to interpersonal, informational influence, yet their individualism is not. He concluded that Chinese Americans are not brand loyal.

Additionally, prior studies have identified predictors of brand loyalty in different industrial setting, particularly brand image, brand experience, brand personality, brand trust, and brand satisfaction. Table 2.1 summarizes previous research on brand loyalty. Next, the role of these predictors (i.e. brand image, brand experience, brand personality, brand satisfaction, and brand trust) in determining brand loyalty in the present study is discussed.



Table 2.1  
*Previous Research on Brand Loyalty*

<b>Authors</b>	<b>Predictor</b>	<b>Area</b>	<b>Country</b>	<b>Respondents</b>
Lee, Lee, and Feick (2001)	Satisfaction	Mobile phone service	France	Users
Bennett and Kennedy (2005)	Satisfaction	Advertising- service	Australia	Customers
Aydin and Özer (2005)	Trust	Mobile telecommunication	Turkey	Users
Kumar and Advani (2005)	Brand trust,	Toothpaste	India	Consumers
Kumar, Luthra, and Datta (2006)	Brand personality (qualitative)	Durable toothpaste and cars	India	Buyers
Anisimova (2007)	Brand personality	Car manufacturer	Australia	Consumer
Mengxia (2007)	Brand personality	Sony and Nike	China	Consumers
Punniyamorthy and Raj (2007)	Trust, satisfaction	English newspapers	India	Consumers
Sondoh <i>et al.</i> (2007)	Brand image, satisfaction	Colour cosmetic	Malaysia	Females consumer
Biedenbach and Marell (2009)	Customer experience	Services setting	Sweden	CEOs
Hongfang and Weihua (2009)	Satisfaction	Electrical appliances	China	Consumers
Lee, Back, K.-J., and Kim (2009)	Brand personality	Restaurant industry	Korea	Diners
Lee and Back (2010)	Service quality, user imagery, perceived price, and brand trust	Hotel industry	United States	Guests
Mishra and PatraY (2010)	Dimensions of brand personality	Popular clothing	India	Households
Yong (2010)	Satisfaction	Service industry- hotel	China	Customer
Youl and John (2010)	Satisfaction	Banking industries	Korea	retail banking
Anwar, Gulzar, Sohail, and Akram (2011)	Brand image Brand trust	Body Shop and Revlon	Pakistan	Female users
Boohene (2011)	Image	Vodafone	Ghana	Users
Nelloh <i>et al.</i> (2011)	Satisfaction	Hotel Sector	Indonesia	Guests

Table 2.1 (Continued)

<b>Authors</b>	<b>Predictor</b>	<b>Area</b>	<b>Country</b>	<b>Respondents</b>
Usman (2011)	Satisfaction Trust	Telecommunication	Pakistan	Customers
Khraim (2011)	Brand name	Cosmetics	UAE	Female customer
Sahin <i>et al.</i> (2011)	Brand experience	Automobile	Turkey	Consumers
Choi, Ok, and Hyun (2011)	Trust, satisfaction Brand Personality	Coffeehouse	United States.	Customers
Wu, Liao, Chen, and Hsu (2011)	Brand image, Satisfaction	Medical insurance	Taiwan	Customers
Wiedmann <i>et al.</i> (2011)	Brand heritage	Automotive industry	----	Customers
Wu (2011)	Country image, collectivism/ Individualism	Japanese, US, and European automobiles brands	US	Chinese American customers
Iglesias, Singh, and Batista-Foguet (2011)	Brand experience	Sneakers, cars, and laptops	Spain	MPA students
Hyun and Kim (2011)	Brand image	Restaurant	Korea	Patrons
Ming, Chi, and Chen (2011)	Brand image	Communication	Taiwan	Computer users
Nam, Ekinci, and Whyatt (2011)	Satisfaction	Hotel and restaurant industry.	UK	Customers
Uecharoenkit and Cohen (2011)	Satisfaction, trust	Cosmetic brand	Thailand	Customers
Mazodier and Merunka (2011)	Brand trust	Summer Olympics 2008 (Samsung and Adidas)	France	Consumers
Wel, Alam, and Nor (2011)	Brand trust	Sport shoes	Malaysia	University students
Andreani, Taniaji, and Puspitasari (2012)	Brand image, Satisfaction	McDonald	Indonesia	Costumers

Table 2.1 (Continued)

<b>Authors</b>	<b>Predictor</b>	<b>Area</b>	<b>Country</b>	<b>Respondents</b>
Dehdashti <i>et al.</i> (2012)	Satisfaction	Dairy products	Tehran, Iran	Customers
Mohammad (2012)	Trust	Shampoo	Jordan	Female consumers
Kuikka and Laukkanen (2012)	Trust, Satisfaction	Chocolate	Finland	Costumers
Erciş, Ünal, Candan, and Yıldırım (2012)	Brand satisfaction brand trust	Mobile phone	Turkey	Students
Jung and Soo (2012)	Brand experience Brand trust	Universities	South Korea	Customer
Han and Li (2012)	Brand experience	Dairy products	China	Customer
Wang, and Chang (2012)	Brand image, Customer satisfaction	Starbucks Coffee	Taiwan	Customers
Hanzaee and L. Andervazh (2012)	Brand trust	Mobile phones, sunglasses, running shoes, and notebooks	Iran	Shoppers
Nysveen, Pedersen, and Skard (2013)	Brand experience's dimensions, brand satisfaction	Telecommunication services	Norway	Online consumers
Lee and Jeong (2014)	Hotels	America	Significant	Costumers
Ballester and Alema'n (2015)	Satisfaction	Shampoo and beer	Spain	Customers
Roy and Chakraborti (2015)	Service	Telecommunications	India	Insignificant
Ong <i>et al.</i> (2015)	SMSE restaurants	Malaysia	Insignificant	Diners
Maheshwari <i>et al.</i> (2016)	Automotive	Norway	Insignificant	Customers
Loureiro (2016)	Automotive	Portugal and United Kingdom'	Significant	Consumers
Chen-Yu <i>et al.</i> (2016)	Products	US	Significant	Customers
Chinomona and Kuada (2016)	Consumer goods	South African	Significant	Customers

Table 2.1 shows that many studies were conducted in telecommunication, hotel, medical insurance, mobile phone, tourism, restaurant, and banking industries. Besides, they were carried out in China, Korea, Thailand, Indonesia, Iran, Pakistan, Turkey, Taiwan, Australia, and in Western countries, such as Norway, Sweden, the UK, Spain, and the United States. Few research works, however, have been conducted in Malaysia. Furthermore, only a few have been carried out in the automotive industry, specifically in the local automobile sector. This study fills these gaps by investigating the local automobile brands in Malaysia.

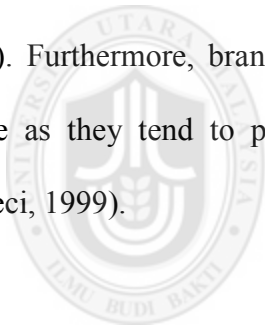
## **2.7 Brand Loyalty and Its Determinants**

A number of research works have appeared in recent times that measured factors of automotive perception of brand loyalty; however, they did not offer information on the measurement techniques and, hence, their works could not be compared. Therefore, the operationalization of brand perception toward automobiles as a multi-faceted construct needs to be further explored. A comprehensive review of the literature is performed to identify the best measure for the key variables of brand image, brand experience, brand personality, brand satisfaction, brand trust, and brand loyalty in the automotive industry.

### **2.7.1 Brand Image (BI)**

Brand image is described as “the perceptions and beliefs held by consumers, as reflected in the associations held in consumer memory” (Kotler, Keller, Brady, Goodman, & Hansen, 2009). Brand image is a meaning associated by consumers with the brand

(David, 1991; Dobni & Zinkhan, 1990; Nandan, 2005), which is retained in consumers' minds (Dobni & Zinkhan, 1990). Keller (1993, p. 3) defined brand image as "perceptions about a brand as reflected by the brand associations held in consumer memory." It is a summation of brand associations in the memory of consumers which guide them towards brand association and brand perception. Hsieh, Pan, and Setiono (2004) showed that brand image can help consumers recognize their needs and satisfaction with a brand. Furthermore, brand image can help customers assemble information, discriminate brands, create positive feelings, and create a cause to buy (David, 1991). As brand image describes the opinions and feeling of the consumers towards the brand (Faircloth, 2005), it is unique from one brand to another (Faircloth, 2005). Furthermore, brand image plays a vital role in strengthening customers' self-image as they tend to purchase products that are compatible with their self-image (Tepeci, 1999).



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As brand image is a customer perception of a brand, the aim of companies is to create a strong image of the brand in the minds of consumers. Brand image consists of several concepts which are perception (the brand can be perceived); cognition (the brand can be cognitively evaluated), and attitude customers form about the brand after continuously perceiving and evaluating it (Aaker David, 1996; Keller, 1993, 2003a). Brand image is the focal point of a consumer-based approach. As brand image is the overall impression of a consumer to a particular brand through the impact of reasoned or emotional perceptions of the consumer (Aaker David, 2011; Dobni & Zinkhan, 1990), marketing programs can generate a positive brand image by building a strong link between a brand

and its image in the memory of the consumers. Associations that are the strongest, most favourable, and unique are most likely to be activated and contribute to brand image (Keller, 2003b). In constructing brand image, consumers will differentiate among many brands in the market. This image can be explicated by brand identity, and the process of image construction must be coordinated with all the company activities and strategies (Harun *et al.*, 2010). By doing so, brand loyalty can be developed (Back & Parks, 2003; Delassus & Descotes, 2012; Holly *et al.*, 2012; Sondoh *et al.*, 2007).

Companies can create positive attitudes in the minds of consumers by presenting attractive brand images. Park, Jaworski, and MacInnis (1986) argued that companies that are able to introduce, fortify and elaborate the concept of brand (brand image) will be better able to attract and retain consumers, and create stronger and more profitable brands. In doing such, brands are able to generate value for the consumer (customer-based brand equity) and comparative advantages for the company (Boush & Loken, 1991; Keller, 1993). Besides, according to Rooney (1995), a strategic brand is basically intended to build the brand image, enhancing the value of the brand to the customers and this leads to brand loyalty.

Brand image plays a vital role in the product industry. In the past, studies on brand image tended to focus on intangible products and in retail contexts (Erfgen, 2011; Ghazizadeh, 2010; Nyadzayo, Matanda, & Ewing, 2015; Xia & Lin, 2010). Only a few studies investigated brand image of product companies. Furthermore, there have been few research efforts to incorporate the role of brand image into a brand loyalty

framework (Martenson, 2007; Sondoh *et al.*, 2007; Xing-wen & Zhang, 2008). Brand image plays a key role when consumers assess products, and it drives them to become loyal (Gul *et al.*, 2010). According to Akaah and Korgaonkar (1988), a positive brand image encourages consumers to buy a brand of products that they know well. In line with this argument, Thakor and Katsanis (1997) indicated that through brand image consumers are able to assess the quality of a brand. Because of the availability of similar brands, but different qualities in the market, consumers' ability is limited in terms of knowledge and amount of time about the brand to make an informed buying decision (Grewal, Krishnan, Baker, & Borin, 1998). Therefore, brand image plays a vital role to enlighten and provide them with all the information necessary for the product/brand.

Furthermore, brand image represents a personal symbolism that customers have relative with the brand, which includes all evaluations related to the brand (Iversen & Hem, 2008; Urde, 2003). When customers have a desirable brand image, the brand messages have a stronger effect in comparison to competitors' brand information (Hsieh & Li, 2008). Hence, brand image is a vital determinant of a purchaser's behaviour (Burmam, Schaefer, & Maloney, 2008). Brand image also plays a vital role in the consumer market. The attractiveness of a brand image to the consumer own self-image lays the foundation for establishing a relationship between a customer and a brand, which, in turn, serves as a basis for brand loyalty (Burmam, Schaefer, & Maloney, 2007; Zakladna & Ehrl, 2011).

Brand management scholars (David, 1991; Kapferer & Jean-Noel, 2004; Pina, Martinez, De Chernatony, & Drury, 2006) contended that brand image is an important part of an influential brand. A powerful brand that is able to differentiate the brand from its competitors (Chernatony, 2006) represents high quality from the conception of the consumers (Kenny & O’Cass, 2001). Brand image becomes stronger when it contains many products in a portfolio of brands (Boush & Loken, 1991). Moreover, brand image is distinguished when it comes to competing brands (Hanzaee & Asadollahi, 2011). Approximately, all competitive brands have distinctive dimensions to distinguish themselves from the competitors’ brand. The brand might be differentiated by the sound, colour, texture, weight, design, packaging, and other more abstract dimensions (Forsido, 2012). Besides, the image of the brand might come from several sources, like promotion, word of mouth, advertising, The Internet, friends, or company notices. Knowledge of customers might contain the range of products within the brand as well as the company philosophy and quality of the brand. When consumers have a positive brand image, they might develop a strong relationship with the brand. Clientele may also develop trust about the brand. The stronger the trust consumers have about a brand, the more deeply rooted the brand image in their mind (Hyun & Wansoo, 2011).

The research key in brand image is to develop and identify the most influential images and strengthen them through subsequent business contacts. The term “brand image” gained a reputation as evidence began to grow that the images and feelings related to a brand were strong influences though recall, brand identity, and brand recognition. It is



based on the premise that customers purchase not only goods but also the image related with that product (Ulusu, 2011).

Brand image is considered a consumer's built concept; thus, customers create an image related to the brand with regard to their perceptions and knowledge (Nandan, 2005). It is an outcome of the customers deciphering all the signals delivered by the brand, like visual signs, brand name, sponsorship and advertising (Kapferer, 1994). Sherry (2005) recommended that the influence of brand image strategies on brand image management should be considered. Nowadays, what companies stand for and the product they provide to consumers are denoted by branding. Brand notifies consumers about what the companies' commitments are. Companies are identified by brands, and the market will get specific values from that brand (Roth, 1995).

When the customers shop, the first impression they have is toward some specific products or brands, because that brand or product may attract them or the image of that brand may enter their minds; therefore, brand image is an important factor in influencing consumer behaviour. Naturally, consumers look for the things that attract them. Brands that possess a good image affect consumer behaviour. In establishing a brand, developing a brand image is one of the best ways to get customers to engage and connect with companies so that brand loyalty will begin to flourish (Bauer *et al.*, 2008). Therefore, expanding the brand loyalty model to include brand image in this study is necessary. It may lead to strengthening the capacity of a forecasting model, as well as providing an enhanced understanding of the factors that stimulate loyalty towards local industries.

Xuehua and Yang (2010) recommended that future research considers local automobile brands to compare the relative strengths of the link between brand image and brand purchase intention. They specifically targeted constructs related to these variables in order to offer a more insightful understanding and an enriched overview of customer brand purchase behaviour. Furthermore, Yeoh (2010) investigated the moderating effect of brand image on the relationship of customer satisfaction including perceived service quality, perceived product quality, and perceived price fairness and customer loyalty from the perspective of Proton customers. Malaysian consumers revealed that they will continue to be loyal to Proton if they are satisfied with the price and quality of the automobile. The results also indicated that brand image serves as a moderator in affecting the relationship between customer satisfaction and loyalty.

#### **2.7.1.1 Previous Studies between Brand Image and Brand Loyalty**

Some studies revealed a significant relationship between brand image and brand loyalty (Andreani *et al.*, 2012; Sondoh *et al.*, 2007) while others did not (Chen & Myagmarsuren, 2011; Cretu & Brodie, 2007; Gul *et al.*, 2010; Helgesen & Nettet, 2007; Roy & Chakraborti, 2015; Zhang, Fu, Cai, & Lu, 2014). Table 2.2 shows a limited number of inquiries that have examined the relationship between brand image and brand loyalty in automobile brands.

Hyun and Wansoo (2011) examined the influence of brand image on brand loyalty among 188 clientele of five chain restaurants in Korea. The authors found a positively significant relationship between the two constructs. In the same context, Andreani *et al.* (2012) investigated the relationship between brand image of McDonald's and customer loyalty by using descriptive and Partial Least Square (PLS) analyses. They showed a positive influence of brand image on customer loyalty. Alimen and Cerit (2010) revealed that fashion brands targeting young customers must consider the influence of brand image on the target segments.

A qualitative research by Xing-wen and Zhang (2008) found that brand image has a positive influence on brand loyalty. Tu *et al.* (2012) examined the bond between corporate brand image and customer loyalty amongst customers who visit Starbucks in Taiwan. Al-Azzam and Salleh (2012) indicated a positive and significant relationship between brand image and brand loyalty in tourism industries. However, Roy and Chakraborti (2015) did not find a significant relationship between image and loyalty among users who frequently used mobile phone service in India.

Hsiang *et al.* (2011) investigated the relationship between variants of brand images and brand equity dimensions (brand loyalty) in Taiwan. They found that brand with a superior image decreases brand equity dimensions significantly (brand loyalty). Wu *et al.* (2011) revealed that brand image has an indirect relationship with brand loyalty. The study among customers of medical insurance in Taiwan indicated that customer satisfaction mediates the relationship between brand image and loyalty. Meanwhile, the

structural path coefficients between brand image and customer loyalty were found to be insignificant. Lai *et al.* (2009) also revealed no relationship between brand image and loyalty among customers of Chinese mobile phones. A similar finding was also reported by Sang (2009) who examined the effect of brand image on brand loyalty among consumers of casual dining restaurant chains in the United States. Similarly, Chen and Myagmarsuren (2011) observed that image did not affect customer loyalty in Taiwan telecommunication service industries.

Despite the number of studies in examining the effects of brand image on brand loyalty, one major gap in the literature concerns the influence of brand image on brand automobile loyalty, particularly local automobile brand. Therefore, considering local brands from a point of view of the Malaysian customers will allow a better understanding of the brand loyalty factors. In sum, the evidence regarding the influence of brand loyalty factors, especially brand image on brand loyalty, is inconclusive (Alimen & Cerit, 2010; Andreani *et al.*, 2012).

Table 2.2  
*Previous Studies on Brand Image and Brand Loyalty*

Author and year	Sector	Area	Country	Results	Respondents
Cretu and Brodie (2007)	Product	Shampoo	New Zealand	Insignificant	Managers
Helgesen and Nettet (2007)	Service	University facilities	Norway	Insignificant	Students
Martenson (2007)	Product	Grocery retailing	British	Significant	Consumers
Lai <i>et al.</i> (2009)	Service	Telecommunications	China	Insignificant	Customers
Gul <i>et al.</i> (2010)	Product	Automobile	Pakistan	Insignificant	Users
Hyun and Wansoo (2011)	Service	Restaurant	Korea	Significant	Clienteles
Chen and Myagmarsuren (2011)	Service	Telecommunications	Taiwan	Insignificant	Customers
Wu <i>et al.</i> (2011)	Service	Medical insurance	Taiwan	Insignificant	Customers
Anwar <i>et al.</i> (2011)	Product	Body Shop	Pakistan	Significant	Female
Suhartanto (2011)	Service	Hotel industry	Indonesia	Insignificant	Customers
Andreani <i>et al.</i> (2012)	Service	McDonald's	Indonesia	Significant	Customers
Al-Azzam and Salleh (2012)	Service	Tourism	Jordan	Significant	Tourists
Roy and Chakraborti (2015)	Service	Telecommunications	India	Insignificant	User

In order to promote brand loyalty, brand image should be positive, unique, and strong (Keller, 1993). Bianchi (2015) suggested that future studies consider brand image as an antecedent of brand loyalty. Table 2.2 shows that the few existing studies on the link between brand image and brand loyalty have produced conflicting results, implying the need to examine the relationship between brand image and local automobile brand loyalty.

### 2.7.2 Brand Experience (BE)

Brand experience is another factor purported to affect brand loyalty, which is considered in the marketing literature an important factor for building, creating, and maintaining a relationship (Sahin *et al.*, 2011). Recently, brand experience has attracted much attention (Alamanos, Brakus, & Dennis, 2015; Brakus *et al.*, 2009; Humphrey Jr, Laverie, & Rinaldo, 2015). It is essential for marketing professionals to understand how brand experience affects marketing strategies for their products and services. When a customer uses a brand to seek for information about a brand, talk about a brand with others, events, promotions, and so on, this means that brand experience is created (Ambler *et al.*, 2002; Muk, Chung, & Kim, 2015).

Brand experience is defined as a “subjective, internal (sensations, feelings, and cognitions) and behavioural responses evoked by brand-related stimuli that are part of a brand design and identity, packaging, communications, and environments” (Brakus *et al.*, 2009, p. 53). Brand experience is considered a set of interaction between a brand and a customer, a company or a part of the organization concerned (Schmitt *et al.*, 2009). Furthermore, Alloza (2008) defined brand experience as the perception of consumer connection with the brand at every moment.

Brakus *et al.* (2009) proposed four dimensions of brand experience. These include affective, sensory, behavioural, and intellectual dimensions. According to Zarantonello and Schmitt (2010), a sensory dimension is “visual, gustative, auditory, olfactory, and

tactile stimulations provided by a brand” (p. 533). The second dimension is affective; it means that brands induce feelings or sentiments. Zarantonello and Schmitt (2010) stated that the affective dimension contains feelings produced by brands and their emotional tie with customers. The third dimension is intellectual; it refers to the ability of the brands to make customers think or feel curious. The last dimension is behavioural, which means that when a consumer uses a brand, it makes him or her physically active (Zarantonello & Schmitt, 2010).

Cai and Hobson (2004) proposed that brand experience is crucial for the overall brand development and loyalty. Brand experience is likely to affect not only satisfaction but also future brand loyalty. For marketers, this means encouraging consumers to recommend the brand to other people and discouraging them from buying an alternative brand (Mittal & Kamakura, 2001; Oliver *et al.*, 1997; Reichheld, 1996b). According to several scholars, brand experience is stored in a consumer memory, thus, leading to satisfaction and loyalty (Oliver, 1997; Reichheld & Teal, 2001; Reichheld, 1996b). Brand experience can also affect brand trust (Ha & Perks, 2005; Reichheld, 1996b; Zarantonello & Schmitt, 2010).

Brand experience varies in strength and intensity (Brakus *et al.*, 2009); consumers can have a negative or positive brand experience in a short term or long term. Long-term brand experiences are stored in the minds of consumers, leading to satisfaction and brand loyalty (Oliver, 1997). A brand experience is not a general evaluative judgment about the brand only. It also includes cognitions, feelings, specific sensations, and

behavioural responses due to particular stimuli related to the brand. In addition, brand experience has a behavioural influence; it influences loyalty (Schmitt *et al.*, 2009). Berry and Carbone (2007) argued the importance of maintaining an emotional connection, which requires systematic management of the customers' experiences with companies and their offerings. This is because it is the consumers' overall brand experiences with companies and the services or goods they offer that evoke the perception of value that determines brand loyalty.

The relationship between brand experience and brand loyalty has been shown in the literature (Alamanos *et al.*, 2015; Biedenbach & Marell, 2009; Han & Li, 2012; Iglesias *et al.*, 2011; Muk *et al.*, 2015; Sahin *et al.*, 2011; Uecharoenkit & Cohen, 2011). Biedenbach and Marell (2009) revealed that customer experience affects brand loyalty in the business-to-business (B2B) context in a service setting. They further suggested analysing the applicability of the model in the business-to-customer (B2C) context and assessing the robustness of the model by focusing on tangible goods from B2C markets. Shim (2012) also found a positive relationship between brand experience and brand loyalty. Based on the literature, there is a potential relationship between brand experience and brand loyalty with local automobile brands in Malaysia. Thus, brand experience is included in this research.



### 2.7.2.1 Previous Studies on Brand Experience and Brand Loyalty

Brand experience was found to influence brand loyalty directly and may also affect brand satisfaction and brand trust. Previous works revealed a significant relationship between brand experience and brand loyalty (Brakus *et al.*, 2009; Han & Li, 2012; Sahin *et al.*, 2011) while others found no significant relationship (Forsido, 2012; Nysveen *et al.*, 2013). Table 2.3 shows the few inquiries that have examined the relationship between brand experience and brand loyalty in automobile brands.

Table 2.3  
*Previous Studies on Brand Experience and Brand Loyalty*

Author	Area	Country	Results	Respondents
Brakus <i>et al.</i> (2009)	Products	-----	Significant	Students
Zarantonello and Schmitt (2010)	Automobile, electronics, and food and beverages	Italy	Significant	Customers
Iglesias <i>et al.</i> (2011)	Sneakers, cars, and Laptops	Spain	Insignificant	Students
Sahin <i>et al.</i> (2011)	Automobile	Turkey	Significant	Customers
Uecharoenkit and Cohen (2011)	Cosmetic brand	Thailand	Significant	Customers
Jung and Soo (2011)	Universities	Norway	Significant	Customers
Forsido (2012)	Smartphone	Sweden	Insignificant	Users
Han and Li (2012)	Dairy products	China	Significant	Customers
Nysveen <i>et al.</i> (2013)	Telecommunication	Norway	Insignificant	Users
Maheshwari <i>et al.</i> (2016)	Automotive	Norway	Insignificant	Customers

Sahin *et al.* (2011) examined the influence of brand experience on brand loyalty in the automobile industry in Istanbul, Turkey. They demonstrated that brand experience had a

positive impact on loyalty. Similarly, Uecharoenkit and Cohen (2011) showed a positive relationship between brand experience and brand loyalty of a luxury cosmetic brand in Thailand. In the western Liaoning province in China, Han and Li (2012) examined the influence of brand experience on customer brand loyalty of dairy products and found a positive and significant influence of brand experience on customer brand loyalty. In contrast, Iglesias *et al.* (2011) observed that brand experience failed to influence brand loyalty towards three major product categories including automobile among MBA students in Spain. Similarly, Forsido (2012) found that brand experience did not significantly affect brand loyalty towards Apple and Sony Ericsson in the Swedish smartphone market. Nysveen *et al.* (2013) examined the influence of brand experience dimensions, which were intellectual, affective, behavioural, relational, and sensory on brand loyalty in a mobile service industry in Norway. The study among 1000 consumers revealed a non-significant influence of the dimensions of brand experience on brand loyalty. Maheshwari, Lodorfos, and Jacobsen (2016) also failed to confirm a direct link between brand experience and brand loyalty among automobile customers in Norway.

The inconsistent results demonstrated in Table 2.3 highlight the need for further investigation into the link between brand experience and brand loyalty toward local automobile brands in Malaysia.

### 2.7.3 Brand Personality (BP)

Aaker (1997) defined brand personality “as a set of human characteristics associated with the brand”. The author developed five dimensions of brand personality which are; sincerity (honest, down to earth, cheerful and wholesome), excitement (spirited, daring, up to date and imaginative), competence (successful, intelligent, and reliable), sophistication (charming, and upper class) and ruggedness (outdoorsy and tough). Brand personality assists in creating a strong brand in many ways. Brand personality can build a relationship between brand and consumers and play a role in self-expression to attract consumer (Aaker David, 2011). Brand personality is something that can be related to a consumer, as an effective brand will increase brand equity with a consistent set of attributes. This is the added value of the brand, regardless of the functional benefits (Aaker, 1997).

Brand personality, defined as all personality traits used to characterize a person and be associated with a brand, is a concept within the field of relational marketing. It helps to understand better the development and preservation of relationships between consumers and brands. Keller (1998, p. 97) noted that “brand personality reflects how people feel about a brand, rather than what people think the brand is or does”. As such, brand personality explains the impact of those relationships on consumer behaviour (Fournier, 1998). Brand personality is one of the most decisive and consistent predictors of both behavioural brand loyalty and attitudinal brand loyalty (Anisimova, 2007). Distinguished brand personality plays a vital role in the success of a brand.

Balakrishnan, Saufi, and Amran (2008) examined brand personality dimensions (Excitement, Sincerity, Sophistication, Competence, Ruggedness and Peacefulness) and consumer perceptions towards the corporate brand for both domestics and imported automobile brands. They found significant differences in the customer perception of brand personality attribute between domestic and Asian car brands. The result also disclosed that the brand personality model was significant in explaining the choice and brand preference for passenger car market in Malaysia. However, other scholars found the brand personality scale can be problematic. Ranjbar (2010) examined the application of brand personality scale in the automobile industry. He revealed that the ruggedness dimension originally developed by Aaker (1997) was not reliable or valid, and the other four dimensions had to be refined by confirmatory factor analysis and structural equation modelling. Brand personality scale seems to work better in the automobile industry for Iranian customers. The results showed that Aaker's model is not entirely applicable, and the brand personality concept has a stronger cultural component. Rojas-Mendez, Erenchun-Podlech, and Silva-Olave (2004) measured the Ford Brand Personality in Chile using the five-dimension of Brand Personality scale developed by Aaker (1997). The confirmatory factor analysis of the measurement model and the analysis of the structural model provided evidence that the 'ruggedness' dimension proposed by Aaker (1997) is not reliable, nor is it valid, resulting in a weak relationship with the main construct of brand personality. Besides, to achieve good measurement properties, the other four dimensions (excitement, sincerity, competence and sophistication) had to be refined up to a point where there was no problem with

combining them to form one higher-order construct, namely Brand Personality. The refined scales exhibited reliability, and convergent/discriminant validity was supported.

Brand personality can predict brand loyalty, according to Louis and Lombart (2010), who suggested future studies to look into the effect of brand personality on other consequences, such as loyalty. Furthermore, the finding by Sung and Kim (2010) was also compatible with scholars' assertions of consumer behaviour that brand personality can evoke brand emotions and increase the levels of brand trust, which leads to brand loyalty. Hence, brand personality is included in this study.

### **2.7.3.1 Previous Studies on Brand Personality and Brand Loyalty**

Much research has been done on the effect of brand personality on brand management (Chang & Chieng, 2006; Johar, Sengupta, & Aaker, 2005; Sung & Kim, 2010). However, there is a dearth of research on the relative importance of the dimensions of brand personality that drive brand loyalty (Keller & Lehmann, 2006). This is despite the claims that brand personality promotes consumer preference and brand loyalty (Mengxia, 2007).

Abbasi *et al.* (2011) examined the link between brand personality and brand loyalty and found that brand personality affects brand loyalty. Lin (2010) revealed that brand personality has a positive and significant relationship with brand loyalty among Taiwanese consumers. Similarly, Kumar *et al.* (2006) revealed that brand personality

affects brand loyalty toward automobile brands. Nysveen *et al.* (2013) showed that brand personality has a positive effect on brand loyalty. Other studies that found a similar link between these key variables include Yong-Ki *et al.* (2009), who explored the relationship in a restaurant industry in Seoul, Korea; Sharma and Sharma (2012) who found that high self-monitoring personality decreases brands loyalty, but low self-monitoring personality increases brand loyalty towards a specific brand; Nelloh *et al.* (2011) who showed that brand personality significantly affects customer loyalty among 150 guests in the D'season Hotel in Indonesia; Mengxia (2007) who observed the influence of brand personality on brand loyalty to two brands among 230 consumers (i.e. Sony and Nike) in China; Kumar *et al.* (2006) who indicated that brand personality has a significant relationship with brand loyalty toward consumable durable products India; Mishra and Patra<sup>Y</sup> (2010) who demonstrated that all brand personality dimensions (i.e. ruggedness, competence, excitement, and sincerity), except competence, play a significant role in customer brand loyalty among 189 customers in India; and Balakrishnan, Lee, Shuaib, and Marmaya (2009) who observed that brand personality has strong effect on customer loyalty and brand preference towards two foreign coffee outlets brand (i.e. Starbucks and Coffee Bean). They noted that Starbucks is perceived to be a better brand than Coffee Bean. In sum, the above literature shows that brand personality has a positive effect on brand loyalty.

Although previous literature consistently highlights that brand personality plays a crucial role in predicting brand loyalty, yet little can be concluded as the results are inconsistent, as shown in Table 2.4, particularly in different settings. Thus, this research

investigates the link between brand personality and brand loyalty toward local automobile brands in Malaysia.

Table 2.4  
*Previous Studies on Brand Personality and Brand Loyalty*

Author	Area	Country	Results	Respondents
Kumar <i>et al.</i> (2006)	Automobile	Indian	Significant	Consumers
Mengxia (2007)	Sony and Nike	China	Significant	Customers
Lee <i>et al.</i> (2009)	Restaurant industry	Seoul, Korea	Significant	Diners
Lin (2010)	Toys & video games	Taiwan	Significant	Consumers
Mishra and PatraY (2010)	Popular clothing	India	Significant	Households
Abbasi <i>et al.</i> (2011)	Advertising	-----	Significant	Customers
Nelloh <i>et al.</i> (2011)	Hospitality	Indonesia	Significant	Guests
Liu <i>et al.</i> (2012)	Luxury fashion	Australian	Insignificant	Consumers
Ong <i>et al.</i> (2015)	SMSE restaurants	Malaysia	Insignificant	Diners

#### 2.7.4 Brand Satisfaction (BS)

Satisfaction is defined as “the consumer’s response to the evaluation of the perceived discrepancy between prior expectations and actual performance of the product as perceived after its consumption” (Tse & Wilton, 1988, p. 204). Also, it is defined as “an emotional response to the experiences provided by, associated with particular products or services purchased, retail outlets, or even molar patterns of behaviour such as shopping and buyer behaviour, as well as the overall marketplace” (Westbrook & Reilly, 1983, p. 256). According to several scholars (Bennett & Bove, 2002; Bennett *et al.*, 2005; Giese & Cote, 2000; Jonathan *et al.*, 2001; Jones & Suh, 2000; Youl & John, 2010), brand satisfaction is one variable that affects brand loyalty. When customers are satisfied with a brand, they are willing to use the same brand in the future. Nam *et al.*

(2011) argued that customer satisfaction is an overall emotional of customer response to the entire brand experience after the last buy. Satisfaction limits future purchase pattern, and it improves desire for the service or product (Bennett & Rundle-Thiele, 2002).

Satisfaction is an antecedent of brand loyalty, with increases in satisfaction leading to increases in brand loyalty (Bennett, 2001; Bennett & Rundle-Thiele, 2005; Bolton, 1998; Jones & Suh, 2000; Ringham, Johnson, & Morton, 1994). Even though the marketing literature admits the assumption that satisfaction is linked to loyalty, the earlier concept seems to explain customers' purchasing habits containing all of their consistent buying behaviours (Bennett & Rundle-Thiele, 2005).

Satisfaction has been widely investigated. It is a fundamental object of the marketing strategies for more than fifty years (Carroll & Ahuvia, 2006). Studies indicated that general satisfaction is the outcome of consumer experience of a product or a brand (Lam *et al.*, 2004; Li & Vogelsong, 2004; Tian, 1998; Yang & Peterson, 2004). Hence, marketers should understand how loyalty factors can affect consumer buying behaviour in the marketplace (Khraim, 2011).

The literature highlights that satisfaction is a predictor of loyalty. For instance, Nawaz and Usman (2011) concluded that satisfaction and confidence are the most important antecedents of brand loyalty in a telecommunication industry. They indicated that satisfaction has an indirect positive relationship with brand loyalty. The findings also stated that the development of brand loyalty depends on the relationship between the



customers and the brand. Consistently, Hongfang and Weihua (2009) showed that customer satisfaction, quality, and brand cognition have a correlation with brand loyalty. Interestingly, researchers also demonstrated that satisfaction plays an exceptionally essential role in impacting brand loyalty (Yong, 2010).

In the context of an automobile industry, Ažman and Gomišček (2012) examined the nonlinearity and asymmetry between satisfaction with individual attributes of the service and the overall satisfaction with four European automotive vehicle brands in Slovenia. They found that the influence of dissatisfaction is different from the influence of satisfaction and that the influence of satisfaction on the overall satisfaction is greater than the influence of dissatisfaction. Increased customer satisfaction also guarantees the long-term commercial success of business through customer loyalty. Lanza (2008) examined the influence of brand satisfaction on loyalty toward Toyota and Chevrolet brand owners within the U.S. and revealed a correlation between brand satisfaction and brand loyalty intentions. It is increasingly understood that to succeed, factors that influence brand satisfaction, brand perceptions, and the process through which customers become loyal to an automotive brand must be examined.

#### **2.7.2.1 Previous Studies on Brand Satisfaction and Brand Loyalty**

The literature highlight inconsistent results of the link between brand satisfaction and brand loyalty (see Table 2.5). However, the majority of the works seemed to indicate a positive link between the two. Kuikka and Laukkanen (2012) examined the effect of

brand satisfaction on brand loyalty and the role of hedonic value within the brand loyalty experience in a chocolate industry in Finland. They observed that brand satisfaction has a significant effect on behavioural and attitudinal brand loyalty. They further revealed that satisfaction is the most significant influence on behavioural brand loyalty. Choi *et al.* (2011) also revealed out that behavioural brand loyalty and attitudinal brand loyalty are directly and indirectly influenced by brand satisfaction. This means that when consumers are satisfied with a brand, they will repeat buying that brand. Other studies that found a similar link include Kressmann *et al.* (2006) who examined the link between brand relationship quality and brand loyalty in automobiles among 600 participations; Jani and Han (2014) who investigated the effect of satisfaction on overall loyalty among guests of five-star hotels in Korea; Picón, Castro, and Roldán (2014) who analysed the relationship between satisfaction and loyalty among 785 customers of 74 companies in Spanish insurance service sector using variance-based structural equation modelling via partial least squares; and Bianchi (2015) who assessed the antecedents of wine brand loyalty among 300 customers in Chile and found that, wine brand satisfaction has a positive and significant relationship with wine brand loyalty. Similar findings are also reported elsewhere (Agustin & Singh, 2005; Andreani *et al.*, 2012; Bennett, 2001; Bennett & Rundel-Thiele, 2005; Bolton, 1998; Ganesan, 1994; Jones & Suh, 2000; Oliver, 1980; Ringham *et al.*, 1994; Tu *et al.*, 2012).

In the context of the automobile industry, Hünecke and Gunkel (2012) indicated that product satisfaction has the strongest effect on brand loyalty among 1,500 German

automobile consumers in three European countries i.e. Italy, France, and Spain. Huber and Herrmann (2001) also found a similar result. In Mexico, Lucero and Legorreta (2008) found that the core factor that appears to determine the loyalty of the Mexican consumer in the automotive industry is the satisfaction with the technical-functional quality of the automobile. Overall, the literature above suggests that brand satisfaction plays a critical factor to enhance and build brand loyalty.

Contrary to the above, some studies failed to find a significant relationship between satisfaction and loyalty. For instance, Andreassen and Lindestad (1998) revealed that consumer satisfaction has no significant effect on loyalty; Walter, Cleff, and Chu (2013) indicated that the link between customer satisfaction and loyalty among university students in Germany and Canada is statistically insignificant; Belaid and Behi (2011) examined the correlation between brand satisfaction and loyalty among customer in Tunisian market toward domestic and international brands of car battery and found a negative and insignificant relationship between the constructs; and Bejan (2012) also revealed an insignificant relationship between satisfaction and brand loyalty toward lifestyle product brands, high-tech product brands, and service brands. The present study considers loyalty toward local automobile brands. Automobiles can be considered a high technology product. Thus, it is important to assess whether Bejan's finding could be validated or not.

Hameed (2013) also did not find any significant link between customer satisfaction and brand loyalty among 360 customers to departmental stores in Pakistan. One of the

reasons that could explain the result is that every customer has his or her own perception. Because the customers might be living very far from the store, they could not shop there despite being satisfied with the service. Satisfied customers are not loyal because of the location. Also, the result could be explained by the cultural context. Or it could also be that the customers are satisfied with the brand available at the store but not with the store itself. Furthermore, it could be due to different sales; price factors; or even GST which is included in the final price. In the context of the automobile industry, Hünecke and Gunkel (2012) examined after-sales among 1,500 German automobile customers in three European countries i.e. Italy, France, and Spain and found that after-sales service satisfaction does not have a direct influence on brand loyalty.

As the literature indicates inconsistent results, there is a need for more works to be done to clarify the association between brand satisfaction and brand loyalty. However, it is speculated that there is a potential relationship between brand satisfaction and brand loyalty to local automobile brands in Malaysia since the majority of studies appear to suggest the link, justifying the inclusion of brand satisfaction as a mediator in the study.

Table 2.5

*Previous Studies on Brand Satisfaction and Brand Loyalty*

Author	Area	Country	Results	Respondents
Tu <i>et al.</i> (2009)	Starbucks Coffee	Taiwan	Significant	Customers
Belaid and Behi (2011)	Car battery	Tunisian	Insignificant	Customers
Andreani <i>et al.</i> (2012)	McDonald's	Indonesia	Significant	Costumers
Bejan (2012)	High-tech, service and lifestyle	Denmark, USA, Romania & France	Insignificant	Online Communities
Kuikka and Laukkanen (2012)	Chocolate industry	Finland	Significant	Customers
Walter <i>et al.</i> (2013)	BMW	Germany and Canada	Insignificant	Students
Hameed (2013)	Internet and e-commerce	Pakistan	Insignificant	Customers

**2.7.5 Brand Trust (BT)**

Brand trust is defined as “the willingness of the average consumer to rely on the ability of the brand to perform its stated function” (Chaudhuri & Holbrook, 2001, p. 82). The importance of trust concept has already been illustrated in sustainable relationships between the seller and buyer (Agustin & Singh, 2005; Delgado-Ballester, Munuera-Aleman, & Yague-Guillen, 2003; Doney & Cannon, 1997; Morgan & Hunt, 1994; Sahin *et al.*, 2011). It is the trust that makes customers become intimate to a company (Morgan & Hunt, 1994). Trust is created when a company promises to provide quality products to consumers and successfully meet the promise (Nawaz & Usman, 2011).

Morgan and Hunt (1994) recommended that trust exists “when one party has confidence in an exchange partner's reliability and integrity” (p. 23). Trustworthy parties are those

with qualities such as kindness, fairness, honesty, helpfulness, and responsibility (Morgan & Hunt, 1994). Barney and Hansen (1994) argued that trust is the mutual confidence that no party in the exchange will exploit another's vulnerability.

Scholars have demonstrated that trust is crucial in creating brand loyalty (Berry, 1995; Chaudhuri & Holbrook, 2001; Hollis, Farr, & Dyson, 1996; Morgan & Hunt, 1994; Reichheld & Scheffer, 2000). Others indicated that brand trust is a key determinant of attitudinal loyalty and behavioural loyalty (Chaudhuri & Holbrook, 2001; Fournier, 1998). In other words, trust is crucial to building strong customer brand relationships (Fournier & Mick, 1999). Consumers who trust a brand are more willing to stay loyal to that brand, to purchase new brands introduced under it in new categories or in the existing one, to pay a superior price for it, and to share the same information about consumers tastes, behaviour, and preferences (Chaudhuri & Holbrook, 2001; Sahin *et al.*, 2011). In addition, brand trust leads to brand loyalty (Chaudhuri & Holbrook, 2001) because trust creates exchanged relationships between customers and brands (Morgan & Hunt, 1994). Hanzaee and Asadollahi (2011) indicated that for long-term brand prosperity, brand relationship factors, like brand trust, play a vital role in purchasing behaviour. Brand managers should, therefore, develop tactical initiatives and strategies to ensure that consumers have trust and are attached to the brand. This may require managers to employ communication techniques and marketing strategies to increase emotional connections between a brand and consumers (Clark & Mills, 1979; Esch, Langner, Schmitt, & Geus, 2006; Fournier, 1998).

#### 2.7.4.1 Previous Studies between Brand Trust and Brand Loyalty

Table 2.6 reveals that previous studies found a significant link between brand trust and brand loyalty (Chaudhuri & Holbrook, 2001; O'Shaughnessy, 1992; Papista & Dimitriadis, 2012; Uecharoenkit & Cohen, 2011; Wel *et al.*, 2011); however, others showed no significant relationship (Anabila, Narteh, & Tweneboah-Koduah, 2012; Bennur, 2010; Halim, 2006; Kuikka & Laukkanen, 2012).

Past researchers have found a positive relationship between brand trust and consumer loyalty (Chaudhuri & Holbrook, 2001; O'Shaughnessy, 1992; Papista & Dimitriadis, 2012; Uecharoenkit & Cohen, 2011). Hanzae and Andervazh (2012) found a significant link between brand trust and brand loyalty. Lau and Lee (1999) revealed that brand trust positively influences brand loyalty among Singaporean consumers. A similar finding was reported by Wel *et al.* (2011), who examined the link between brand trust and brand loyalty to sport-shoes among 300 university students in Malaysia.

Many scholars have also examined the link between brand trust and brand loyalty. Mohammad (2012) revealed that brand trust is influential in the improvement of brand loyalty among female consumers toward low involvement product shampoo in Amman, Jordan. His finding was consistent with previous findings (Chaudhuri & Holbrook, 2001; Fornell, Ittner, & Larcker, 1995; Lau & Lee, 1999; Moorman *et al.*, 1992; Morgan & Hunt, 1994). Also, Dehdashti *et al.* (2012) indicated a direct positive relationship between brand trust and brand loyalty toward low involvement product, one of the major

dairy providers in Iran. They showed that a strong brand can help establish a long-term relationship between consumers and companies, which leads to brand loyalty. Aydin and Özer (2005) investigated the effects of trust on brand loyalty toward Turkish mobile telecommunication providers and revealed that the most important antecedent of brand loyalty is trust.

Literature also indicate that the influence of brand trust and brand loyalty is not necessarily positive. Halim (2006) revealed that brand trust has a negative influence on brand loyalty among instant coffee consumers in Indonesia. Bennur (2010) showed that brand trust has no significant effect on brand loyalty. Kuikka and Laukkanen (2012) found that the bond between brand trust and behavioural loyalty is not statistically significant. Similarly, Anabila *et al.* (2012) reported a non-significant negative relationship between trust and customer loyalty among the staff of universal banks in Ghana.

Table 2.6  
*Previous studies between brand trust and brand loyalty*

<b>Author</b>	<b>Area</b>	<b>Country</b>	<b>Results</b>	<b>Respondents</b>
Aydin and Özer (2005)	Telecommunication	Turkey	Significant	Users
Bennur (2010)	Clothes (Jeans)	U.S. and India	Insignificant	Students
Ueacharoenkit and Cohen (2011)	Cosmetic brand	Thailand	Significant	Customers
Wel <i>et al.</i> (2011)	Sports shoes	Malaysia	Significant	Students
Anabila <i>et al.</i> (2012)	Banking industry	Ghana	Insignificant	Staff
Kuikka and Laukkanen (2012)	Chocolate industry	Finland	Insignificant	Costumers
Bianchi (2015)	Wine industry	Chile	Insignificant	Customers



Iglesias *et al.* (2011) suggested that researchers integrate other determinants of brand loyalty, such as brand trust, to ascertain the significant differences in the loyalty of products in future work. Furthermore, Nezakati, Hui, and Jofreh (2014) suggested that brand trust should be examined in order to provide a deeper understanding of how other factors contribute to the re-patronage intention of the customers. However, because a generic product or low involvement product, such as an automobile, may be less sensitive to brand trust and loyalty, there is need to examine this assertion and justifies the inclusion of brand trust as a mediator in the study.

#### **2.7.6 The Relationship between Brand Image and Brand Satisfaction**

Brand image is a fundamental component of marketing research. Brand image plays a key role in marketing because consumers face difficulties in differentiating services or products based on tangible quality features (Mudambi, Doyle, & Wong, 1997). Hsieh *et al.* (2004) revealed that brand image can help consumers recognize their needs and satisfaction with the brand. Brand image can help consumers assemble information, discriminate the brand, create a positive feeling, and create a cause to buy (David, 1991). Keller (1993) also maintained that brand image is a vital determinant of satisfaction. When the customers are satisfied with the products, they will be loyal to the brand (Silva & Alwi, 2008).

Prior researchers revealed that brand image had a positive bond with satisfaction. For instance, Chih-Hon and Chia-Yu (2005) found that store image is significant to

customer loyalty among 411 customers who visited hypermarkets in Taiwan. Martenson (2007) revealed that store image can affect satisfaction positively among 1000 consumers in grocery retailing in Sweden. Gocek *et al.* (2007) examined the influence of brand image on satisfaction among textile consumers in Turkey and found that satisfaction is directly affected by brand image. Chen and Myagmarsuren (2011) investigated customers' perceptions of brand image on relationship quality (satisfaction) in a telecommunication service industry in Taiwan and demonstrated that brand image has an effect on relationship quality (satisfaction). Sondoh *et al.* (2007) revealed the influence of brand image benefits and satisfaction with coloured cosmetic products among female customers in Malaysia. They found that brand image benefits had a positive relationship with overall satisfaction. Wu *et al.* (2011) investigated brand image effects on customer satisfaction among those buying medical insurance and revealed that brand image has a direct positive influence on customer satisfaction. Yu-Shan (2010) also found that a green brand image has a positive bond with green satisfaction among consumers who bought electronic products in Taiwan. Correspondingly, Cledes, Gan, and Kao (2008) revealed that the relationship between brand image and satisfaction is significant among students in a New Zealand university. Similar findings on the positive influence of brand image on customer satisfaction were reported elsewhere (Andreani *et al.*, 2012; Davies, 2003; Tu *et al.*, 2012). It is worthy of note that these studies were done in different areas and considered both tangible and intangible products; however, very few have looked at durable goods, such as automobile brand. However, in a few study conducted on automobile brand, brand image was found to have a significant association with satisfaction. In a study by Loureiro (2016) who

examined the relationship between brand image and satisfaction in Portugal and the United Kingdom among customers toward BMW, Audi, and Mercedes-Benz, they found a significant relationship.

Literature also notes different findings on the link between brand image and brand satisfaction. For instance, Bloemer *et al.* (1998) did not find the mediation of store satisfaction between store image and store loyalty. Similarly, Suhartanto (2011) found that customer satisfaction did not mediate the relationship between brand image and attitudinal loyalty among 444 customers toward international and domestic hotels in Indonesia.

Table 2.7  
*Previous Studies on Brand Image and Brand Satisfaction*

Author	Area	Country	Results	Respondents
Sondoh <i>et al.</i> (2007)	Coloured cosmetic	Malaysia	Significant	Female costumers
Yu-Shan (2010)	Electronic products	Taiwan	Significant	Consumers
Suhartanto (2011)	Hotel Industry	Indonesia	Insignificant	Costumers
Wu <i>et al.</i> (2011)	Medical insurance	New Zealand	Significant	Customers
Andreani <i>et al.</i> (2012)	McDonald's	Indonesia	Significant	Costumers
Tu <i>et al.</i> (2012)	Starbucks Coffee	Taiwan	Significant	Customers
Loureiro (2016)	Automotive	Portugal and UK	Significant	Consumers

As demonstrated in Table 2.7, previous researchers have shown inconsistent results between brand image and brand satisfaction in different areas with low involvement products. Because of the mixed results, there is a need to investigate further the

influence of brand image on brand satisfaction among high involvement products, such as automobile brands. Based on the above empirical evidence, brand image is an important variable in influencing satisfaction with local automobile brands in Malaysia.

### **2.7.7 The Relationship between Brand Image and Brand Trust**

Brand image represents all information related to a particular product. Strong brand image reduces the potential risks to consumers. Consumers who are not associated with a product become confident easily with well-known, credible brands (Xia & Lin, 2010). When customers have a stronger trust in a brand, they will have a more-deeply rooted brand image in their mind (Hyun & Wansoo, 2011).

Loureiro (2016) examined the relationship between brand image and brand trust in Portugal and the United Kingdom among customers toward BMW, Audi, and Mercedes-Benz. They found that brand image had a significant relationship on brand trust. Image has a positive influence on consumer trust because it can diminish the risk perceived by customers and simultaneously increase the probability of purchase at the moment of execution of the transaction (Flavian, Guinaliu, & Torres, 2005). Yu-Shan (2010) investigated the effect of green brand image on green trust toward electronics products in Taiwan and observed a significant relationship. A similar finding was also reported by Chen-Yu, Cho, and Kincade (2016) who investigated the effects of brand image-congruence among 217 online apparel shoppers who had purchased and worn products from a particular apparel brand. Brand image was found to have a significant

relationship with brand trust. They concluded that brand image-congruence was a significant construct in creating an emotional connection with a brand. Chinomona and Kuada (2016) examined the relationship between brand image and brand trust among South African consumers in Gauteng who purchased any consumer goods. The study used a mall-intercept survey. They demonstrated a positive and significant relationship between the variables. However, Flavian *et al.* (2005) failed to confirm the link in the financial service sector.

Table 2.8  
*Previous Studies on Brand Image and Brand Trust*

Author	Area	Country	Results	Respondents
Flavian <i>et al.</i> (2005)	Internet banking	Spain	Insignificant	Customers
Esch <i>et al.</i> (2006)	Athletic shoes and Chocolates	European university	Significant	Students
Yu-Shan (2010)	Electronic products	Taiwan	Significant	Consumers
Loureiro (2016)	Automotive	Portugal and United Kingdom	Significant	Consumers
Chen-Yu <i>et al.</i> (2016)	Products	US	Significant	Customers
Chinomona and Kuada (2016)	Consumer goods	South African	Significant	Customers

Table 2.8 reveals that previous researchers have shown inconsistent results between brand image and brand trust. Because of the mixed results, there is a need to examine further the link to confirm the role of brand image in influencing trust with local automobile brands in Malaysia.

### 2.7.8 The Relationship between Brand Experience and Brand Satisfaction

Previous researchers have indicated a positive influence of brand experience on brand satisfaction (Sahin *et al.*, 2011; Şahin, Zehir, & Kitapçı, 2012; Uecharoenkit & Cohen, 2011). For instance, Taleghani, Largani, and Mousavian (2011) found a positive influence of brand experience on consumer-brand relationship quality (brand satisfaction) in durable automobile products in Tehran, Iran. Sahin *et al.* (2011) examined the effect of brand experience on satisfaction toward global brand among Turkish consumers and found that brand experience has a significantly positive effect on satisfaction. Also, Brakus *et al.* (2009) revealed that brand experience affects satisfaction. Brand experience seems to be a stronger predictor of actual buying behaviour which, in turn, better predicts satisfaction. They concluded that the result may relate to the very nature of experience: if a brand stimulates the senses, makes the consumer feel good, engages the mind and body, then a stimulation-seeking organism may strive to receive such stimulation again. Uecharoenkit and Cohen (2011) examined the effect of luxury cosmetic brand experience on consumer satisfaction in Thailand. He reported a positive and significant relationship between the variables. A similar result was reported by Chinomona (2013) who examined the influence of consumer brand experience on their brand satisfaction in Africa. Elsewhere, Lee and Jeong (2014) observed a positive and significant relationship between online brand experience and brand satisfaction among American customers toward a hotel brand. However, Nysveen *et al.* (2013) revealed that the effect of brand experience dimensions (behaviour, sensory, intellectual, and affective) on brand satisfaction is ambiguous.

Table 2.9

*Previous Studies on Brand Experience and Brand Satisfaction*

Author	Area	Country	Results	Respondents
Sahin <i>et al.</i> (2011)	Automobile	Turkey	Significant	Costumers
Taleghani <i>et al.</i> (2011)	Automobile	Iran	Significant	Costumers
Uecharoenkit and Cohen (2011)	Cosmetic brand	Thailand	Significant	Customers
Şahin, Zehir, and Kitapçı (2012)	Automobile	Turkey	Significant	Customers
Nysveen <i>et al.</i> (2013)	Telecommunication	Norway	insignificant	Consumers
Chinomona (2013)	Products goods	Africa	Significant	Costumers
Lee and Jeong (2014)	Hotels	America	Significant	Costumers

As demonstrated in Table 2.9 above, brand experience can predict brand satisfaction. Also, brand experience is an essential factor that can illustrate brand satisfaction toward local automotive brands in Malaysia.

### 2.7.9 The Relationship between Brand Experience and Brand Trust

The key driver of brand trust is brand experience (Hong-Youl, 2004; Srinivasan, 2004). Even though brand experience is likely to develop brand trust, empirical evidence on the theoretical claim appears mixed.

Uecharoenkit and Cohen (2011) found that brand experience has a positive and significant relationship with brand trust in Thailand among consumers who used luxury cosmetic. Similarly, Ha and Perks (2005) revealed that brand experience has a significant influence on brand trust. Lee and Jeong (2014) examined online the effect of brand experience on brand trust among American customers toward hotel brand and

found a positive and significant relationship. Chinomona (2013) examined the influence of brand experience on their brand trust in Africa among consumers in Gauteng who purchased any consumer goods. He observed that brand experience positively influences brand trust.

In contrast, Şahin *et al.* (2012) found that brand experience does not support brand trust in automotive industry. Interestingly, Hee and Myung (2012) revealed a non-significant bond between affective brand experience and brand trust but not between behavioural brand experience and brand trust. They highlighted that brand experience dimensions did not necessarily enhance brand trust. Thus, marketing managers should stimulate brand experience strategies selectively. In a different study, Taleghani *et al.* (2011) investigated the influence of brand experience on brand trust for durable goods category (i.e. automobile) in Tehran, Iran. They found that brand experience did not support brand trust. Other studies that found no significant link between brand experience and brand trust include Chen-Yu *et al.* (2016) who investigated the relationship via an online survey on a US national sample of 217 online apparel shoppers.



Table 2.10

*Previous Studies between Brand Experience and Brand Trust*

<b>Author</b>	<b>Area</b>	<b>Country</b>	<b>Results</b>	<b>Respondents</b>
Ha and Perks (2005)	Customer-web retailer	South Korea	Significant	Customers
Uecharoenkit and Cohen (2011)	Cosmetic brand	Thailand	Significant	Customers
Taleghani, <i>et al.</i> (2011)	Automobile	Iran	Insignificant	Costumers
Şahin, <i>et al.</i> (2012)	Automobile	Turkey	Insignificant	Customers
Hee and Myung (2012)	Products	South Korea	Insignificant	Consumers
Chen-Yu, <i>et al.</i> (2016)	Products	US	Insignificant	Customers

As demonstrated in Table 2.10, prior studies have shown inconsistent results between brand experience and brand trust. Hence, there is a need to investigate further the influence of brand experience on brand trust. Based on the above empirical evidence, brand experience is an important variable in influencing trust with local automobile brands in Malaysia.

### **2.7.10 The Relationship between Brand Personality and Brand Satisfaction**

Ouwersloot and Tudorica (2001) contended that companies should consider brand personality as a means to empowers them to achieve satisfaction. Previous researchers suggested a link between brand personality and satisfaction (Achouri & Bouslama, 2010; Ekinici & Dawes, 2009; Ouwersloot & Tudorica, 2001). For instance, Brakus *et al.* (2009) demonstrated that brand personality has a significant direct influence on brand satisfaction. Similarly, Nelloh *et al.* (2011) indicated the positive effect of congruent brand personality on customer satisfaction among 150 guests in the D'season Hotel in

Indonesia. A similar finding was reported by Yong-Ki *et al.* (2009) who investigated the effect of restaurant brand personality on satisfaction. Anisimova (2013) investigated the relationship between corporate brand personality and consumer satisfaction among Australian customer toward global automobile brands and demonstrated a positive and significant relationship. In contrast, Nysveen *et al.* (2013) revealed no significant bond between brand personality and brand satisfaction in a service context.

Table 2.11  
*Previous Studies on Brand Personality and Brand Satisfaction*

Author	Area	Country	Results	Respondents
Lee <i>et al.</i> (2009)	Restaurant industry	Korea	Significant	Customers
Nelloh <i>et al.</i> (2011)	Hotel	Indonesia	Significant	Guests
Nysveen <i>et al.</i> (2013)	Telecommunication	Norway	Insignificant	Users
Anisimova (2013)	Automobile	Australia	Significant	Customers

As revealed in Table 2.11, previous researchers have shown inconsistent results between brand personality and brand satisfaction. Because of the mixed results, there is a need to further investigate the influence of brand personality on brand satisfaction. Based on the above empirical evidence, brand personality is a vital variable in influencing satisfaction with local automotive brands in Malaysia.

### **2.7.11 The Relationship between Brand Personality and Brand Trust**

Previous research has generally indicated a significant correlation between brand personality and brand trust. However, mixed findings are reported as well (see Table 2.12). Bouhlel *et al.* (2011) investigated the influence of brand personality on brand trust

in a mobile marketing industry in Tunisia (North Africa) and found that brand personality impacts brand trust. Louis and Lombart (2010) examined the influence of brand personality on brand trust among 348 customers in France toward Coca-Cola brand. They found that brand personality influenced brand trust. Similarly, Sung and Kim (2010) revealed the influence of brand personality dimensions on brand trust. The scholars found that competence, ruggedness, and sincerity of brand personality dimensions were more likely to increase the level of brand trust. However, the sophistication and excitement of brand personality dimensions are not related to brand trust.

China is considered the world largest automotive market. Ha and Janda (2014) examined the link between brand personality and brand trust among 1000 customers toward the Chinese automobile industry using structural equation modelling. They indicated that a strong positive relationship between the two; brand personality traits reinforced help to enhance customer brand trust and hence commitment to the brand. (Rampl & Kenning, 2014) examined the bond between the dimensions of brand personality traits and employer brand trust among students of German universities and revealed that sincerity and excitement have a positive and significant relationship with brand trust. However, sophistication, ruggedness, and competence have no significant effect on brand trust. Based on the preceding discussion, it can be concluded that there are mixed findings on the relationship between brand personalities and brand trust. Accordingly, it can be observed that the influence of brand personality dimension on brand trust is product-category specific. Thus, it is important to understand the link

between brand personality (dimensions) on brand trust specifically in durable products/brands such as automobiles.

Table 2.12  
*Previous Studies on Brand Personality and Brand Trust*

Author	Area	Country	Results	Respondents
Louis and Lombart (2010)	Beverage (Coca-Cola)	France	Significant	Consumers
Sung and Kim (2010)	Apparel, watch, and perfume	USA	Significant	Students
Bouhleb <i>at al.</i> (2011)	Mobile industry	Tunisia	Significant	Users

## 2.8 Mediating Effects on Independent Variables and Dependent Variable

According to Baron and Kenny (1986), a mediator “functions of a third variable, which represents the generative mechanism through which the focal independent variable is able to influence the dependent variable of interest” (p.1). This study applies Structural Equation Modelling using Partial Least Squares tools (PLS-SEM) to test the mediation effect, direct, and indirect relationships between the variables. According to Hayes and Preacher (2010), an indirect effect is concerned with the influence of an independent variable on a dependent variable through an intervening variable (mediator). It is quantified as the product of paths “a” and “b” and is interpreted as the quantity that is dependent and expected to change as a result of the independent effect of the mediator which, in turn, influences the dependent variable. Furthermore, Preacher and Hayes (2004) contended that mediating effects are first determined by examining the indirect

influence of the independent variable on the dependent variable through the proposed mediating variable.

### **2.8.1 Mediating Effects of Brand Satisfaction and Brand Trust**

This study considers brand trust and brand satisfaction as the mediating variables between brand image, brand experience, brand personality, and brand loyalty. Some researchers found that satisfaction fully acts as a mediating variable (Aaker David, 1996; Eggert & Ulaga, 2002; Nam *et al.*, 2011). However, other studies observed no mediation (Bloemer & Ruyter, 1998). Taleghani *et al.* (2011) revealed that brand satisfaction and brand trust mediate the relationship between brand experience and repurchase intention. Yu-Shan (2010) found that green trust and green satisfaction partially mediate the relationship between green brand image and green brand equity. Yong-Ki *et al.* (2009) also revealed that satisfaction mediates the relationship between brand personality and brand loyalty in a restaurant industry. Furthermore, Sondoh *et al.* (2007) demonstrated that satisfaction mediates the relationship between brand image benefits and loyalty intention. In contrast, Bloemer and Ruyter (1998) found that store satisfaction does not mediate the relationship between store image and store loyalty.

Trust is a key component to building the associations between consumers and a company/brand. Several researchers have considered the role of brand trust in determining brand loyalty (Chaudhuri & Holbrook, 2001; Fournier, 1998). Trust has been considered to have a mediating effect on brand experience and brand loyalty (Lau

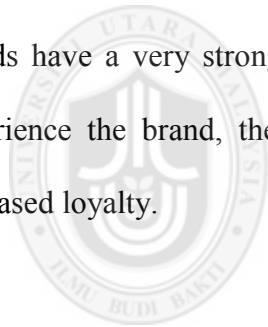
& Lee, 1999). For instance, Lee and Back (2010) demonstrated that trust mediates the relationship between service quality, user imagery, and perceived price and brand loyalty. Subsequently, brand image, brand experience, and brand personality involved in this study are expected to affect strongly brand trust and brand satisfaction, which, in turn, are expected to affect brand loyalty. There is a possibility that brand trust and brand satisfaction mediate the link between brand image, brand experience, brand personality, and brand loyalty. As there is a dearth of studies on the mediating effect of brand satisfaction and brand trust in the automobile industry, this study proposes to fill this gap.

## **2.9 Theoretical Framework and Hypotheses**

### **2.9.1 Theoretical Framework**

This study primarily focuses on the major determinants of brand loyalty. Figure 2.1 illustrates a model developed for this study showing the independent variables (brand image, brand experience, and brand personality), the mediating variables (brand satisfaction, and brand trust) and the dependent variable (brand loyalty toward a local brand). In other words, there are five direct antecedents of brand loyalty which are brand trust, brand satisfaction, brand image, brand experience, and brand personality. The theoretical framework has been adopted and modified on the basis of the work of (Sahin *et al.*, 2011) and (Brakus *et al.*, 2009).

Social exchange theory is the underpinning theory because it has been used by many researchers and it is able to explain brand loyalty in an automobile industry. The theory has also received empirical support (Blau (1964). According to the social exchange theory (Blau (1964), an interaction between customers and companies/products has an impact on the outcomes. Consumers who are satisfied with the products the company provides will feel obligated to reciprocate by increasing their loyalty to the products or the brand (Blau, 1964; Chiu-Han & Sejin, 2011). When consumers perceive that a company is performing effective product attribute management that satisfies their wants and needs, they will probably be confident in the products and hence be loyal (Bagozzi, 1995). The exchange relationship between customers and brands is important when the brands have a very strong image in the mind of the customers. When the customers experience the brand, they will trust it as their needs are satisfied, which leads to increased loyalty.



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Arnett *et al.* (2003) contended that companies often rely heavily on promises of the social benefits of their products, and it is important to gain a better understanding of the factors that affect relationships that primarily include social exchange. The basic idea of social exchange theory is that relationship that gives customers the most benefits with the least amount of cost are preferable to be kept in the long run (Blau, 1964). Based on the previous argument on the concept, consequences, and antecedents of brand loyalty, the research model of the current study is presented in Figure 2.1. Based on the literature, this study hypothesizes that brand image, brand experience, brand personality,

brand satisfaction, and brand trust have a direct and significant positive influence on brand loyalty.

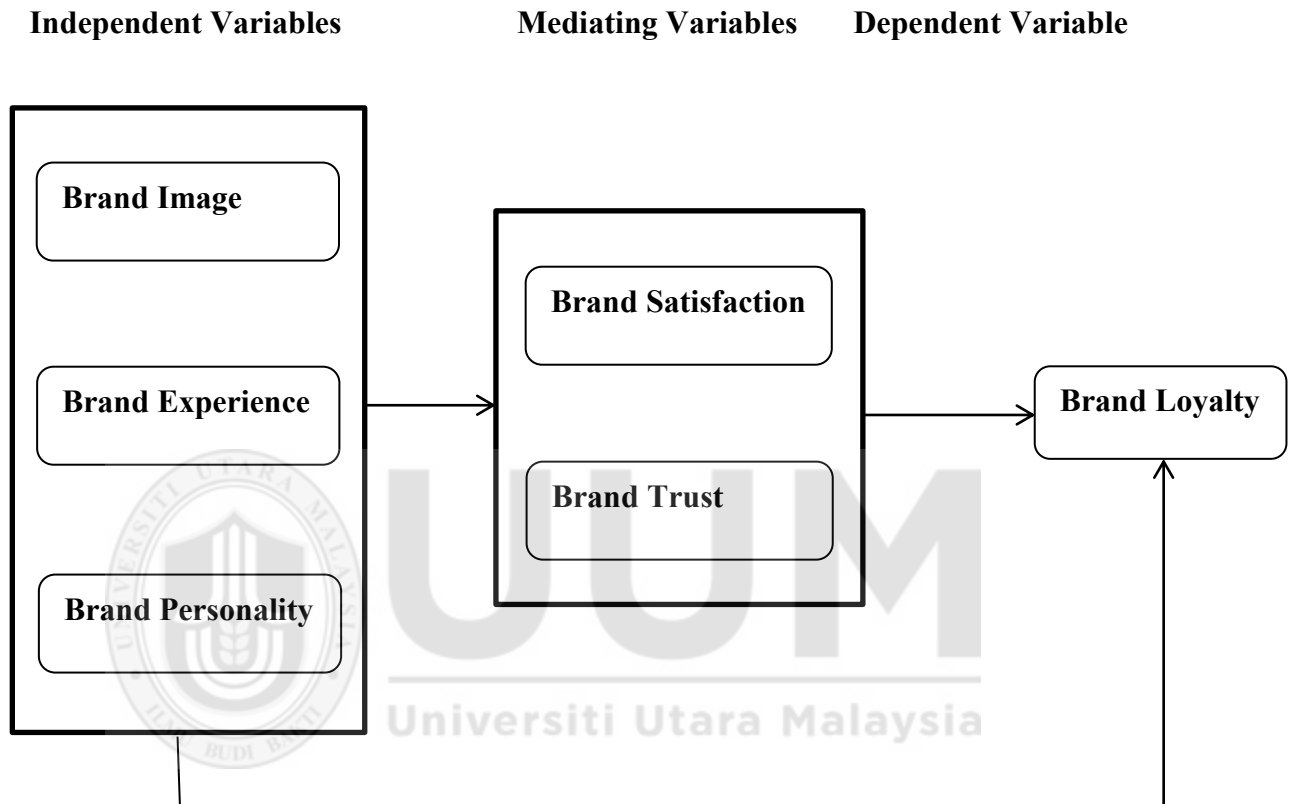


Figure 2.1  
*Research model of present study*

### 2.9.1 Hypotheses Development

This part discusses how brand loyalty is related to its predictors. This study has six constructs, namely, brand image, brand experience, and brand personality as the independent variables, brand satisfaction, and brand trust as the mediator variables, and



brand loyalty as the dependent variable. In all, 17 hypotheses have been advanced for testing and validation.

#### **2.9.1.1 Brand Image (BI) and Brand Loyalty (BL)**

Previous researchers have showed that brand image has a positive influence on brand loyalty (Andreani *et al.*, 2012; Hyun & Wansoo, 2011; Martenson, 2007). According to Tepeci (1999), brand image is one of the first steps in building brand loyalty. Past researchers have supported the claim of Keller (1993) that when consumers clearly remember a brand, they are likely to create the brand image of the products (Esch *et al.*, 2006; Schuiling & Kapferer, 2004). Thus, this study expects that brand image will enhance brand loyalty toward the local automobile brands. Hence, the first hypothesis developed in this study is as follows:

*Hypothesis 1: There is a significant positive relationship between brand image (BI) and brand loyalty (BL).*

#### **2.9.1.2 Brand Experience (BE) and Brand Loyalty (BL)**

Previous studies on the effect of brand experience on brand loyalty have showed inconsistent findings. While some studies (Berry & Carbone, 2007; Biedenbach & Marell, 2009; Brakus *et al.*, 2009; Frow & Payne, 2007; Ha & Perks, 2005; Han & Li, 2012; Hee & Myung, 2012; Nysveen *et al.*, 2013; Reinchheld, 1996b; Shim, 2012; Zarantonello & Schmitt, 2010) revealed a direct positive bond between brand experience

and brand loyalty, others pointed out that brand experience has no significant effect on brand loyalty (Forsido (2012). Despite the inconsistent results, the current study hypothesizes that brand experience influences brand loyalty significantly. Hence, the second hypothesis of this study is developed as follows:

*Hypothesis 2: There is a positive and significant relationship between brand experience (BE) and brand loyalty (BL).*

### **2.9.1.3 Brand Personality (BP) and Brand Loyalty (BL)**

Previous studies on the effect of brand personality on brand loyalty have showed inconsistent results. While some studies revealed a positive influence (Abbasi *et al.*, 2011; Kumar *et al.*, 2006; Lin, 2010; Nysveen *et al.*, 2013; Pinson, 2012; Yong-Ki *et al.*, 2009), others found no significant effect (Liu *et al.* (2012). Despite the inconsistent results, the current study hypothesizes that brand personality influences brand loyalty significantly toward local automobile brands. Therefore, the third hypothesis of this research is developed as follows:

*Hypothesis 3: There is a positive and significant relationship between brand personality (BP) and brand loyalty (BL).*

### **2.9.1.4 Brand Image (BI) and Brand Satisfaction (BS)**

Previous researchers have revealed that the link between brand image and satisfaction is inconsistent. While the majority of the studies seemed to find a positive effect of brand

image on brand satisfaction (Andreani *et al.*, 2012; Chih-Hon & Chia-Yu, 2005; Davies, 2003; Esch *et al.*, 2006; Martenson, 2007; Roth, 1995; Sondoh *et al.*, 2007; Tu *et al.*, 2012; Wu *et al.*, 2011; Yu-Shan, 2010), others revealed that the relationship is insignificant (Bloemer *et al.*, 1998; Suhartanto, 2011). Despite the inconsistent results, the current study hypothesizes that brand image influences brand satisfaction significantly toward local automobile brands. Hence, the fourth hypothesis developed in this study is as follows:

*Hypothesis 4: There is a significant and positive relationship between brand image (BI) and brand satisfaction (BS).*

#### **2.9.1.5 Brand Image (BI) and Brand Trust (BT)**

Previous researchers have indicated that brand image has a positive influence on customer trust (Esch *et al.*, 2006; Yu-Shan, 2010). When customers have stronger trust in a brand, they are likely to have a deeply-rooted brand image in their mind (Hyun & Wansoo, 2011). Therefore, this study expects that brand image will enhance trust in the local automobile brands. Hence, the fifth hypothesis developed in this study is as follows:

*Hypothesis 5: There is a significant and positive impact of brand image (BI) on brand trust (BT).*

### **2.9.1.6 Brand Experience (BE) and Brand Satisfaction (BS)**

There is evidence that brand experience drives brand satisfaction (Walter *et al.*, 2013). When customers are dedicated to a brand, they are more probable to have a good brand experience in terms of affective, sensory, behavioural, and intellectual experiences. However, previous researchers have revealed that the link between brand experience and brand satisfaction is inconsistent even though many studies found a positive and significant link (Chinomona, 2013; Uecharoenkit & Cohen, 2011). Nysveen *et al.* (2013), on the contrary, demonstrated that the dimensions of brand experience have no significant effects on brand satisfaction. Despite the inconsistent results, the current study hypothesizes that brand experience influences brand satisfaction significantly toward local automobile brands. Hence, the sixth hypothesis developed in this study is as follows:

*Hypothesis 6: There is a significant positive relationship between brand experience (BE) and brand satisfaction (BS).*

### **2.9.1.7 Brand Experience (BE) and Brand Trust (BT)**

Brand experience is a key driver of brand trust. When consumers commit to a local brand, they are more likely to consider their experience of the specific brand before developing brand trust. Hee and Myung (2012) indicated that affective brand experience has a positive bond with brand trust, especially in sensory and social experience. Similarly, other researchers revealed that brand experience has a significant effect on

brand trust. (Chinomona, 2013; Ha & Perks, 2005; Uecharoenkit & Cohen, 2011). On the other hand, others revealed that brand experience does not support brand trust (Şahin *et al.*, 2012; Taleghani *et al.*, 2011). This study hypothesizes that brand experience influences significantly brand trust toward local automobile brands. Hence, the seventh hypothesis developed in this study as follows:

*Hypothesis 7: There is a relationship between brand experience (BE) and brand trust (BT).*

#### **2.9.1.8 Brand Personality (BP) and Brand Satisfaction (BS)**

Past studies have indicated that brand personality has a positive influence on brand satisfaction ((Brakus *et al.*, 2009; Nelloh *et al.*, 2011; Nysveen *et al.*, 2013; Yong-Ki *et al.*, 2009). Based on the evidence, this study expects that brand personality in a local brand will enhance satisfaction toward local automobile brands. Hence, the eighth hypothesis developed in this study is as follows:

*Hypothesis 8: There is a significant positive impact of brand personality (BP) on brand satisfaction (BS).*

#### **2.9.1.9 Brand Personality (BP) and Brand Trust (BT)**

Louis and Lombart (2010) indicated that brand personality impacts brand trust. Sung and Kim (2010) found that brand personality dimensions can increase the levels of brand trust. Similarly, Bouhlel *et al.* (2011) revealed that brand personality influences

trust. Therefore, this study expects that brand personality in local automobile brands will enhance trust it. Hence, the ninth hypothesis developed in this study is as follows:

*Hypothesis 9: There is a significant and positive impact of brand personality on brand trust.*

#### **2.9.1.10 Brand Satisfaction (BS) and Brand Loyalty (BL)**

Although there have been mixed results on the influence of brand satisfaction on brand loyalty, it appears that the majority of studies found a positive effect (Agustin & Singh, 2005; Andreani *et al.*, 2012; Bennett, 2001; Bennett & Rundel-Thiele, 2005; Bolton, 1998; Ganesan, 1994; Jones & Suh, 2000; Nysveen *et al.*, 2013; Oliver, 1980; Ringham *et al.*, 1994; Sahin *et al.*, 2011). Youl and John (2010) claimed that a satisfied customer will buy the same brand in the future and patronize the brand. In contrast, other studies showed a nonsignificant result (Bejan, 2012; Belaid & Behi, 2011; Hameed, 2013; Walter *et al.*, 2013). Because some studies have demonstrated significant results, this study expects that brand satisfaction will enhance brand loyalty toward local automobile brands. Hence, the tenth hypothesis developed in this study is as follows:

*Hypothesis 10: There is a significant positive impact of brand satisfaction (BS) on brand loyalty (BL).*

### 2.9.1.11 Brand Trust (BT) and Brand loyalty (BL)

Customer brand trust is an outcome of positive beliefs about organizational behaviour performance and expectations of products (Ashley & Leonard, 2009). Brand trust is considered a key factor in a long-run relationship with consumers, which leads to enhanced brand loyalty (Ambler, 1997; Chiou & Shen, 2006; Mazodier & Merunka, 2011; Sweeney & Swait, 2008). Previous research has revealed that brand trust has a positive bond with brand loyalty (Chaudhuri & Holbrook, 2001; Chiou & Droge, 2006; Flavián, Guinalú, & Gurrea, 2006); Hee and Myung (2012); (Lau & Lee, 1999; Matzler *et al.*, 2008; O'Shaughnessy, 1992; Papista & Dimitriadis, 2012; Sichtmann, 2007; Uecharoenkit & Cohen, 2011). A Malaysian study by Wel *et al.* (2011) found that brand trust influences brand loyalty. Furthermore, the higher the feelings of brand trust, the more the client is loyal to the specific brands.

Although the majority of studies showed a positive influence of brand trust and brand loyalty, others reported mixed results. For instance, Anabila *et al.* (2012) indicated that trust has no significant negative relationship with customer loyalty. Kuikka and Laukkanen (2012) also found that brand trust is not significant in affecting behavioural loyalty. Halim (2006) revealed that brand trust has a negative influence on the purchase and attitudinal loyalties. Bennur (2010) indicated that brand trust has no insignificant effect on brand loyalty. Despite the inconsistent findings, this study expects that brand trust will enhance loyalty toward local automobile brands. The current study

hypothesizes that brand trust influences significantly brand loyalty. Hence, the eleventh hypothesis developed in this study is as follows:

*Hypothesis 11: There is significant positive impact of brand trust (BT) on brand loyalty (BL).*

#### **2.9.1.12 The Mediating Effect of Brand Satisfaction (BS) on the Link between Brand Image (BI), Brand Experience (BE), Brand Personality (BP), and Brand Loyalty (BL)**

Previous researchers have showed that satisfaction acts as a mediating variable (Aaker David, 1996; Eggert & Ulaga, 2002; Nam *et al.*, 2011). Yu-Shan (2010) found that green trust and green satisfaction partially mediate between green brand image and green brand equity among consumers who used electronic products in Taiwan. Nysveen *et al.* (2013) also found satisfaction to mediate between brand experience dimensions and brand loyalty. Yong-Ki *et al.* (2009) indicated that satisfaction has a mediating effect on brand personality and brand loyalty. Hence, the following hypotheses developed in this study are as follows:

*Hypothesis 12: Brand satisfaction (BS) has a mediating effect on brand image (BI) and brand loyalty (BL).*

*Hypothesis 13: Brand satisfaction (BS) has a mediating effect on brand experience (BE) and brand loyalty (BL).*

*Hypothesis 14: Brand satisfaction (BS) has a mediating effect on brand personality (BP) and brand loyalty (BL).*



### **2.9.1.13 The Mediating Effect of Brand Trust (BT) on the Link between Brand Image (BI), Brand Experience (BE), Brand Personality (BP), and Brand Loyalty (BL)**

Brand trust plays a vital role in customer behaviour to explain the process of brand loyalty (Delgado-Ballester & Munuera-Alemán, 2005). Trust is considered a key element to building the associations between consumers and companies. Several studies have considered the role of brand trust in determining brand loyalty (Chaudhuri & Holbrook, 2001; Fournier, 1998). Hanzaee and Andervazh (2012) revealed that brand trust has a significant bond with brand loyalty. Other researchers also showed that brand trust has a positive influence on brand loyalty (Ramesh Kumar & Advani, 2005; Singh, Iglesias, & Batista-Foguet, 2012).

Trust has been considered to have a mediating influence on brand experience and brand loyalty. For instance, Wel *et al.* (2011) found that brand trust has a positive and significant relationship with brand loyalty. Hanzaee and Asadollahi (2011) argued that for a long-term brand success, brand-related factors, such as brand trust, play a vital role in purchasing behaviour. Also, Yu-Shan (2010) found that green trust partially mediates between green brand image and green equity. Lee and Back (2010) revealed that trust has a significant mediating impact on service quality, user imagery, perceived price, and brand loyalty. Bouhleb *et al.* (2011) found that brand personality influences trust. Uecharoenkit and Cohen (2011) found that brand experience influences brand trust. Based on the empirical results above, the following hypotheses are developed:

*Hypothesis 15: Brand trust (BT) has a mediating effect on brand image (BI) and brand loyalty (BL).*

*Hypothesis 16: Brand trust (BT) has a mediating effect on brand experience (BE) and brand loyalty (BL).*

*Hypothesis 17: Brand trust (BT) has a mediating effect on brand personality (BP) and brand loyalty (BL).*

## **2.10 Chapter Summary**

This chapter reviewed the relevant literature on brand image, brand experience, brand personality, brand satisfaction, brand trust, and brand loyalty in assisting with the formulation of the research framework and hypotheses. The next chapter will discuss the methodology employed in collecting data for this study.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The chapter discusses the methodology of this study. It starts by defining the research design, operational definition of the variables, and measurement of variables, followed by the population of the study and sampling. This chapter also explains the sample frame, sample size, questionnaire design, pilot study, data collection, and techniques for data analysis. A summary of the chapter is provided at the end.

#### **3.2 Research Design**

The study was conducted on local automobile brand among customers in the northern part of Malaysia. The intention is to examine the link between brand image, brand experience, brand personality, and brand loyalty through brand trust, and brand satisfaction as mediating variables. This study was cross-sectional, whereby data were gathered once to answer the research questions. Although a longitudinal design is often preferred over cross-sectional because it increases the quality of the data collection and the depth of analysis, it is expensive and time-consuming (Sekaran & Bougie, 2010b). As a result, a cross-sectional design was adopted for this research. Furthermore, this study relied on quantitative approaches. The survey was employed to obtain personal and social facts, beliefs, and attitudes (Kerlinger & Pedhazur, 1973). The common goal

of conducting a survey research is to collect manually data that are representative of a population to be studied (Cavana, Delahaye, & Sekeran, 2001; Hau & Marsh, 2004).

### **3.3 Target Population**

Sampling begins with the identification of the population. A population refers to an entire group of people or organizations that are of interest to the researcher (Sekaran & Bougie, 2010b). A research population whose properties are to be analyzed in a given research (Cavana *et al.*, 2001; Hair, Black, Babin, & Anderson, 2010). A population could be defined as the complete collection of the subject of interest to be studied in research (Cavana *et al.*, 2001). A sample could be defined as part of the target population of interest to be studied; it can be statistically referred to as a sub-collection that is selected from a population of interest. Meanwhile, population sampling can be defined as the process through which any group of representative elements or individuals is selected from a given population for the primary purpose of statistical.

Importantly, the population in this study was all customers of local automobile brands in Malaysia, which is in the northern part of Malaysia. According to the Statistics Yearbook Malaysia – 2013 the total population of Malaysia is around 29.9 million (Statistics, 2013). This study applied multistage cluster sampling focused on the three states in the northern peninsula of Malaysia which are Penang, Kedah, and Perlis because this is in line with Mdnoor and Lingam (2014) suggestion to extend the study

that goes beyond Klang Valley area. In this study, the target population was the hypermarket consumers in Kedah, Perlis, and Penang, who were within the age group of at least 18 years old, and lived in Kedah, Perlis, and Penang.

### **3.4 Sampling Procedure**

Peninsula Malaysia can be divided into three parts; South, Middle, and North. For the purpose of this study, the researcher select just the Northern part of Malaysia. This is due to time constraint, in which it is impossible for the researcher to conduct this study throughout all Malaysia. Hence, this study focuses only on customers who lived within the three states in the Northern part of Malaysia (i.e: Penang, Kedah and Perlis). Furthermore, the customers at three states have similar characteristics. They can then be considered as a homogenous group.

Due to the similarity of respondents' characteristic, and to ensure the sample chosen is representative of the Northern part of Malaysia population, the sampling procedure used in this study was multistage cluster sampling. The main benefit of multistage sampling is that it guarantees that the sample chosen is representative of the Northern part of Malaysia population. This ensures that the statistical conclusions will be valid. Furthermore, cluster sampling technique was used because it has the least bias and offers the most generalization, where every element has an equal chance of being

selected as a subject from the population (Blumberg, Cooper, & Schindler, 2008; Sekaran & Bougie, 2010b).

Multistage cluster sampling involves the segmentation of the population into some convenient clusters, and then random selection is used to choose the required number of clusters as sample subjects. Examining each element in every chosen cluster can also be done in various stages and it is then called multistage cluster sampling (Sekaran & Bougie, 2010b). As for this study, following the multistage cluster sampling procedure, the three states were then divided into seven parts/cities (i.e. Georgetown, Alor Setar, Sungai Petani, Langkawi, Kangar, Arau and Padang Besar). At each cities several malls were identified and selected for data collection purposes. Respondents are then chosen from every ten customers that walk-in into each mall. The number of malls involved in the study are as follows: five malls in Georgetown, two malls in Alor Setar, Sungai Petani with two malls, and one mall in Langkawi, Kangar, Padang Besar and Arau as shown in Tables 3.2, and 3.3.

#### **3.4.1 Sampling and population in northern states of Peninsular Malaysia**

The population of consumers in the northern states of Malaysia (i.e. Kedah, Perlis, and Penang) is 3,733.8 million. For the population of more than 1000000, the minimum sample size of 384 is enough for any research as suggested by many scholars (Cavana *et al.*, 2001; Comrey & Lee, 1992; Krejcie & Morgan, 1970). Table 3.1 shows the generalized guideline for sample size decisions.

Table 3.1  
*Sample Size of a Given Population*

N	S
20000	377
30000	379
40000	380
50000	381
75000	382
>1000000	384

N= is population size S= is sample size  
Source: Krejcie and Morgan (1970)

Krejcie and Morgan (1970) specified that the level of confidence and precision to be used to determine a sample size to ensure that a sampling error is minimized. Table 3.1, generated by Krejcie and Morgan (1970) for a given population of 3,733.8 million, shows that a sample size of 384 would be required to represent the population of this study. However, the sample size of 384 was increased by 50% to minimize further the potential low response rate from participants who may not cooperate (Salkind, 2011). As a result, the final sample size was 576 as indicated in Table 3.2.

Table 3.2  
*Population in Northern States of Malaysia*

No	States	Population ('000)	Percentage %	Sample size	Sample size * 50%
1	Kedah	1,943.2	52%	199	299
2	Perlis	211.8	5.7%	23	34
3	Penang	1,578.8	42%	162	243
<b>Total</b>		3,733.8		384	576

### 2.10.1 Power Analysis and Sample Size

In addition to using the sample size table, this study employed power analysis to determine the sample size. Post hoc analysis is a statistical power  $1-\beta$  computed as a function of significance level  $\alpha$ , sample size, and population effect size (Cohen, 1988; Faul, Erdfelder, Buchner, & Lang, 2009). Statistical power is the probability that the study will find a statistically significant difference between interventions when an actual difference does exist (Sullivan & Feinn, 2012). The power analysis “is the probability that it will correctly lead to the rejection of a false null hypothesis” (Greene, 2012, p. 1063). A post hoc power analysis using the software package G-Power 3.1.7 following Faul *et al.* (2009) was applied. Figure 3.1 indicates the input and output parameters. In this analysis, the effect size  $f^2 = 0.15$ , the alpha level ( $p < .05$ ), the total sample size = 384, and the total number of predictors = 3 were considered input parameters. The analysis provided as output parameters the “Non-centrality parameter  $\lambda = 57.60$ ” (“Critical F = 2.6283946”) the degrees of freedom (“Numerator df = 3,” “Denominator df = 380”), and the power of the omnibus F test “Power ( $1-\beta$  err prob = 0.9999997)”. So, with 384 cases, there was more than adequate power (i.e. power = .999) at this study effect size levels.



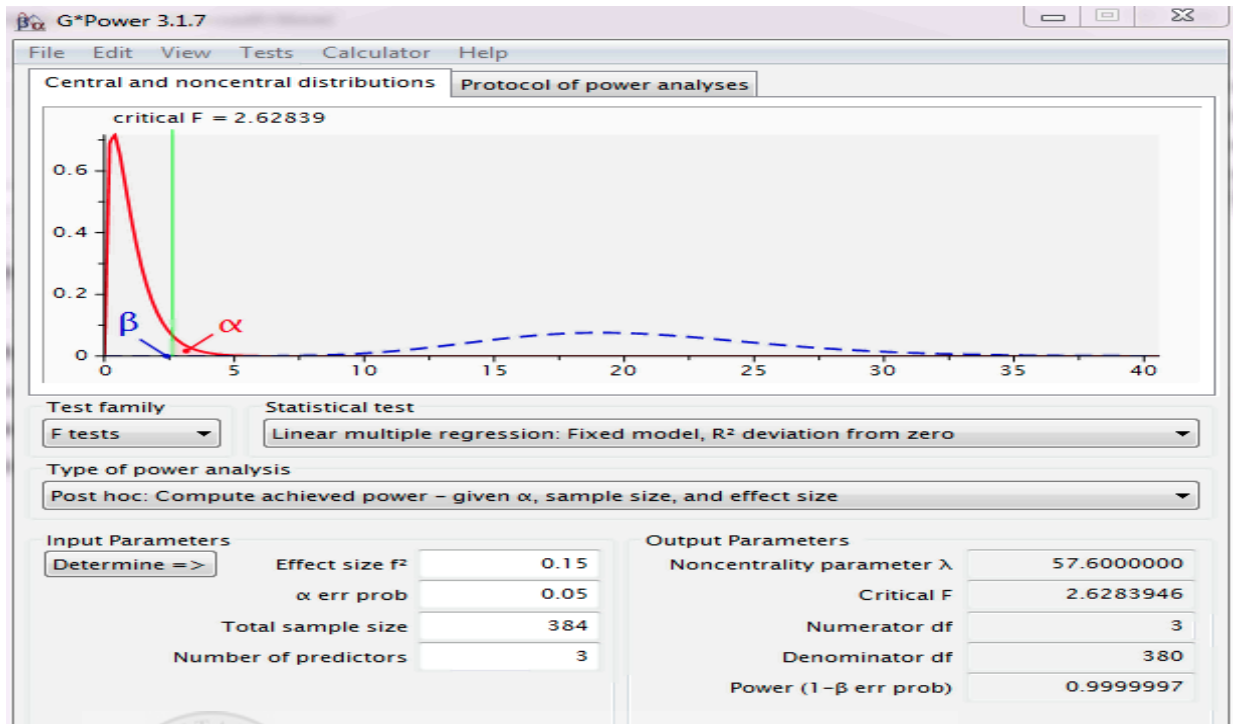


Figure 3.1  
*G-power to determine a suitable sample size*

With each state, major cities/town were selected. In total, seven cities/towns were considered. They were Penang, Alor Setar, Sungai Petani, Langkawi, Padang Besar, Kangar, and Arau. Within each town, data were collected at major shopping centers, that is, five malls in Kedah, five malls in Penang, and three malls in Perlis. The reason for choosing these seven cities was because they have the biggest population in the northern Peninsular Malaysia.

The number of questionnaires distributed to each state is displayed in Table 3.3. In Kedah, 299 questionnaires were distributed at five shopping malls: Alor Setar Mall (60), Amanjaya Mall Sungai Petani (60), Langkawi Fair Shopping Mall Langkawi (60), Central Square Shopping Mall Sungai Petani (60), and Mydin Mall (60). In Penang, 243 questionnaires were distributed in five shopping malls: Gurney Plaza (49), Gurney Paragon (49), Queensbay Mall

(49), Prangin Mall (48), and First Avenue (48). Finally, in Perlis, 34 questionnaires were distributed in three shopping malls: Kayangan Square Mall (12), Padang Besar (11), and C-mart (11). Table 3.3 shows the distribution.

Table 3.3  
*The sample of stated and supermarket/malls Name*

No	States	Sample size	Name of mall	Sampling	Valid	Not Co/v
1	Kedah	299	1 Alor Star Mall	60	55	5
			2 Amanjaya mall Sungai Petani	60	54	6
			3 Langkawi Fair Shopping Mall	60	53	7
			4 Central Square Shopping Mall	60	59	1
			5 Mydin Mall	59	55	4
2	Penang	243	6 Gurney Plaza	49	44	5
			7 Gurney Paragon	49	46	3
			8 Queensbay Mall	49	47	2
			9 Prangin Mall	48	41	7
			10 First Avenue	48	46	2
			11 Kayangan Square Mall	12	11	1
3	Perlis	34	12 Padang Besar	11	11	0
			13 C-mart Arau	11	10	1
<b>Total</b>	<b>3</b>	<b>576</b>		<b>576</b>	<b>532</b>	<b>44</b>

Not Co/V = not completed and not valid.

### 2.10.2 Unit of Analysis

According to Zikmund, Babin, Carr, and Griffin (2012) and Sekaran and Bougie (2010b), a unit of analysis for any study could either be individual or organizational depending on the nature of the study or construct under investigation. This study focused on understanding customer brand loyalty towards local automobile brands. Therefore, the unit of the analysis was individual. That is, data were collected from

customers in 13 selected malls in the major towns/cities in the northern states of peninsular Malaysia.

### **3.5 Questionnaire Design**

A questionnaire (See Appendix A) was designed to measure all the latent variables described in the previous section. All questionnaire items were adapted from prior studies. The models and theories guided the questionnaire design process significantly in order to establish credentials and legitimacy. The questionnaire was accompanied by a letter introducing the purpose of the research. Participants were also informed that taking part in the survey was voluntary and all information provided was strictly confidential and for academic purposes only. The questionnaire started with demographic questions, such as gender, age group, education level, marital status, monthly income, and ethnicity. These questions were followed by two sections that asked questions on brand profile, and key variables (brand loyalty, brand image, brand experience, brand personality, brand trust and brand satisfaction).

The responses for the items were measured on a five-point Likert scale, ranging from “Strongly disagree” (1) to “Strongly agree” (5). Participants were asked to indicate the degree of their agreement or disagreement on each item using the scale. The five-point Likert scale was also used by other researchers (Atilgan, Aksoy, & Akinci, 2005; Emari, Jafari, & Mogaddam, 2012; Gil, Andrés, & Salinas, 2007; Pappu, Quester, & Cooksey, 2006).

### **3.5.1 Questionnaire Language**

The items in the questionnaire were asked in the Malay and English languages. The use of both languages was to allow participants to choose the language they were more comfortable with. Because the original instruments were in the English language, they had to be translated into the Malay language for equivalence purposes. In order to achieve this, the back-to-back translation was utilized. First, the items were translated from the English language into the Malay language by two experts. Then, the Malay version was translated again into the English language by scholars who had expertise in both languages. This process was employed in response to (Sekaran & Bougie, 2010b) suggestion that it is important to ensure that the translation of the instruments is developed accordingly. The researcher examined the validity of the questionnaire by comparing the translated version with the original version.

### **3.5.2 Demographic Factors**

The first demographic item asked was gender. Participants were asked to indicate their gender of whether male or female. Then, the participants were asked to state their age. Next, they had to state their highest level of education from the five choices: (1) high school, (2) diploma, (3) bachelor, (4) master/Ph.D., and (5) others. Next, the participants were asked to indicate their marital status from the three choices: (1) single, (2) married, and (3) others. Then, they were asked to specify their monthly income from the following four choices: (1) less than RM999, (2) RM1000 to RM1999, (3) RM2000 to

RM2999, and (4) above RM 3000. Next, they were asked to specify their ethnicity from the following four choices: (1) Malay, (2) Chinese, (3) Indian, and (4) others. Finally, they were asked about the kind of automobile brands or cars they were currently used from the following choices: (1) Perodua, (2) Proton, and (3) None of the above (see Appendix A).

### **3.6 Data Collection Procedures**

Data were collected between September 3, 2014, and October 15, 2014. The data were collected via a self-reported questionnaire, which was distributed inside/outside the shopping mall after permission from the administration or the manager of the malls was granted. Some of the malls gave permission to distribute the questionnaires inside the malls (at the main entrance, and indoor parking), such as Alor Setar Mall, Amanjaya Mall Sungai Petani, Central Square Shopping Mall, Mydin Mall, Kayangan Square Mall, Padang Besar, and C-mart Arau. In the initial stage of the data collection, two official letters were given to the mall managers/directors and administrators to seek their permission to conduct the research on the mall premises. One letter about data collection was issued by the Othman Yeop Abdullah Graduate School of Business (OYAGSB). The other letter was an introduction letter detailing the purpose of the study, etc. (see Appendix B).

The data were collected using a structured questionnaire. The researcher and two trained enumerators collected the data. As targeted, 576 participants were surveyed personally

by the researcher and the trained enumerators. Enumerators had been used in several consumer behavior studies conducted at a post-graduate level (Engel, 2008; Kiria, 2010). The two enumerators had a master's degree from UUM and had previous experience in data collection. A comprehensive training was given to the enumerators prior to taking them to the field. The training offered to them broadly included the following contents with an open discussion session at the end: what kind of survey was it; what was the purpose of the survey; what was to be done; what was the survey instrument all about; who were the participants; where the survey would be conducted; what general guidelines needed to be explained to the participants; what were the response options; what was the sampling schedule; and what can and cannot be done, etc. The researcher and two enumerators covered the same location at the same time. The researcher always kept a small paper to note down the number of participants surveyed in a particular period of a day. As a token of appreciation, each participant was given a key-chain.

In this study, the researcher used a mall-intercept technique to distribute the survey to 13 supermarkets to maximize the chances of capturing a wide socio-demographic sample. It was decided that every tenth shopping mall customers were approached to complete the survey questionnaire to minimize sampling bias (Hair, Wolfinbarger, Ortinau, & Bush, 2008; Sudman, 1980).

In order to find participants who were 18 years and above, data were collected at different times of the day, morning, noon, and evening; the first half was from 10 am-3

pm while the second half was 3pm-8pm, on different days on weekdays and weekend days as suggested by Sudman (1980). The researcher and two enumerators spent nearly 43 days for data collection. At the end of the period, 576 questionnaires were distributed directly to the target customers.

### **3.7 Operationalization and Measurement of Variables under Study**

An operational definition refers to the specific items used in the questionnaire to measure the meaning of the variables (Burns, Bush, & Chen, 2003; Hair, Bush, & Ortinau, 2003). The measurements had been validated in previous studies and were found to be reliable in many settings, especially in the automotive context (Aaker, 1997; Brakus *et al.*, 2009; Sahin *et al.*, 2011). The dependent, independent, and mediating variables were estimated through reflective measures. A total of 66 items were used to measure the constructs under study. A summary of the items is shown in Table 3.4.

Table 3.4

*Summary of Constructs, Dimensions, Number of Items, and Sources*

<b>Constructs</b>	<b>Dimensions</b>	<b>No. of items</b>	<b>Sources</b>
Brand loyalty	Cognitive	4	Oliver (1997); Harris and Goode (2004)
	Affective	4	
	Conative	4	
	Action	4	
Brand image		6	Low and Lamb Jr (2000)
Brand experience	Sensory	3	Brakus, Schmitt, and Zarantonello (2009).
	Affective	3	
	Behavioral	3	
	Intellectual	3	
Brand personality	Sincerity	4	Aaker (1997, p. 347)
	Excitement	4	
	Competence	3	
	Sophistication	2	
	Ruggedness	2	
Brand satisfaction		9	Ganesan (1994); Grace and O’Cass (2005); Fornell <i>et al.</i> (1996).
Brand trust		8	Ballester and Aleman-Munuera (2001, 2003)
Total		66	

The operationalization of aforesaid variables is explained in the subsequent sections.

### 3.7.1 Dependent Variable

#### 3.7.1.1 Measures of Brand Loyalty

Oliver (1999) defined loyalty as “a deeply held commitment to rebuy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior” (p. 34). According



to Oliver (1997, 1999), four sequential stages constitute the achievement of customer loyalty (cognitive, affective, conative, and action): (a) brand attribute aspects are the bases for cognitive loyalty, (b) affective loyalty focuses on a positive attitude toward a brand, (c) conative loyalty refers to strong intentions for future exchange, and (d) action loyalty is a commitment to a specific product regardless of the marketing efforts of competitors. Thus, the measurement of brand loyalty consists of 16 items based on (Oliver, 1997) with four cognitive-affective-conative-action dimensions to reflect two factors of attitudinal and behavioral loyalty. In this regard, each dimension was measured by four items as illustrated in Table 3.5. This measurement was employed because it had been widely used and valid across cultures (Han & Li, 2012; Harris & Goode, 2004; He, Li, & Harris, 2012).

Table 3.5  
*Items for Brand Loyalty*

<b>Items</b>
1. I believe that using this brand is preferable to other brands.
2. I believe that this brand has the best offers at the moment.
3. I believe that the features of this brand are badly suited to what I like (R)
4. I prefer the service of this brand to the service of others brands
5. I have a negative attitude to this brand (R)
6. I dislike this brand offering (R)
7. I like the features of this brand services and offers
8. I like the performance and services of this brand
9. I have repeatedly found this brand is better than others brands
10. I nearly always find the offer of this brand inferior (R)
11. I have repeatedly found the features of this brand inferior (R)
12. Repeatedly, the performance of this brand is superior to that of competitor brands
13. I would always continue to choose this brand before others brand
14. I will always continue to choose the features of this brand before others brand
15. I would always continue to favor the offerings of this brand before others brand
16. I will always choose to use this brand in preference to competitor brand

Source: Oliver (1997), and Harris and Goode, (2004)

Note: (R) Denotes item negatively worded.

### 3.7.2 Independent Variables

Tables 3.6, 3.7, and 3.8 show the three independent variables i.e. brand image, brand experience, and brand personality.

#### 3.6.2.1 Measure of Brand Image

Brand image was defined as a perception of a local brand as reflected by the brand association held in the memory of the consumer (Keller, 1993). Brand image was measured using six items adapted from Low and Lamb Jr (Low & Lamb Jr, 2000). These items are the most commonly utilized instruments to measure brand image. Low and Lamb Jr (2000) conducted three studies to examine the procedure for developing product category, particularly measurement of brand image. The coefficient alpha for the six items of the brand image scale was 0.78. Brand image was measured by six items as illustrated in Table 3.6.

Table 3.6

*Items for Brand Image*

---

<b>Items</b>
1. I think that this brand is friendly
2. I think that this brand is modern
3. I think that this brand is useful
4. I think that this brand is unpopular (R)
5. I think that this brand is gentle
6. I think that this brand is natural (R)

---

Source: Low and Lamb Jr (2000).

Note: (R) Denotes item negatively worded.

### 3.6.2.2 Measure of Brand Experience

Brand experience was defined as “the subjective, internal consumer responses (sensations, feelings, and cognitions) and behavioral responses evoked by brand-related stimuli that are part of a brand’s design and identity, packaging, communications, and environments” (Brakus *et al.* 2009, p. 53). Brand experience was measured by using 12 items adapted from Brakus et al. (Brakus *et al.*, 2009). Each dimension of the instrument was found to have satisfactory internal reliability i.e. 0.83 for the three items of sensory experience, 0.81 for affective experience, 0.76 for behavioral experience, and 0.79 for intellectual experience. Brand experience was measured by 12 items as illustrated in Table 3.7.

Table 3.7  
*Items for Brand Experience*

Items
1. This brand makes a strong impression on me, either visually or in another way.
2. I find this brand interesting because it moves my senses.
3. This brand does not appeal to my senses (R).
4. This brand induces feelings and sentiments.
5. I do not have strong emotions for this brand (R).
6. This brand is an emotional brand.
7. I engage in physical actions and behaviors when I use this brand.
8. Using this brand involves physical experiences.
9. This brand is not action oriented (R).
10. I engage in a lot of thinking when I encounter this brand.
11. This brand does not make me think (R).
12. This brand stimulates my curiosity and problem solving.

Source: Brakus, Schmitt, and Zarantonello (2009)

Note: (R) Denotes item negatively worded.

### 3.6.2.3 Measure of Brand Personality

Aaker (1997) defined brand personality as “a set of human characteristics associated with the brand” (p.347). The author conducted several studies to establish the psychometric properties of the instrument. In order to achieve this, a total of 631 subjects rated a subset of 37 brands on 114 personality traits. The author found that brands had five different personality dimensions: sophistication, excitement, ruggedness, sincerity, and competence. He found that a high level of reliability of all the dimensions (averaging 0.85, all exceeding 0.55). The Cronbach's alpha for sincerity was 0.93, excitement 0.95, competence 0.93, sophistication 0.91, and ruggedness was 0.90. In a later study involving 180 subjects, he ran a confirmatory factor analysis to validate the dimensions and found that 15 facets loaded onto five dimensions: excitement, sincerity, sophistication, ruggedness, and competence are valid, reliable, and generalizable. Table 3.8 illustrates the items.

Table 3.8  
*Items for Brand Personality*

---

<b>Items</b>
1. I believe this brand is down-to-earth.
2. I believe this brand is honest.
3. I believe this brand is wholesome.
4. I believe this brand is cheerful.
5. I believe this brand is daring.
6. I believe this brand is spirited.
7. I believe this brand is imaginative.
8. I believe this brand is up-to-date.
9. I believe this brand is reliable.
10. I believe this brand is intelligent.
11. I believe this brand is successful.
12. I believe this brand is upper class.
13. I believe this brand is charming.
14. I believe this brand is outdoorsy.
15. I believe this brand is tough.

---

Source: Aaker (1997, p. 347)

### **3.7.3 Mediating Variables**

Brand satisfaction and brand trust are two separate scales that are theoretically extracted to measure their influences on the relationships between brand image, brand experience, brand personality and loyalty to local automobile brands. Tables 3.9 and 3.10 outlined the measurement items for these two mediating variables.

### 3.6.3.1 Measure of Brand Satisfaction

Brand satisfaction was defined “as an effective response to purchase situation” Satisfaction is a positive affective reaction to an outcome of a prior experience. It influences subsequent purchases (Anderson & Narus, 1990; Bennett et al., 2005; Ganesan, 1994; Oliver, 1980). Brand satisfaction was measured using nine items (Fornell, Johnson, Anderson, Cha, & Bryant, 1996; Ganesan, 1994; Grace & O’Cass, 2005) as shown in Table 3.9. The items were used by (Sahin *et al.*, 2011).

Table 3.9  
*Items for Brand Satisfaction*

Items
1. I am very satisfied with the service provided by this brand
2. This brand does a good job of satisfying my needs
3. The products provided by this brand is very satisfactory
4. I believe that using this brand is usually a very satisfying experience
5. I made the right decision when I decided to use this brand
6. I am addicted to this brand in some way
7. I am very satisfied with this brand
8. This brand fulfills my expectations completely
9. I have a positive attitude toward this brand

Source: Ganesan (1994); Grace and O’Cass (2005); Fornell *et al.* (1996); Şahin, Zehir, and Kitapçı (2012)

### 3.6.3.2 Measure of Brand Trust

Brand trust was defined as “the willingness of the average consumer to rely on the ability of brand to perform its stated function”(Chaudhuri & Holbrook, 2001). Ballester and Aleman-Munuera (2001, 2003) focused on the concept of trust towards brand. They

conducted several multiple-stages psychometric tests that exhibited that the brand trust scale is valid and reliable. They revealed that the reliability with coefficient alpha exceeded 0.78. Brand trust was measured by eight items, which are illustrated in Table 3.10.

Table 3.10  
*Items for Brand Trust*

<b>Items</b>
1. This brand meets my expectations.
2. I feel confidence in this brand.
3. This brand never disappoints me.
4. This brand guarantees satisfaction.
5. This brand would be honest and sincere in addressing my concerns.
6. I could rely on this brand to solve the problem.
7. This brand would make any effort to satisfy me.
8. This brand would compensate me in some way for the problem with the [product].

Source: Ballester and Aleman-Munuera (2001, 2003)

### **3.8 Pilot Study**

The most important reason for running a pilot study is to test the reliability, viability, and validity of the instruments. The variables were analyzed using the SPSS software. A principal condition for the choice of past instruments is their individual interior consistency by computing the reliability coefficients of Cronbach's alpha (Hair *et al.*, 2010). Furthermore, the finding of the pilot study offers feedback on improving the items assembled and asked in the actual survey. As indicated in Table 3.11, the

reliability coefficients of all variables ranged between 0.669 and 0.953, which were higher than the suggested value of 0.60 (Hair, Tatham, Anderson, & Black, 2006).

Table 3.11  
*Reliability of Cronbach's Alpha from Pilot Test (n=62)*

No	Variables	Cronbach's alpha	No of Items
1	Brand Image	0.669	6
2	Brand Experience	0.717	12
3	Brand Personality	0.953	15
4	Brand Satisfaction	0.944	9
5	Brand Trust	0.934	8
6	Brand Loyalty	0.907	16
<b>Total</b>			66

### 3.9 Techniques for Data Analysis

This study utilized SEM-PLS path modeling (Wold, 1985) of SmartPLS 2.0 software (Ringle, Wende, & Becker, 2014) to test the theoretical model of this study. PLS path modeling was considered the most appropriate technique in this research because it resembles the conventional regression technique. It has the benefit of estimating the relationships between indicators and their corresponding latent constructs, measurement model (outer model) simultaneously, and the relationships between constructs, structural model (inner model) (Chin, Marcolin, & Newsted, 2003; Duarte & Raposo, 2010; Lohmoller, 1989). Furthermore, this technique is particularly suitable when the model is complex (Henseler, Ringle, & Sinkovics, 2009; Wold, 1985). Many researchers have been using it in marketing field (Coelho & Henseler, 2012; Pérez & Rodríguez del Bosque, 2014; Vilares, Almeida, & Coelho, 2010).



Compared with other path modeling software (e.g., AMOS; Analysis of Moment Structures), the Smart PLS 2.0 software was selected as a tool for analysis because of its friendly graphical user interface. Before applying PLS analysis, several steps were followed in the data analysis. First, the data collected were screened using SPSS to ensure that they were appropriate for the PLS analysis. Then, in order to assess the measurement model, individual item reliabilities, internal consistency reliabilities, convergent validity, and discriminant validity were calculated using Smart PLS 2.0 software (Henseler *et al.*, 2009; Ringle *et al.*, 2014). Next, the structural model was assessed by running a bootstrapping procedure with a number of 5000 bootstrap samples and 458 cases (Hair, Hult, Ringle, & Sarstedt, 2014; Hair, Sarstedt, Ringle, & Mena, 2012). Following Hair *et al.* (2014), the significance of the path coefficients, the level of the R-squared, effect size, and predictive relevance of the model were estimated. Finally, the mediating effect of brand satisfaction and brand trust on the relationship between brand image, brand experience, brand personality and brand loyalty was assessed following Hayes (2013); Preacher and Hayes (2004, 2008).

### **3.10 Descriptive Statistics**

The following steps were employed in the data analysis following Coakes (2005) and Pallant (2010). First, a researcher needs to describe the characteristics of the sample. Then, he should check the variables for any violation of the assumptions underlying inferential statistics. In the first step, descriptive statistics were run for data screening and preliminary analysis, detecting missing values and outliers, and testing for

normality, multicollinearity, response bias, and common method variance (CMV), explained below.

### **3.10.1 Data Screening and Preliminary Analysis**

Data need to be screened to ensure that no ambiguous data characteristics will negatively impact the results. Data screening can help researchers to understand better the data collected for further analysis and to identify any possible violations of the key assumptions regarding the application of multivariate techniques of data analysis (Sekaran & Bougie, 2010a). Prior to the initial data screening, all the 532 usable questionnaires were coded and entered into the SPSS 21. In addition, all the negatively worded items in the questionnaires were reverse coded. The negatively worded items that were reverse coded include BIMAGE4, BIMAGE6, BEXPE3, BEXPE5, BEXPE93, BEXPE11, BLOYAL5, BLOYAL6, BLOYAL10, BLOYAL11. After the data coding and entry, data were checked for missing value and outliers. Then, normality test and multicollinearity test were run (Hair *et al.*, 2010).

### **3.10.2 Missing Value**

In the original SPSS 21 dataset, of 35,112 data points, 171 were randomly missed, which accounted for 0.49%. Specifically, brand personality, brand loyalty, and brand experience had the biggest number of missing data i.e. 35, 43, 48, respectively. Likewise, brand satisfaction, brand trust, and brand image had 12, 16, 17 missing

values, respectively. While there is no acceptable percentage of missing values in a dataset for making a valid statistical inference, scholars generally agreed that the missing rate of 5% or less is non-significant (Tabachnick & Fidell, 2013). Besides, they recommended that mean substitution is the easiest way of replacing missing values if the total percentage of missing data is 5% or less (Tabachnick & Fidell, 2013). Therefore, in the present study, random missing values were replaced using mean substitution (Tabachnick & Fidell, 2013). Table 3.12 shows the percentage and total of random missing values in this study.

Table 3.12  
*Total and Percentage of Missing Values*

<b>Latent Variables</b>	<b>Number of Missing Values</b>
Brand image	17
Brand experience	48
Brand personality	35
Brand satisfaction	12
Brand trust	16
Brand loyalty	43
Total	171 out of 35,112 data points
Percentage	0.0049

Note: Percentage of missing values was obtained by dividing the total number of randomly missing values for the entire data set by the total number of data points.

### **3.10.3 Outlier Detection**

According to Barnett and Lewis (1994), outliers are defined “as observations or subsets of observations which appear to be inconsistent with the remainder of the data” (p. 7). Verardi and Croux (2008) indicated that, in regression analysis, the presence of outliers in the data set can strongly distort the estimates of regression coefficients and lead to

unreliable results. Outliers are often detected through an evaluation of the Mahalanobis distance; it is a type of evaluation that is a standardized form of Euclidean distance (D2). Tabachnick and Fidell (2013) defined Mahalanobis distance (D2) as “the distance of a case from the centroid of the remaining cases where the centroid is the point created at the intersection of the means of all the variables” (p. 74). The scales are based on standard deviations, and it standardizes the data through adjustments of variable correlations (Tabachnick & Fidell, 2013). Mahalanobis analysis can be conducted through SPSS in regression. Outlier detection has its basis on whether D2 values are more than the chi-square values ( $\chi^2$ ) of the number of items used. In the current research, 66 items were entered in SPSS 21, and any item having a D2 score higher than the chi-square value of 66 items ( $\chi^2 = 107.26$ ) was known to be a multivariate outlier (Hair *et al.*, 2010). Furthermore, the data were examined for univariate outliers using standardized values with a cut-off of  $\pm 3.29$  ( $p < .001$ ).

Based on 66 observed variables of the study, the recommended threshold of chi-square was 107.26 ( $p = 0.001$ ). Mahalanobis values that exceeded this threshold were deleted. Following this criterion, 74 multivariate outliers were detected and subsequently deleted from the dataset because they could affect the accuracy of the data analysis technique. This study also excluded 128 cases of international brands from the data set. Finally, only 330 cases were analyzed further.

#### 3.10.4 Test of Normality

Prior research (e.g., Reinartz, Haenlein, & Henseler, 2009; Wetzels, Odekerken-Schroder, & Van Oppen, 2009) has traditionally assumed that PLS-SEM provides accurate model estimations in situations that are extremely non-normal. However, this assumption may turn to be false. Lately, (Hair *et al.*, 2012) recommended that scholars should perform a normality test on the data. Highly skewed or kurtotic data can inflate the bootstrapped standard error estimates (Chernick, 2011), which, in turn, underestimate the statistical significance of the path coefficients (Dijkstra, 1983; Ringle, Sarstedt, & Straub, 2012). Against this background, the present study employed a graphical method to check for the normality of data collected (Tabachnick & Fidell, 2013). According to Field (2009), in a large sample of 200 or more, it is more important to look at the shape of the distribution graphically rather than looking at the value of the skewness and kurtosis statistics. Field (2009) added that a large sample decreases the standard errors, which in turn inflate the value of the skewness and kurtosis statistics. Therefore, this justified the reason for using a graphical method of normality test rather than the statistical methods.

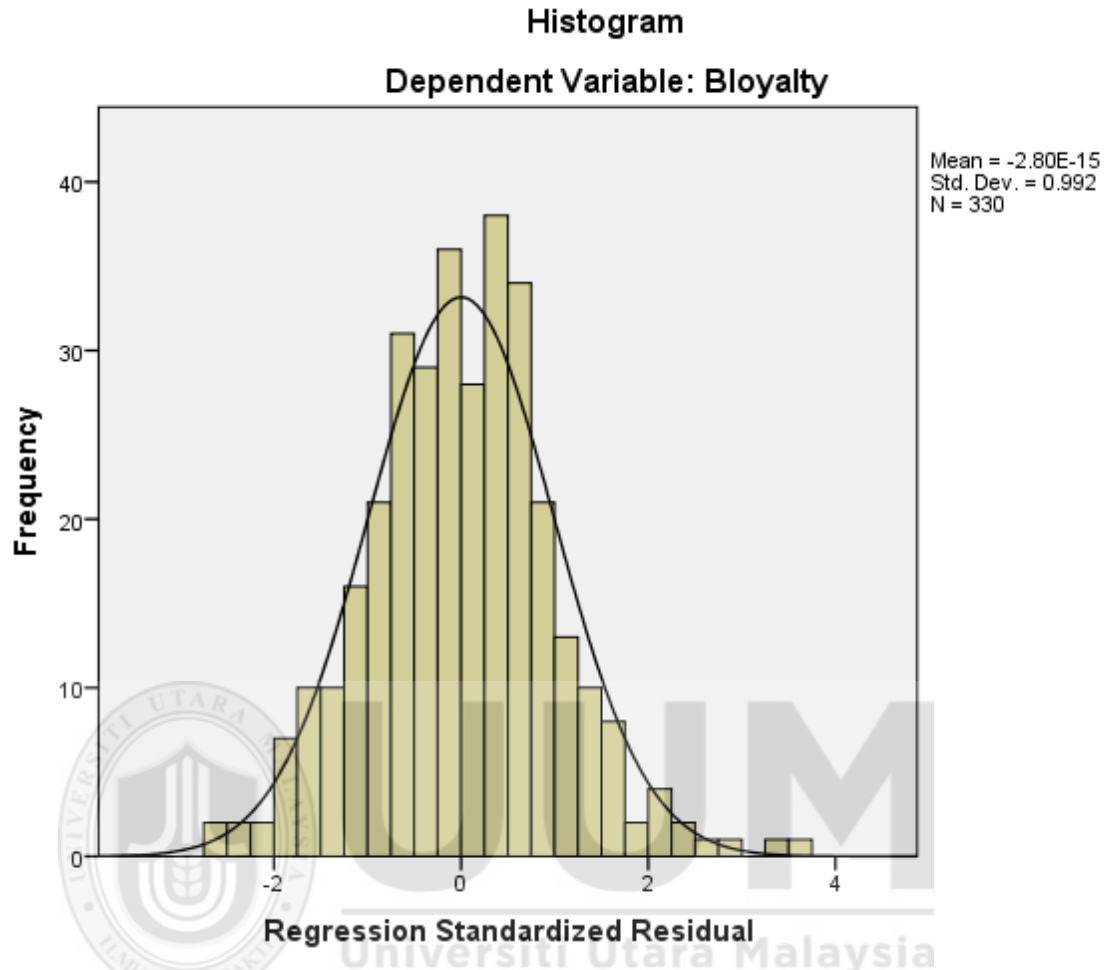


Figure 3.2  
*Histogram and Normal Probability Plots*

Following a recommendation by Field (2009), the histogram and normal probability plots were examined to ensure that normality assumption was not violated. Figure 3.2 illustrates that the data had a normal pattern since all the bars on the histogram were close to a normal curve. Therefore, normality assumptions were not violated in this study.

### 3.10.5 Multicollinearity Test

Multicollinearity is the degree to which a variable can be described by other variables. It is imperative that the correlation values of the research are less than the value recommended by Tabachnick and Fidell (2013), and Hair *et al.* (2006) which is 0.80. If the correlation value is high, multicollinearity is said to occur. The presence of multicollinearity among the exogenous latent constructs can substantially distort the estimation of regression coefficients and their statistical significance tests (Chatterjee & Yilmaz, 1992; Hair *et al.*, 2006; Tabachnick & Fidell, 2013). In particular, multicollinearity increases the standard errors of the coefficients, which in turn renders the coefficients statistically non-significant (Tabachnick & Fidell, 2013).

To identify multicollinearity, the researcher applied two methods (Chatterjee & Yilmaz, 1992; Peng & Lai, 2012). Firstly, the correlation matrixes of the exogenous latent constructs were examined. Hair *et al.* (2006) suggested that the correlation coefficient of 0.90 and above indicates multicollinearity between independents or exogenous latent constructs. Table 3.13 shows the correlation matrix of all the exogenous latent constructs.

Table 3.13  
*Correlation Matrix of the Exogenous Latent Constructs*

No	Latent constructs	1	2	3
1	Brand image	1		
2	Brand experience	.542**	1	
3	Brand personality	.689**	.622**	1

\*\* . Correlation is significant at the 0.01 level (1-tailed).

As exhibited in Table 3.14, the correlations between the exogenous latent constructs were sufficiently below the suggested threshold values of 0.90 or more, which suggests that the exogenous latent constructs were independent and not highly correlated. After the correlation matrix for the exogenous latent constructs had been run, variance inflated factor (VIF), condition index, and tolerance value were examined to identify the multicollinearity problem. Following the recommendation by Hair, Ringle, and Sarstedt (2011), multicollinearity is a concern if VIF value is higher than 5, tolerance value is less than 0.20, and the condition index is higher than 30. Table 3.14 shows the VIF values, tolerance values, and the condition indices for the exogenous latent constructs.

Table 3.14  
*Tolerance and Variance Inflation Factors (VIF)*

No	Latent constructs	Collinearity statistics		Condition index
		Tolerance	VIF	
1	Brand image	.505	1.982	16.707
2	Brand experience	.589	1.698	22.128
3	Brand personality	.438	2.284	25.531

Following the recommendation by Hair *et al.* (2011), Table 3.14 shows that multicollinearity did not exist among the exogenous latent constructs as all VIF values were less than 5, tolerance values exceeded 0.20, and condition indices were below 30.

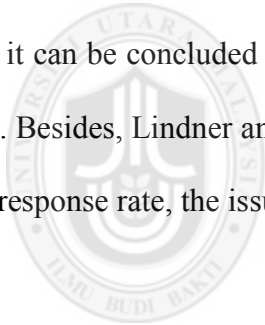
### 3.10.6 Response Bias Test

The response bias test analyzes whether the participants' answers were based on their ideas or they were impacted through cognitive bias. Lambert and Harrington (1990)



defined non-response bias as “the differences in the answers between non-participants and participants” (p. 5). In order to ensure that this did not occur, a T-test was carried out to investigate if there was a significant difference between early and late response (Pallant, 2010).

As shown in Table 3.15 below, the independent-samples t-test indicated that the equal variance significance values for each of the six main study variables were greater than the 0.05 significance level of Levene's test for equality of variances, following the recommendation by (Field, 2009; Pallant, 2010). Therefore, the allegation of equal variances between the first period and second period of participants was violated. As such, it can be concluded that non-response bias was not a major concern in the present study. Besides, Lindner and Wingenbach (2002) suggested that since this study achieved 92% response rate, the issue of non-response bias did not appear to be a major concern.



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Table 3.15  
*Results of Independent-Samples T-test for Non-Response Bias*

Variables	Group	N	Mean	SD	Levene's test for equality of variances	
					F	Sig.
Brand image	First period	200	3.78	.53	1.183	.277
	Second period	130	3.77	.47		
Brand experience	First period	200	3.29	.39	.492	.484
	Second period	130	3.22	.42		
Brand personality	First period	200	3.69	.62	.033	.856
	Second period	130	3.59	.61		
Brand satisfaction	First period	200	3.64	.66	.030	.862
	Second period	130	3.47	.66		
Brand trust	First period	200	3.54	.66	.057	.812
	Second period	130	3.43	.68		
Brand loyalty	First period	200	3.52	.56	.020	.889
	Second period	130	3.41	.58		

### 3.11 Common Method Variance Test (CMV)

In behavioral research, common method variance (CMV) is viewed as a potential problem. According to Podsakoff, MacKenzie, Lee, and Podsakoff (2003, p. 879), common method variance is defined as a “variance that is attributable to the measurement method rather than to the construct of interest”. Scholars have generally agreed that a common method variance is a major concern for scholars using self-report surveys (Lindell & Whitney, 2001; Podsakoff *et al.*, 2003).

Common method bias may be a potential problem when both dependent and independent variables are generated from the same participants at the same time (Buck,

Liu, & Ott, 2010). This study adopted several procedural remedies to minimize the effects of CMV (Baumgartner & Weijters, 2012; MacKenzie & Podsakoff, 2012; Podsakoff *et al.*, 2003; Podsakoff, MacKenzie, & Podsakoff, 2012; Podsakoff & Organ, 1986; Viswanathan & Kayande, 2012). In order to reduce evaluation apprehension, the participants were informed that there was no right or wrong answer to the items in the questionnaire, and they were also given an assurance that their answers were confidential throughout the research process. Furthermore, semantic differential scales and five-point Likert-type scales were used (Podsakoff *et al.*, 2003). The questionnaire also used both negatively and positively worded items to reduce common method variance. Therefore, the questionnaire items were re-coded to make all the constructs symmetric.

In the present study, CMV was tested using Harman (1976) single-factor test, following the approach outlined by prior researchers (Mattila & Enz, 2002; Podsakoff *et al.*, 2003). A principal component factor analysis with varimax rotation demonstrated that all self-report items revealed a six-factor structure. The 38% variance explained by a single factor showed that the common method bias was not a major concern in this study (less than 50% cut-off point). The result was obtained by running unrotated, a single-factor constraint of factor analysis (See appendix C).

### 3.12 Chapter Summary

This chapter discussed the research method employed in this study. This research primarily used a quantitative approach. The survey was distributed among consumers in three states in the northern Malaysia. This chapter also elaborated the data analysis technique used to test the research hypotheses. In the next chapter, the research findings are presented.



## **CHAPTER FOUR**

### **DATA ANALYSIS AND FINDINGS**

#### **4.1 Introduction**

This chapter presents the results of the data analyzed applying Structural Equation Modelling (SEM) using Partial Least Squares (PLS) path modelling. It starts by reporting the result of the response rate. Then, the findings of the descriptive statistics for all constructs are reported. Next, the result of the measurement model assessment is presented in terms of individual item reliability, convergent validity, internal consistency reliability, and discriminant validity. Then, the finding of the structural model is reported, such as the significance of the path coefficients, effect size, the level of the R-squared values, and predictive relevance of the model. Finally, the results of the complementary PLS-SEM analysis on the mediating effects of brand satisfaction and brand trust on the structural model, are reported.

#### **4.2 Response Rate**

A total of 576 questionnaires were distributed to customers in 13 malls located in three states in the Northern Malaysia, namely, Kedah, Perlis, and Penang. Of 576, 299 questionnaires were distributed in five malls, 243 in five malls in, and Penang 34 in three malls in Perlis. In order to reduce possible sample biases, participants were recruited in multiple cities in the different states of the northern parts of Peninsular Malaysia as displayed in Table 4.1. In each city, different locations were selected, and

the distribution was conducted at different times of the day: morning, noon, and evening. The duration of the survey was divided into two separate times i.e. between 10 am and 3 pm and 3 pm and 8 pm and on weekdays and weekends. Every tenth customer was chosen of the checkout counter. Table 4.1 summarizes the sample size of the study.

Table 4.1  
*Sample Size*

No	States	Sample size	Mall name	Sample	Valid	Not Co/v
1	Kedah	299	1 Alor Setar Mall	60	55	5
			2 Amanjaya Mall Sungai Petani	60	54	6
			3 Langkawi Fair Shopping Mall	60	53	7
			4 Central Square Shopping Mall	60	59	1
			5 Mydin Mall	59	55	4
2	Penang	243	6 Gurney Plaza	49	44	5
			7 Gurney Paragon	49	46	3
			8 Queensbay Mall	49	47	2
			9 Prangin Mall	48	41	7
			10 First Avenue	48	46	2
3	Perlis	34	11 Kayangan Square Mall	12	11	1
			12 Padang Besar	11	11	0
			13 C-mart Arau	11	10	1
		576		576	532	44

Source: researcher  
Co/v not completed/ valid

Of 576 returned questionnaires, 44 were invalid because a significant part was not completed by the customers. The remaining 532 questionnaires were used for further analysis. This accounted for 57% valid response rate, which is considered high and adequate for the analysis because Sekaran (2003) suggested that a response rate of 30% is sufficient for surveys (see Table 4.2). The researcher achieved a high response rate because he approached the customers directly to take part in the survey. However, since this study was about local automobile brands, 128 responses to international brands

were eliminated further. And 74 multivariate outliers. In the final analysis, 330 valid cases were used.

Table 4.2  
*Response Rate of the survey*

<b>Response</b>	<b>Frequency/Rate</b>
No. of distributed questionnaires	576
Returned questionnaires	576
Valid questionnaires	532
Excluded questionnaires (not valid)	44
Questionnaires eliminated (foreign Brands)	128
Response rate	100%
Multivariate outliers	74
Valid response rate	57% (330)

### 4.3 Description of the Demographic Profile of the Respondents

The demographic factors examined in this study include gender, age, education level, marital status, income, race, and kind of cars. Table 4.3 presents the demographic profile of the participants.

Table 4.3  
*Demographic Characteristics of the Participants (n=330)*

	Frequency	Percentage
<b>Gender</b>		
Male	144	43.6
Female	186	56.4
<b>Age</b>		
From 18-23 years	72	21.8
24-34 years	151	45.8
35-45 years	58	17.6
46-56 years	27	8.2
Above 56 years	22	6.7
<b>Education</b>		
High school	120	36.4
Diploma	94	28.5
Bachelor	94	28.5
Master/PhD	18	5.5
Others	4	1.2
<b>Marital status</b>		
Single	189	57.3
Married	140	42.4
Others	1	.3
<b>Monthly Income</b>		
Less than RM999	144	43.6
RM1000-RM1999	98	29.7
RM2000-RM2999	33	10.0
Above RM3000	55	16.7
<b>Race</b>		
Malay	271	82.1
Chinese	39	11.8
Indian	8	2.4
Others	12	3.6
<b>Type of cars</b>		
Perodua	176	53.3
Proton	154	46.7
<b>States</b>		
Kedah	195	59.1
Penang	114	34.5
Perlis	21	6.4



Table 4.3 (Continued)

	Frequency	Percentage
<b>Times</b>		
10am-3pm	137	41.5
3pm-8pm	193	58.5
<b>Malls</b>		
Alor Setar Mall	33	10.0
Amanjaya Mall	42	12.7
Langkawi Fair Shopping Mall	37	11.2
Central Square	45	13.6
Mydin Mall	38	11.5
Gurney Plaza	21	6.4
Gurney Paragon	22	6.7
Queensbay	26	7.9
Prangin Mall	19	5.8
First Avenue	26	7.9
Kayangan Square Mall	6	1.8
Padang Besar	8	2.4
C-mart Arau	7	2.1

Of 330 participants, there were slightly more female (56%) than male (43%). In terms of age, the majority of the participants were between the ages of 24 and 34, which represented 45% of the total participants. The age of these participants was almost equally distributed among the age groups of 18-23 (21.8%), 35-45 (17.6%), 46-56 (8.2%), and above 56 years (6.7%). As for the level of education, 36.4% of them finished high school, 28.5% had a diploma, 28.5% had a bachelor's degree, 5.5% a master/Ph.D.'s degree, and 1.2% had other qualifications. Most of the participants were single (57.3%). Regarding monthly income, 43.6% reported to earn a monthly income less than RM 999 and 29.7% earned between RM 1000 and RM 1999, 10% earned between RM 2000 and RM 2999, and 16.7% earned more than above RM 3000. In terms of race, 82.1% were Malay, followed by Chinese 11.8%, 2.4% Indian, and 3.6%

others. Close to half of the participants (41.5%) were surveyed from 10 am to 3 pm and 58.5% from 3 pm to 8 pm. Regarding the brands of car, 53.3% had a Perodua car and the remaining a Proton car. The majority of them were from Kedah (59.1%), followed by Penang (34.5%), and Perlis (6.4%). The distribution of the participants by shopping malls is as follows: Alor Setar Mall 10.0%, Amanjaya Mall 12.7%, Langkawi Fair Shopping Mall 11.2%, Central Square, 13.6%, Mydin Mall 11.5%, Gurney Plaza 6.4%, Gurney Paragon 6.7%, Queensbay 7.9%, Prangin Mall 5.8%, First Avenue 7.9%, Kayangan Square Mall 1.8%, Padang, Besar 2.4%, and C-mart Arau 2.1%.

#### 4.4 Descriptive Analysis of the Latent Constructs

The descriptive analysis of the latent constructs in this study includes the name of variables, number of items, mean, and standard deviation (see Table 4.4).

Table 4.4  
*Descriptive Statistics for Constructs*

<b>Variables</b>	<b>Number of items</b>	<b>Mean</b>	<b>Standard deviation</b>
Brand image	6	3.78	.507
Brand experience	12	3.26	.402
Brand personality	15	3.65	.615
Brand satisfaction	9	3.58	.664
Brand trust	8	3.49	.668
Brand loyalty	16	3.48	.571

Table 4.4 illustrates that the mean values for all the constructs ranged between 3.26 and 3.78. Specifically, the standard deviation and mean value for brand image were .507 and 3.78, respectively. This suggests that the participants tended to have a moderate level of perception of brand image. The mean for the brand experience was 3.26 with a standard deviation of 0.402, suggesting that the participants tended to have a moderate level of perception of brand experience. Additionally, the participants had a moderate view of brand personality (Mean = 3.65, Standard deviation = .615). The mean values and standard deviation for brand satisfaction, brand trust, and brand loyalty were as follows: (3.58, .664), (3.49, .668), (3.48, .571), respectively.

#### **4.5 Assessment of PLS-SEM Path Model Finding**

According to Henseler and Sarstedt (2013), goodness-of-fit (GoF) index is not suitable for model validation (see also Hair *et al.*, 2014). For instance, using PLS path models with simulated data, they showed that goodness-of-fit index cannot separate valid models from invalid ones (Hair, Ringle, & Sarstedt, 2013). In the light of the recent development on the inappropriateness of the PLS path modelling in model validation, this study adopted a two-step process to assess and report on the finding of PLS-SEM path, following the recommendation by Henseler *et al.* (2009). The assessment of a measurement model and the structural model is illustrated in Figure 4.1 (Hair *et al.*, 2014; Hair *et al.*, 2012; Henseler *et al.*, 2009).

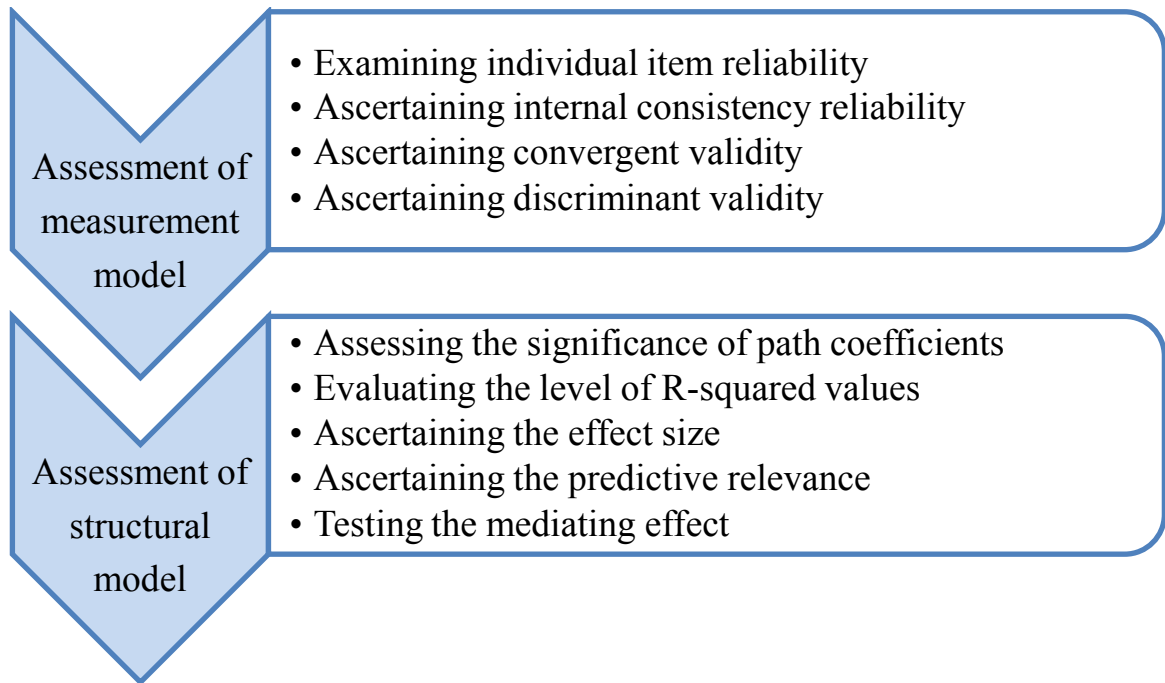


Figure 4.1  
*The two steps process of PLS path model assessment*  
 Sources: (Hair *et al.*, 2014; Henseler *et al.*, 2009)

#### 4.6 Assessment of Measurement Model/ Outer Model

An assessment of a measurement model or what is alternatively called the outer model involves determining individual item reliability, internal consistency reliability, content validity, convergent validity, and discriminant validity (Hair *et al.*, 2014; Hair *et al.*, 2012; Henseler *et al.*, 2009). Figure 4.2 illustrates the measurement model/ outer model.

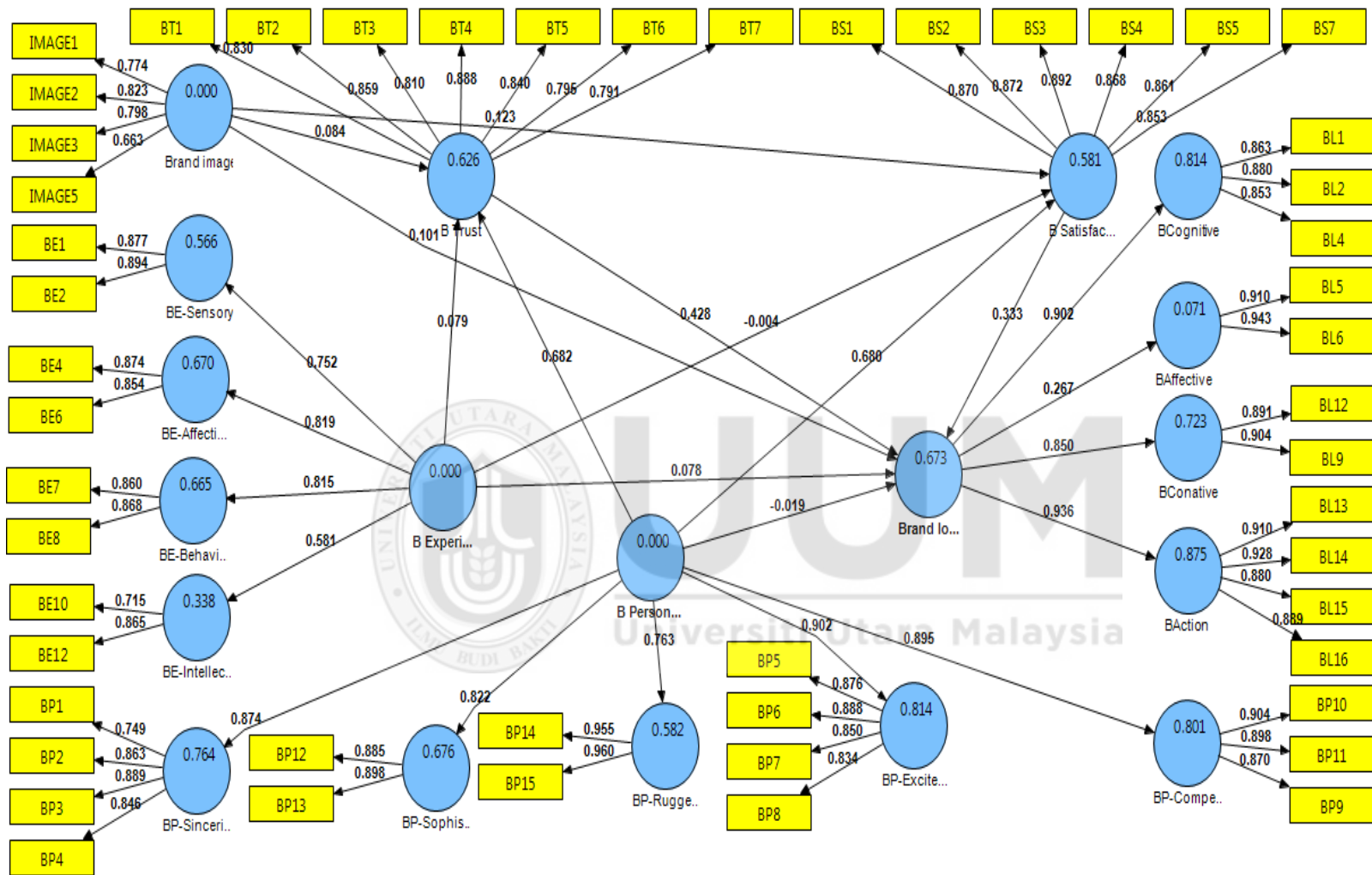


Figure 4.2  
Measurement model/outer model

#### **4.6.1 Examining Individual Item Reliability**

The measurement model was assessed by examining the outer loadings of each construct item (Duarte & Raposo, 2010; Hair *et al.*, 2014; Hair *et al.*, 2012). According to Hair *et al.* (2014), as the rule of thumb, items were retained when they had loadings between 0.40 and 0.70. Of 66 items, 14 were deleted because the loading was below the threshold of 0.50. Therefore, in the full model, only 51 items were retained as they had loadings between 0.634 and 0.943 (see Table 4.5).

#### **4.6.2 Ascertaining Internal Consistency Reliability**

Internal consistency reliability refers to the extent to which all components are measured on a particular (sub) similar concept (Bijttebier *et al.*, 2000; Sun *et al.*, 2007). Composite reliability Coefficient and Cronbach's alpha coefficient are the most frequently used to estimate the internal consistency reliability of items in marketing research (McCrae, Kurtz, Yamagata, & Terracciano, 2010; Peterson & Kim, 2013). The composite reliability coefficient was chosen to ascertain the internal consistency reliability of measures adopted in the present study because it provides a much less estimation of the bias of the reliability than Cronbach's alpha coefficient as the latter assumes all items contribute equally to its construct without considering the actual contribution of individual loadings (Barclay, Higgins, & Thompson, 1995; Götz, Liehr-Gobbers, & Krafft, 2010). In addition, Cronbach's alpha may over or underestimate the reliability scale.

The composite reliability takes into account that indicators have different loadings and can be explained in the same way as Cronbach's  $\alpha$  (that is, no matter which particular reliability coefficient is used, an internal consistency reliability value above 0.70 is regarded as satisfactory for an adequate model, whereas a value below 0.60 indicates a lack of reliability). In this study, internal consistent reliability using composite reliability coefficient was chosen based on the rule of thumb provided by Bagozzi and Yi (1988). Furthermore, as recently suggested by Hair *et al.* (2011), composite reliability coefficient should be at least 0.70 or more. Table 4.9 illustrates the composite reliability and the coefficients of the latent constructs.



Table 4.5

*Items Loadings, Average Variance Extracted and Composite Reliability*

<b>Constructs</b>	<b>Items</b>	<b>Loadings</b>	<b>*(AVE)</b>	<b>*(CR)</b>
Brand image			0.589	0.851
	IMAGE1	0.774		
	IMAGE2	0.823		
	IMAGE3	0.798		
	IMAGE5	0.663		
BE-Sensory			0.784	0.879
	BE1	0.877		
	BE2	0.894		
BE-Affective			0.747	0.855
	BE4	0.874		
	BE6	0.855		
BE-Behavioral			0.746	0.855
	BE7	0.860		
	BE8	0.868		
BE-Intellectual			0.630	0.771
	BE10	0.715		
	BE12	0.865		
BP-Sincerity			0.703	0.904
	BP1	0.774		
	BP2	0.864		
	BP3	0.889		
	BP4	0.850		
BP-Excitement			0.743	0.920
	BP5	0.878		
	BP6	0.895		
	BP7	0.846		
	BP8	0.823		
BP-Competence			0.793	0.920
	BP9	0.872		
	BP10	0.890		
	BP11	0.892		
BP-Sophistication			0.795	0.886
	BP12	0.880		
	BP13	0.905		
BP-Ruggedness			0.917	0.957
	BP14	0.955		
	BP15	0.959		



Table 4.5 (Continued)

Constructs	Items	Loadings	*(AVE)	*(CR)
Brand Satisfaction	BS1	0.870	0.756	0.949
	BS2	0.872		
	BS3	0.892		
	BS4	0.868		
	BS5	0.861		
	BS7	0.853		
	Brand Trust	BT1		
BT2		0.859		
BT3		0.810		
BT4		0.888		
BT5		0.840		
BT6		0.795		
BT7		0.791		
BCognitive		BL1	0.863	0.749
	BL2	0.880		
	BL4	0.853		
	BL5	0.910		
BAffective	BL6	0.943	0.859	0.924
	BL9	0.904		
BConative	BL12	0.891	0.806	0.892
	BL13	0.910		
BAction	BL14	0.928	0.813	0.946
	BL15	0.880		
	BL16	0.889		

\* AVE = Average Variance Extracted, CR = Composite Reliability

#### 4.6.3 Ascertaining Convergent Validity

A measurement model has to be examined for convergent validity (Coltman, Devinney, Midgley, & Venaik, 2008). Convergent validity refers to the extent to which items truly represent the intended latent construct and indeed correlate with other measures of the

same latent construct (Hair *et al.*, 2006). Convergent validity of reflective measurement model indicators was evaluated using Average Variance Extracted (AVE) as suggested by (Fornell & Larcker, 1981; Hair *et al.*, 2010). Assessing convergent validity was done by examining (AVE) of each latent construct. In order to achieve adequate convergent validity, Chin (1998) recommended that the AVE of each latent constructs should be 0.50 or more. In this study, the AVE values showed high loadings ( $> 0.50$ ) (see Table 4.5).

#### **4.6.4 Ascertaining Discriminant Validity**

Discriminant validity refers to the extent to which a particular latent construct is different from other latent constructs (Duarte & Raposo, 2010). Discriminant validity was measured using AVE as suggested by (Fornell & Larcker, 1981). This was accomplished by comparing the squared correlation of the paired construct with the AVEs of each construct (Fornell & Larcker, 1981).

Discriminant validity of reflective constructs occurs when the loadings of the items of a construct is an order of magnitude above the loadings for other constructs (loadings higher by 0.1), and the square root of the average variance extracted for each construct is much higher than the correlations between the pairs of constructs and above 0.5 (Fornell & Larcker, 1981). Following Chin (1998) criterion, discriminant validity was determined by comparing the indicator loadings with other reflective indicators in the cross loading table. First, as a rule of thumb for evaluating discriminant validity, Fornell and Larcker (1981) recommended the use of AVE with a score of 0.50 or more. In order to achieve

adequate discriminant validity, the square root of the AVE should be greater than the correlations among latent constructs (Fornell & Larcker, 1981).

As shown in Table 4.5, the values of the AVE ranged between 0.565 and 0.741, suggesting acceptable values. In Table 4.6, the correlations among the first and second-order constructs were compared with the square root of the average variances extracted (values in boldface). Table 4.6 also shows that the square root of the average variances extracted were all greater than the correlations among latent constructs, suggesting adequate discriminant validity (Fornell & Larcker, 1981).



Table 4.6

*Latent Variable Correlations and Square Roots of Average Variance Extracted*

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
B Satisfaction	<b>0.869</b>															
B Trust	0.817	<b>0.831</b>														
BAction	0.653	0.693	<b>0.902</b>													
BAffective	0.278	0.249	0.154	<b>0.927</b>												
BCognitive	0.722	0.755	0.759	0.229	<b>0.865</b>											
BConative	0.663	0.645	0.737	0.129	0.686	<b>0.898</b>										
BE-Affective	0.336	0.413	0.328	0.047	0.329	0.345	<b>0.864</b>									
BE-Behavioural	0.375	0.432	0.397	0.001	0.338	0.340	0.573	<b>0.864</b>								
BE-Intellectual	0.234	0.257	0.280	-0.054	0.271	0.204	0.338	0.404	<b>0.794</b>							
BE-Sensory	0.487	0.509	0.467	0.189	0.439	0.431	0.473	0.419	0.251	<b>0.886</b>						
BP-Competence	0.670	0.718	0.500	0.249	0.559	0.514	0.357	0.358	0.186	0.518	<b>0.891</b>					
BP-Excitement	0.605	0.643	0.497	0.242	0.501	0.406	0.410	0.401	0.246	0.540	0.766	<b>0.862</b>				
BP-Ruggedness	0.694	0.663	0.570	0.239	0.567	0.554	0.337	0.365	0.191	0.455	0.638	0.557	<b>0.958</b>			
BP-Sincerity	0.653	0.692	0.530	0.261	0.514	0.487	0.488	0.444	0.343	0.538	0.718	0.739	0.553	<b>0.838</b>		
BP-Sophistication	0.663	0.658	0.547	0.224	0.575	0.530	0.399	0.406	0.224	0.507	0.666	0.690	0.680	0.619	<b>0.891</b>	
Brand image	0.552	0.561	0.511	0.202	0.502	0.463	0.427	0.400	0.261	0.564	0.558	0.553	0.437	0.630	0.486	<b>0.767</b>

Note: Entries shown in boldface represent the square root of the average variance extracted

According to Chin (1998), discriminant validity can be ascertained by comparing the indicator loadings with cross-loadings. This study followed his suggestion that all the indicator loadings should be higher than the cross-loadings. Table 4.7 compares the indicator loadings with other reflective indicators. All indicator loadings were greater than the cross-loadings, suggesting adequate discriminant validity for further analysis.



Table 4.7  
Cross loading

	BED1	BED2	BED3	BED4	BLD1	BLD2	BLD3	BLD4	BPD1	BPD2	BPD3	BLP4	BPD5	SATIS	TRUST	IMAGE
BE1	<b>0.877</b>	0.385	0.348	0.235	0.341	0.102	0.346	0.382	0.433	0.434	0.386	0.381	0.334	0.384	0.388	0.477
BE2	<b>0.894</b>	0.451	0.393	0.210	0.432	0.229	0.415	0.443	0.516	0.520	0.527	0.513	0.466	0.475	0.510	0.520
BE4	0.478	<b>0.874</b>	0.462	0.315	0.311	0.090	0.312	0.308	0.442	0.411	0.327	0.364	0.306	0.305	0.386	0.407
BE6	0.335	<b>0.854</b>	0.532	0.267	0.256	-0.01	0.283	0.258	0.401	0.295	0.289	0.326	0.275	0.276	0.327	0.330
BE7	0.355	0.496	<b>0.860</b>	0.327	0.276	-0.09	0.283	0.352	0.333	0.347	0.265	0.330	0.267	0.287	0.363	0.309
BE8	0.369	0.495	<b>0.868</b>	0.370	0.307	0.085	0.304	0.334	0.433	0.345	0.352	0.372	0.362	0.361	0.383	0.382
BE10	0.110	0.241	0.281	<b>0.715</b>	0.138	-0.17	0.080	0.085	0.104	0.059	0.057	0.020	0.014	0.061	0.100	0.120
BE12	0.266	0.293	0.355	<b>0.865</b>	0.275	0.052	0.224	0.325	0.398	0.296	0.216	0.294	0.253	0.278	0.282	0.274
BL1	0.354	0.282	0.245	0.189	<b>0.863</b>	0.210	0.570	0.636	0.406	0.392	0.461	0.477	0.497	0.589	0.641	0.400
BL2	0.404	0.324	0.333	0.246	<b>0.880</b>	0.264	0.596	0.650	0.501	0.481	0.511	0.541	0.503	0.659	0.679	0.461
BL4	0.380	0.248	0.297	0.267	<b>0.853</b>	0.122	0.613	0.684	0.425	0.428	0.477	0.475	0.471	0.626	0.640	0.441
BL5	0.186	0.025	0.002	-0.04	0.180	<b>0.910</b>	0.093	0.123	0.223	0.203	0.224	0.210	0.211	0.230	0.208	0.188
BL6	0.167	0.059	0.000	-0.06	0.240	<b>0.943</b>	0.142	0.160	0.257	0.243	0.238	0.206	0.231	0.281	0.250	0.187
BL9	0.381	0.309	0.298	0.176	0.639	0.138	<b>0.904</b>	0.679	0.489	0.377	0.502	0.511	0.531	0.623	0.613	0.434
BL12	0.393	0.310	0.313	0.191	0.590	0.092	<b>0.891</b>	0.642	0.383	0.352	0.419	0.438	0.463	0.565	0.543	0.397
BL13	0.423	0.316	0.369	0.253	0.686	0.094	0.708	<b>0.910</b>	0.482	0.464	0.450	0.517	0.533	0.602	0.619	0.470
BL14	0.403	0.265	0.328	0.258	0.710	0.131	0.697	<b>0.928</b>	0.464	0.435	0.425	0.493	0.519	0.592	0.617	0.419
BL15	0.390	0.305	0.350	0.227	0.645	0.154	0.608	<b>0.880</b>	0.492	0.455	0.480	0.461	0.484	0.566	0.604	0.488
BL16	0.470	0.301	0.386	0.272	0.696	0.180	0.641	<b>0.889</b>	0.477	0.438	0.452	0.500	0.520	0.594	0.662	0.472
BP1	0.391	0.414	0.330	0.275	0.376	0.176	0.388	0.385	<b>0.749</b>	0.448	0.462	0.408	0.396	0.472	0.479	0.552
BP2	0.501	0.461	0.379	0.332	0.436	0.240	0.389	0.438	<b>0.863</b>	0.625	0.575	0.527	0.475	0.544	0.576	0.519
BP3	0.466	0.390	0.390	0.273	0.468	0.243	0.417	0.477	<b>0.889</b>	0.670	0.677	0.551	0.490	0.580	0.629	0.551
BP4	0.440	0.384	0.385	0.275	0.436	0.209	0.442	0.470	<b>0.846</b>	0.705	0.667	0.572	0.484	0.583	0.622	0.504

Table 4.7 (Continued)

	BED1	BED2	BED3	BED4	BLD1	BLD2	BLD3	BLD4	BPD1	BPD2	BPD3	BLP4	BPD5	SATIS	TRUST	IMAGE
BP5	0.478	0.371	0.335	0.228	0.414	0.241	0.333	0.370	0.656	<b>0.876</b>	0.668	0.561	0.483	0.530	0.552	0.492
BP6	0.488	0.413	0.317	0.226	0.458	0.240	0.348	0.447	0.680	<b>0.888</b>	0.673	0.603	0.495	0.550	0.567	0.513
BP7	0.443	0.332	0.372	0.218	0.405	0.124	0.361	0.463	0.601	<b>0.850</b>	0.610	0.618	0.478	0.477	0.531	0.428
BP8	0.451	0.296	0.360	0.174	0.451	0.227	0.360	0.434	0.610	<b>0.834</b>	0.689	0.597	0.464	0.525	0.569	0.470
BP9	0.400	0.317	0.341	0.159	0.456	0.254	0.432	0.413	0.609	0.652	<b>0.870</b>	0.527	0.504	0.551	0.584	0.507
BP10	0.502	0.346	0.343	0.179	0.509	0.154	0.479	0.462	0.658	0.718	<b>0.904</b>	0.612	0.588	0.627	0.661	0.514
BP11	0.477	0.291	0.275	0.159	0.524	0.262	0.461	0.461	0.649	0.674	<b>0.898</b>	0.635	0.609	0.608	0.669	0.472
BP12	0.429	0.296	0.339	0.199	0.493	0.193	0.468	0.463	0.514	0.584	0.584	<b>0.885</b>	0.622	0.578	0.551	0.392
BP13	0.474	0.413	0.384	0.200	0.532	0.206	0.477	0.510	0.587	0.644	0.602	<b>0.898</b>	0.591	0.604	0.620	0.473
BP14	0.424	0.321	0.348	0.156	0.543	0.240	0.523	0.530	0.509	0.502	0.574	0.658	<b>0.955</b>	0.655	0.625	0.393
BP15	0.446	0.324	0.351	0.208	0.543	0.219	0.538	0.562	0.548	0.563	0.647	0.645	<b>0.960</b>	0.674	0.645	0.443
BS1	0.453	0.284	0.312	0.156	0.647	0.293	0.612	0.567	0.570	0.517	0.608	0.611	0.632	<b>0.870</b>	0.683	0.467
BS2	0.423	0.329	0.375	0.222	0.606	0.186	0.556	0.530	0.596	0.529	0.575	0.546	0.558	<b>0.872</b>	0.731	0.481
BS3	0.409	0.255	0.344	0.156	0.619	0.205	0.574	0.572	0.516	0.511	0.557	0.571	0.587	<b>0.892</b>	0.713	0.458
BS4	0.440	0.334	0.357	0.274	0.621	0.213	0.588	0.587	0.592	0.541	0.593	0.629	0.667	<b>0.868</b>	0.709	0.486
BS5	0.415	0.287	0.276	0.232	0.608	0.304	0.559	0.561	0.562	0.517	0.583	0.538	0.603	<b>0.861</b>	0.688	0.492
BS7	0.398	0.263	0.293	0.176	0.662	0.247	0.566	0.584	0.566	0.538	0.574	0.559	0.571	<b>0.853</b>	0.740	0.497
BT1	0.423	0.384	0.397	0.213	0.621	0.273	0.533	0.553	0.599	0.545	0.612	0.539	0.554	0.709	<b>0.830</b>	0.504
BT2	0.480	0.391	0.371	0.229	0.663	0.301	0.550	0.595	0.650	0.597	0.668	0.613	0.640	0.759	<b>0.859</b>	0.540
BT3	0.398	0.318	0.288	0.152	0.637	0.207	0.559	0.628	0.500	0.500	0.549	0.543	0.571	0.654	<b>0.810</b>	0.437
BT4	0.438	0.352	0.375	0.262	0.653	0.230	0.547	0.584	0.606	0.564	0.662	0.575	0.576	0.727	<b>0.888</b>	0.476
BT5	0.418	0.330	0.337	0.199	0.595	0.150	0.542	0.575	0.552	0.516	0.585	0.506	0.511	0.635	<b>0.840</b>	0.409
BT6	0.357	0.313	0.367	0.238	0.554	0.078	0.508	0.528	0.538	0.484	0.529	0.493	0.512	0.610	<b>0.795</b>	0.411
BT7	0.435	0.309	0.376	0.200	0.661	0.185	0.512	0.566	0.570	0.526	0.556	0.545	0.484	0.647	<b>0.791</b>	0.473

Table 4.7 (Continued)

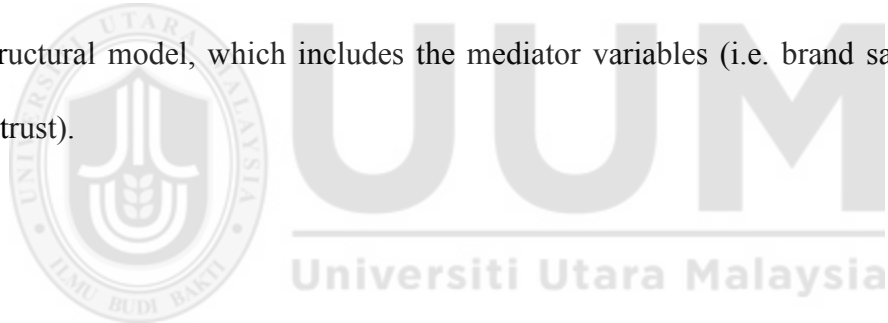
	<b>BED1</b>	<b>BED2</b>	<b>BED3</b>	<b>BED4</b>	<b>BLD1</b>	<b>BLD2</b>	<b>BLD3</b>	<b>BLD4</b>	<b>BPD1</b>	<b>BPD2</b>	<b>BPD3</b>	<b>BLP4</b>	<b>BPD5</b>	<b>SATIS</b>	<b>TRUST</b>	<b>IMAGE</b>
IM1	0.381	0.289	0.270	0.116	0.399	0.177	0.376	0.354	0.490	0.404	0.415	0.338	0.327	0.443	0.408	<b>0.774</b>
IM2	0.486	0.294	0.257	0.165	0.417	0.140	0.365	0.386	0.452	0.487	0.442	0.443	0.390	0.465	0.448	<b>0.823</b>
IM3	0.442	0.319	0.322	0.294	0.410	0.177	0.348	0.425	0.544	0.392	0.468	0.354	0.346	0.436	0.447	<b>0.798</b>
IM5	0.420	0.423	0.390	0.228	0.306	0.124	0.333	0.408	0.445	0.412	0.384	0.355	0.272	0.343	0.418	<b>0.663</b>





#### 4.7 Assessment of the Significance of the Structural Model

This part presents the results of the structural model and tests of hypotheses. Specifically, the section is concerned with the testing of the hypotheses related to the main and mediating effects. This study applies the PLS standard bootstrapping procedure with a number of 5000 bootstrap samples and 330 cases to assess the significance of the path coefficients (Hair *et al.*, 2014; Hair *et al.*, 2011; Hair *et al.*, 2012; Henseler *et al.*, 2009). Bootstrapping is a nonparametric procedure that can be applied to test whether coefficients, such as outer loadings, outer weights and path coefficients, are significant by estimating the standard errors for the estimates. Figure 4.3 shows the estimates for the full structural model, which includes the mediator variables (i.e. brand satisfaction and brand trust).



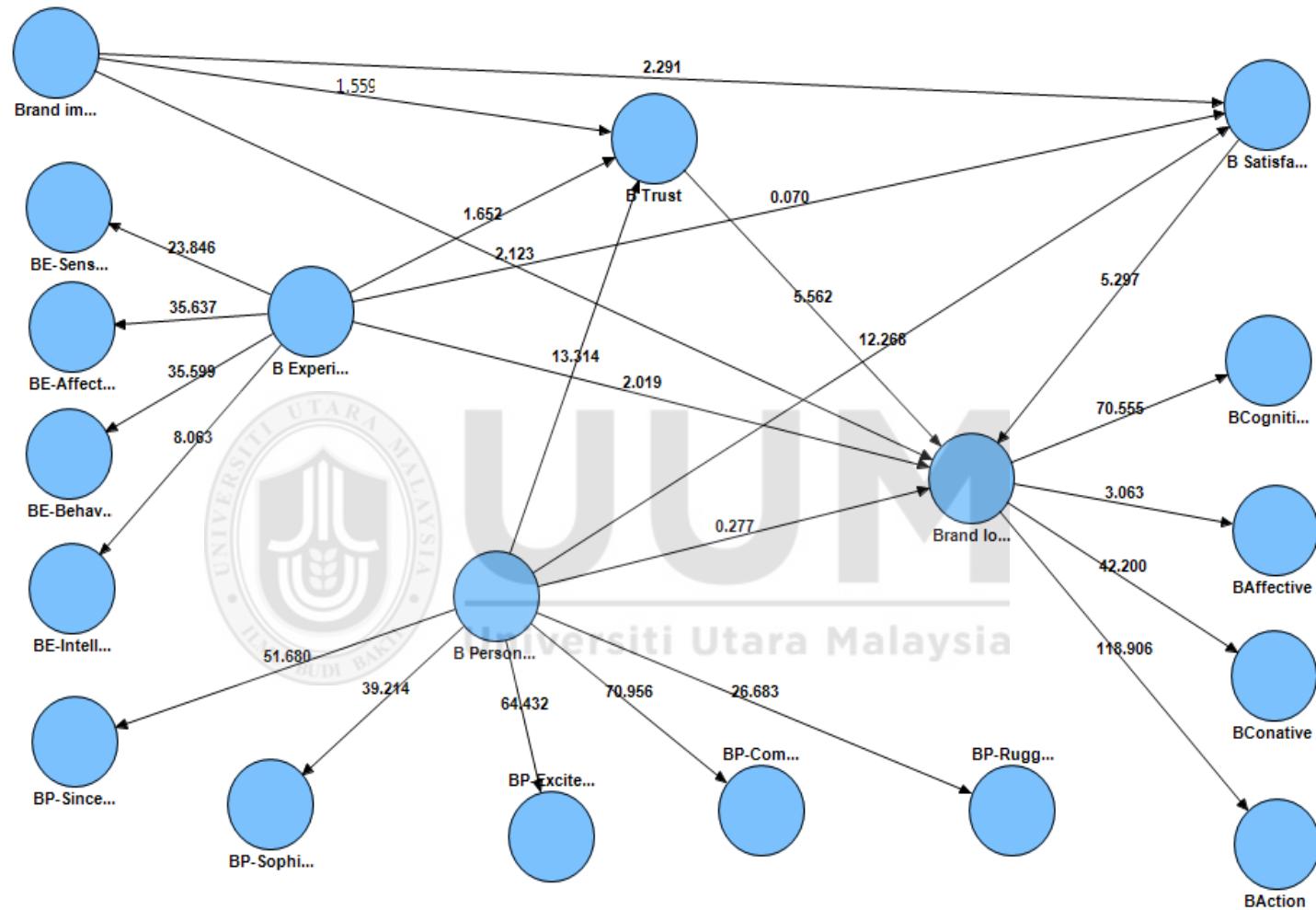


Figure 4.3  
Structural model with mediators (full model)

Table 4.8  
*Structural Model Assessment Direct Relationship*

Hyp	Relation	Beta	SE	T-value	p value	Findings
H1	BI→ BL	0.101	0.047	2.123	0.019	Supported
H2	BE→ BL	0.078	0.039	2.019	0.024	Supported
H3	BP→ BL	-0.019	0.070	0.277	0.391	Not Supported
H4	BI → BS	0.123	0.054	2.291	0.013	Supported
H5	BI → BT	0.084	0.054	1.559	0.062	Not Supported
H6	BE→ BS	-0.004	0.051	0.070	0.472	Not Supported
H7	BE→ BT	0.079	0.048	1.652	0.052	Supported
H8	BP→ BS	0.680	0.055	12.268	0.000	Supported
H9	BP → BT	0.682	0.051	13.314	0.000	Supported
H10	BS→ BL	0.333	0.063	5.297	0.000	Supported
H11	BT → BL	0.428	0.077	5.562	0.000	Supported

Note.

BI=Brand Image, BE=Brand Experience, BP=Brand Personality, BS=Brand Satisfaction, BT=Brand Trust, BL=Brand Loyalty.

Hypothesis 1 predicted that brand image is positively related to brand loyalty. The finding (Table 4.8, Figure 4.3) revealed a significant positive bond between brand image and brand loyalty ( $\beta = 0.101$ ,  $t = 2.123$ ,  $p < 0.01$ ), supporting the hypothesis. With respect to Hypothesis 2 on the influence of brand experience and brand loyalty, the result indicated a significant positive relationship ( $\beta = 0.078$ ,  $t = 2.019$ ,  $p < 0.01$ ). Hence, this hypothesis was supported. Hypothesis 3 predicted that brand personality is positively related to brand loyalty. As illustrated in Table 4.8, a non-significant positive relationship between brand personality and brand loyalty was found ( $\beta = -0.019$ ,  $t = 0.277$ ,  $p > 0.01$ ). Therefore, this hypothesis was not supported. Next, the result revealed that brand image had a significant positive relationship with brand satisfaction ( $\beta = 0.123$ ,  $t = 2.291$ ,  $p < 0.01$ ), supporting hypothesis 4. However, no significant positive relationship between brand image and brand trust ( $\beta = 0.084$ ,  $t = 1.559$ ,  $p > 0.01$ ) was found. Thus, hypothesis 5 was rejected.

With respect to Hypothesis 6, the result revealed no significant positive bond between brand experience and brand satisfaction ( $\beta = -0.004$ ,  $t = 0.070$ ), rejecting the hypothesis. Hypothesis 7 which predicted a positive relationship between brand experience and brand trust was supported because the estimations from the PLS model were significant ( $\beta = 0.079$ ,  $t = 1.652$ ). Furthermore, Hypothesis 8 which predicted a positive relationship between brand personality and brand satisfaction was supported because the estimations from the PLS model were significant ( $\beta = 0.680$ ,  $t = 12.268$ ,  $p < 0.001$ ).

For Hypothesis 9, the result indicated a significant positive bond between brand personality and brand trust ( $\beta = 0.682$ ,  $t = 13.314$ ,  $p < 0.001$ ). Thus, the hypothesis was supported. Hypothesis 10 and 11 were also received empirical support. The results indicated a significant positive relationship between brand satisfaction and brand loyalty ( $\beta = 0.333$ ,  $t = 5.297$ ,  $p < 0.001$ ), and between brand trust and brand loyalty ( $\beta = 0.428$ ,  $t = 5.562$ ,  $p < 0.001$ ).

#### **4.7.1 Assessment of Variance Explained in the Dependent Variable**

In PLS analysis, the predictive power of a particular model is assessed by the R-squared ( $R^2$ ) values of the endogenous constructs or latent variables, as well as ascertaining the standard path coefficient for each relationship from exogenous variables to endogenous variables. In addition, to assess the structural model in PLS-SEM, there is an R-squared value, which is also known as the coefficient of determination (Hair *et al.*, 2011; Hair *et al.*, 2012; Henseler *et al.*, 2009). The  $R^2$  values are interpreted in the same way as those

obtained from multiple regression analysis. The  $R^2$  values indicate the amount of variance in the construct that is explained by one or more predictor variable (Elliott & Woodward, 2007; Hair *et al.*, 2010; Hair *et al.*, 2006). That is, the R-squared value represents the proportion of variation in the dependent variable (brand loyalty) that can be explained by one or more predictor variables. Meanwhile, the acceptable level of  $R^2$  value depends on the research context (Hair *et al.*, 2010). As suggested by Falk and Miller (1992), an R-squared value of 0.10 is a minimum acceptable level. Chin (1998) proposed that the R-squared values of 0.67, 0.33, and 0.19 in PLS-SEM can be considered substantial, moderate, and weak, respectively. Table 4.9 shows the R-squared values of the three endogenous variables with the inclusion of the mediators.

Table 4.9  
*Variance Explained in Mediators and Dependent Variables*

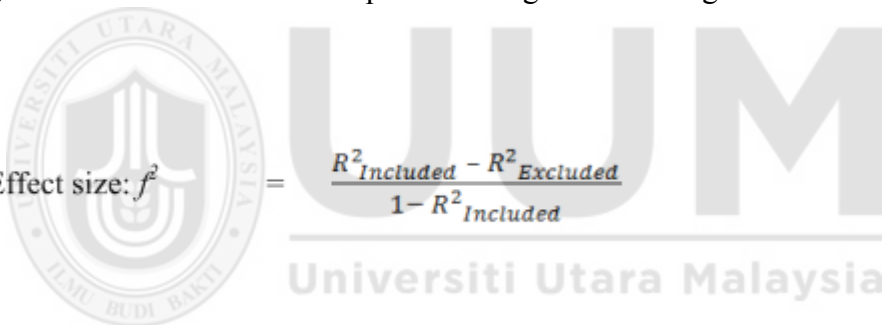
<b>Latent variables</b>	<b>Variance explained (<math>R^2</math>)</b>
Brand loyalty	0.67
Brand satisfaction	0.58
Brand trust	0.63

As exhibited in Table 4.9, the research model explained 67% of the total variance in brand loyalty, 58% of the total variance in brand satisfaction, and 63% of the total variance in brand trust. This suggests that the five sets of exogenous latent variables, including independent and mediator variables (i.e. brand image, brand experience, brand personality, brand satisfaction, and brand trust), collectively explained 67% of the variance in brand loyalty. Also, the three sets of exogenous latent variables collectively explained 58% and 63% of the variance in brand satisfaction and brand trust, respectively. Therefore, the three endogenous latent mediators and dependent variables

showed acceptable levels of R-squared values, which were considered substantial (Chin, 1998; Falk & Miller, 1992).

#### 4.7.2 Ascertaining Effect Size ( $f^2$ )

Effect size indicates the relative effect of a particular exogenous latent variable on an endogenous latent variable(s) by means of changes in the R-squared (Chin, 1998). It is calculated as the increase in R-squared of the latent variable, to which the path is connected, relative to the latent variable's proportion of unexplained variance (Cohen, 1988). The effect size could be expressed using the following formula:


$$\text{Effect size: } f^2 = \frac{R^2_{\text{Included}} - R^2_{\text{Excluded}}}{1 - R^2_{\text{Included}}}$$

According to Cohen (1988), an effect size of 0.02 is small, 0.15 is medium and greater than 0.35 is large. Table 4.10 shows the result of the effect size of the exogenous latent variables on an endogenous latent variable with the inclusion and exclusion of the mediators.

Table 4.10  
*Effect Size of Predictive Variables*

<b>R-squared</b>	<b>Included</b>	<b>Excluded</b>	<b>Effect size (<math>f^2</math>)</b>	<b>Rating</b>
<b>Brand loyalty:</b>				
Brand Image	0.673	0.668	0.0153	None
Brand Experience	0.673	0.670	0.0092	None
Brand Personality	0.673	0.673	0.0000	None
Brand Satisfaction	0.673	0.640	0.1009	Small
Brand Trust	0.673	0.625	0.1468	Small
<b>Brand Satisfaction:</b>				
Brand Image	0.581	0.573	0.0191	None
Brand Experience	0.581	0.581	0.0000	None
Brand Personality	0.581	0.352	0.5465	Large
<b>Brand Trust:</b>				
Brand Image	0.626	0.622	0.0107	None
Brand Experience	0.626	0.623	0.0080	None
Brand Personality	0.626	0.397	0.6123	Large

As illustrated in Table 4.10, the effect sizes for the brand image, brand experience, brand personality, brand satisfaction, and brand trust on brand loyalty were 0.015, 0.009, 0.000, 0.101, and 0.147, respectively. In following Cohen's (1988) guideline, the effect sizes of these five exogenous latent variables on brand loyalty ranged from no effect size and small. The effect sizes for brand image, brand experience, and brand personality on brand satisfaction were found to be 0.0191 (no effect size), 0.00 (no effect size), and 0.547 (large effect size). Table 4.10 also indicates that the effect sizes for the brand image brand experience brand personality on brand trust were 0.0107 (no effect size), 0.0080 (no effect size), and 0.6123 (large effect size).

### 4.7.3 Ascertaining Predictive Relevance

This study applied Stone-Geisser's procedures (Geisser, 1974; Stone, 1974) to test the predictive relevance of the research model. The Stone-Geisser test of predictive relevance is usually used as a supplementary assessment of goodness-of-fit in partial least squares structural equation modelling (Duarte & Raposo, 2010). In addition, this study used blindfolding to determine the predictive relevance of the research model. "Blindfolding procedure is only applied to endogenous latent variables that have a reflective measurement model operationalization" (Sattler, Völckner, Riediger, & Ringle, 2010, p. 320). According to Lee, Franke, and Chang (2015, p. 1), a reflective measurement model "specifies that a latent or unobservable concept causes variation in a set of observable indicators". Because all endogenous latent variables in this study were reflective in nature, a blindfolding procedure was applied mainly to these endogenous latent variables.

Specifically, a cross-validated redundancy measure ( $Q^2$ ) was applied to assess the predictive relevance of the research model (Chin, 2010; Hair *et al.*, 2013; Ringle *et al.*, 2012). The  $Q^2$  is a criterion for measuring how well a model predicts the data of omitted cases (Chin, 1998; Hair *et al.*, 2014). A research model with  $Q^2$  statistics (s) greater than zero is considered to have predictive relevance (Henseler *et al.*, 2009). Table 4.11 illustrates the construct cross-validated redundancy.



Table 4.11  
*Construct Cross-Validated Redundancy*

<b>Total</b>	<b>SSO</b>	<b>SSE</b>	<b>1-SSE/SSO</b>
Brand loyalty	3960	2517.276	0.364
Brand satisfaction	1980	1112.377	0.438
Brand trust	2310	1314.779	0.431

As indicated in Table 4.11, the cross-validation redundancy measure  $Q^2$  for the three endogenous latent variables were above zero, indicating that the model had predictive relevance (Chin, 1998; Henseler *et al.*, 2009).

#### 4.7.4 Testing Mediating Effect

This study conducted a mediation analysis by applying Structural Equation Modelling (SEM) using Partial Least Squares (PLS) to detect and estimate the mediating effect of brand satisfaction and brand trust on the relationship between brand image, brand experience, brand personality and brand loyalty (Helm, Eggert, & Garnefeld, 2010). A mediation test is conducted to find if a mediator variable can significantly carry the effect of independent variables to a dependent variable (Ramayah, Lee, & In, 2011). In conformance with the nonparametric PLS path modelling approach, the researcher applied a nonparametric bootstrapping procedure to testing the significance of the mediating effects (Henseler *et al.*, 2009). However, the Sobel test is the most commonly used methods to assess mediating effects. Simulation research revealed that bootstrapping offers a better alternative, at least in PLS path models, because it does not impose any distributional assumptions (Preacher & Hayes, 2008).

A mediation test assesses the indirect effect of the independent variable on the dependent variable through a mediator variable. According to Hayes and Preacher (2010), mediation analysis in multivariate analysis is achieved through many techniques including the Sobel test (Sobel, 1982) and newer approaches that demand fewer unrealistic statistical assumptions. These include the distribution of the product method (MacKinnon, Lockwood, & Williams, 2004) and resampling approaches, such as bootstrapping (Bollen & Stine, 1990; MacKinnon *et al.*, 2004; Preacher & Hayes, 2004; Shrout & Bolger, 2002).

In this study, the mediation test was based on the PLS bootstrapping approach; therefore, the hypotheses were tested using the Partial Least Squares (PLS-SEM) technique (Wold, 1985). The PLS-SEM technique is increasingly gaining prominence and acceptance by marketing researchers (Abubakar, Mokhtar, & Abdullattef, 2014; Chuah, Marimuthu, & Ramayah, 2014; Hiu Fai, Wong, & Lau, 2014). Because it is suitable for testing complex multivariate main and indirect effects models like the model of this study, bootstrap is the PLS procedure used in this study to evaluate the statistical significance of relevant path coefficients (Chin, 2010). Furthermore, PLS uses path analysis and treats indirect and direct effects at the same time, unlike other mediation techniques (e.g., Baron & Kenny, 1986). Particularly, the PLS technique has no detailed formal guidelines for mediation tests (Bontis, Booker, & Serenko, 2007). PLS method provides only guidelines for determining if mediation between independents and dependent variables exists; other details regarding whether the mediation is partial or full still remains unresolved. In spite of that, the PLS-SEM technique has been reported

to be a well-suited technique for mediation (Bontis *et al.*, 2007; Chin, 1998; Hair *et al.*, 2013; Hayes, 2013; Hayes & Preacher, 2010; Iacobucci, Saldanha, & Deng, 2007).

Hayes and Preacher (2010) claimed that indirect effect is concerned with the influence of an independent variable on a dependent variable through an intervening variable (mediator). It is quantified as the product of paths “a” and “b” and is interpreted as the quantity that the dependent variable is expected to change as the independent variable changes as a result of the independent’s effect on the mediator which, in turn, influences the dependent variable. Preacher and Hayes (2004) suggested that the mediating effects are first determined by assessing the indirect effect of independent variables on a dependent variable through a proposed mediating variable. In a PLS model, before actual mediation is determined, presenting the total effects is crucial because it gives a comprehensive picture of the mediating constructs’ role, as well as providing insight into about cause-effect relationships (Hair *et al.*, 2013).

The mediating effect in PLS model was determined by means of bootstrapping analysis in tandem with the formulated hypotheses (Hair *et al.*, 2013). Particularly, the mediation was determined by multiplying the average of paths “a” and “b” and then dividing the obtained value by the standard error of the paths (Kock, 2014) as displayed in this formula:  $T = \frac{a*b}{S(a*b)}$ . This formula was used to determine the mediating effects of brand satisfaction and brand trust on the relationship between the independent variables and dependent variable in this study. In the formula, “a” represents the direct path between predictor variables (brand image, brand experience, and brand personality on the

mediators variables), and “b” represents the path between mediator variables (brand satisfaction, brand trust) and brand loyalty. Both paths “a” and “b” must be obtained from the PLS bootstrapping to ascertain the significance of their coefficients and standard error (Hair *et al.*, 2013; Kock, 2014). Lastly, “S” represents the standard deviation of paths “a” and “b”. Generally, in PLS bootstrap mediation calculation, “T” represents the significance coefficient. Mediation is established if the T value is equal to or greater than 1.96 at 0.05 significance level using two tail tests, or 1.64 at 0.05 significance level using one-tail test (Hair *et al.*, 2010).

Table 4.12 shows two mediating variables i.e. brand satisfaction and brand trust. So, mediation tests were conducted, first, to find if brand satisfaction could mediate the link between brand image, brand experience, and brand personality as exogenous variables and brand loyalty as an endogenous variable, and second, to find if brand trust could mediate the link between brand image, brand experience, and brand personality as exogenous variables and brand loyalty as an endogenous variable.

Table 4.12

*Mediation Results*

Hyp	Relation	Beta	SE	T-Value	p-value	Findings
H12	BI → BS → BL	0.041	0.020	2.061	0.022	Supported
H13	BE → BS → BL	-0.001	0.017	-0.077	0.469	Not Supported
H14	BP → BS → BL	0.226	0.047	4.847	0.000	Supported
H15	BI → BT → BL	0.036	0.024	1.476	0.072	Not Supported
H16	BE → BT → BL	0.034	0.022	1.555	0.062	Not Supported
H17	BP → BS → BL	0.292	0.057	5.121	0.000	Supported

Note.

BI=Brand Image, BE=Brand Experience, BP=Brand Personality, BS=Brand Satisfaction, BT=Brand Trust, BL=Brand Loyalty

Table 4.12 demonstrates that three of the six hypothesized mediated relationships were statistically significant, indicating the mediating effect of brand trust and brand satisfaction. However, brand satisfaction failed statistically to mediate the link between brand experience and brand loyalty. Similarly, brand trust failed statistically to mediate the relationship between brand image, brand experience, and brand loyalty. The result showed a significant mediating influence of brand satisfaction on the relationship between brand image and brand loyalty, and between brand personality and brand loyalty. Furthermore, the result showed a significant mediating effect of brand trust on the link between brand personality and brand loyalty.



## 4.8 Summary of findings

Table 4.13 summarizes all findings related to the research hypotheses.

Table 4.13  
*Summary of Hypotheses Testing*

<b>Hypothesis</b>	<b>Statement</b>	<b>Finding</b>
H1	There is a significant positive relationship between brand image and brand loyalty.	Accepted
H2	There is a positive and significant relationship between brand experience and brand loyalty.	Accepted
H3	There is a positive and significant impact between brand personality and brand loyalty.	Rejected
H4	There is a positive and significant impact of brand image on brand satisfaction.	Accepted
H5	There is a positive and significant impact of brand image on brand trust.	Rejected
H6	There is a significant positive relationship of brand experience on brand satisfaction.	Rejected
H7	There is a relationship between brand experience and brand trust.	Accepted
H8	There is a significant positive impact of brand personality on brand satisfaction.	Accepted
H9	There is a significant and positive impact of brand personality on brand trust.	Accepted
H10	There is a significant positive impact of brand satisfaction on brand loyalty.	Accepted
H11	There is significant positive impact of brand trust on brand loyalty.	Accepted
H12	Brand satisfaction has a mediating effect on brand image and brand loyalty	Accepted
H13	Brand satisfaction has a mediating effect on brand experience and brand loyalty	Rejected
H14	Brand satisfaction has a mediating effect on brand personality and brand loyalty	Accepted
H15	Brand trust has a mediating effect on brand image and brand loyalty	Rejected
H16	Brand trust has a mediating effect on brand experience and brand loyalty	Rejected
H17	Brand trust has a mediating effect on brand personality and brand loyalty	Accepted

#### 4.9 Summary

In this chapter, the justification for using Partial Least Squares Structural Equation Modelling (PLS-SEM) to test the theoretical model was presented. Subsequent to the assessment of the significance of the path coefficients, the direct and indirect findings of this research were offered. The path coefficients revealed a significant positive relationship between: (1) brand image and brand loyalty, (2) brand experience and brand loyalty, (3) brand image and brand satisfaction, and (4) brand experience and brand trust, (5) brand personality and brand satisfaction, (6) brand personality and brand trust, (7) brand satisfaction and brand loyalty, and (8) brand trust and brand loyalty. Furthermore, the path coefficients revealed a non-significant relationship between (1) brand personality and brand loyalty, (2) brand image and brand trust, and (3) brand experience and brand satisfaction.

With regards to the mediating effects of brand satisfaction and brand trust on the relationship between the three predictor variables and brand loyalty, the PLS path coefficients revealed that of six formulated hypotheses, three were positive and significant. Specifically, brand satisfaction was found to mediate the relationship between (1) brand image and brand loyalty, (2) brand personality and brand loyalty. However, the findings indicated that (3) brand satisfaction did not mediate the relationship between brand experience and brand loyalty. With respect to brand trust as a mediator in the relationship between brand image, brand experience, and brand personality on brand loyalty, the findings provided empirical support for one hypothesis.

Specifically, brand trust was found to mediate the relationship between brand personality and brand loyalty. On the other hand, the result indicated that brand trust did not mediate the relationship between brand image, brand experience, and brand loyalty. The next chapter i.e. Chapter 5 will discuss further the results, followed by implications, limitations, suggestions for future study directions, and conclusion.





## **CHAPTER FIVE**

### **DISCUSSION AND CONCLUSION**

#### **5.1 Introduction**

This chapter discusses the research results presented in the preceding chapter by relating them to the theoretical perspectives and previous studies related to automotive brand loyalty. The chapter is organized into four major parts: Part 1 is introduction, Part 2 is recapitulation of the research findings, Part 3 discusses the findings of the study in light of previous research and underpinning theories, Part 4 provides methodological, theoretical, and practical implications of the study and Part 5, the limitations of this study and suggestions for future study directions are offered. The final part concludes the study.

#### **5.2 Recapitulation of the Research Findings**

This research was conducted to assess the mediating effect of brand satisfaction and brand trust on the relationship between three independent variables, including brand image (BI), brand experience (BE), brand personality (BP), and brand loyalty among Malaysian customer toward local automobile brands. Towards this end, 17 hypotheses representing the relationships between the constructs were developed. The finding provided empirical support for 11 hypotheses. Brand image and brand experience were found to have significant relationships with brand loyalty while no significant relationships between brand personality and brand loyalty were found. For the indirect

hypotheses, the tests of mediation, following Hayes and Preacher (2010); Preacher and Hayes (2004, 2008), revealed that brand satisfaction mediated the relationship between brand image, brand personality, and brand loyalty. Brand trust also mediated the relationship between brand personality and brand loyalty. On the other hand, brand satisfaction did not mediate the link between brand experience and brand loyalty. Also, brand trust did not mediate the link between brand image, brand experience, and brand loyalty. Overall, this study has succeeded in advancing the current understanding of Malaysian customer perspective toward local automobile brands. The next part discusses the results in relation to previous findings and theories.

### **5.3 Discussion of the Results**

The key objectives of this study were as follows: (1) to examine the influence of brand image, brand experience, and brand personality on brand loyalty toward local automobile brands in Malaysia; (2) to examine the effect of brand image, brand experience, and brand personality on brand satisfaction and brand trust toward local automobile brands in Malaysia; (3) to investigate the effect of brand satisfaction and brand trust on brand loyalty toward local automobile brands in Malaysia; and (4) to investigate the mediating effect of brand satisfaction and brand trust on the relationship between brand image, brand experience, and brand personality, and brand loyalty toward local automobile brands in Malaysia. In order to achieve these objectives, a quantitative approach was utilized.

### **5.3.1 Direct Effects of Independents Variables on Dependent Variable**

#### **5.3.1.1 Direct Effects of Brand Image on Brand Loyalty**

As illustrated in Table 4.8 earlier, the relationship between brand image and brand loyalty was positively significant, supporting the first hypothesis. The result is consistent with previous studies that found that brand image was a good predictor and played a very significant role in brand loyalty (Andreani *et al.*, 2012; Hyun & Wansoo, 2011; Martenson, 2007; Xing-wen & Zhang, 2008). The findings showed a significant and positive bond between brand image and brand loyalty among Malaysian customers toward local automobile brands. This finding seems to suggest that when customers perceive that the automobile brand has a good brand image, they will be loyal to that brand. The finding is consistent with the premise that customers purchase not only goods but also the image relations that come with the product or brands (Ulusu, 2011).

A strong image of brands is important to the customer because the brand image distinguishes the brand from the competitors. An image contains symbols, colors, slogans, and words that convey a clear and consistent message. Accordingly, Malaysian customers have a clear image of local automobile brands, and they are loyal to their country brands i.e. Proton and Perodua. The most plausible reason for the high level of significant relationship of brand image is because Malaysian consumers are familiar and have more awareness of the local brands. That is, they are more knowledgeable when it comes to choosing a similar brand or products.

The result also implies that customers have much information about the local brand that makes them had a positive image of what the local companies have to offer. Ing *et al.* (2012) noted that automobile brands are a high involvement product, so, when customers make purchases they tend to engage in external searches. They become more aware of the source channel and are more sensitive to the information on brands (Wel *et al.*, 2011). As Malaysian customers are more educated and more knowledgeable about the local brand, they are loyal to their country-made brands. Hence, based on this finding, the attractiveness and competitiveness of the Malaysian automobile brands should be further improved through advertisements and promotion because brand image was shown to play a dynamic role in developing automobile loyalty. Besides, concerted endeavors need to be made to uphold the image of an automobile brand as it encourages loyal customers to recommend it to their families, relatives, and friends. A good image is a paramount element for the success of automobile brands.

### **5.3.1.2 Direct Effects of Brand Experience on Brand Loyalty**

The relationship between brand experience and brand loyalty was found to be positive and significant. This finding seems to suggest that that the more brand-related experience provided by the local companies to their customers, the higher the willingness of the customers to be loyal to the brand. The finding is in line with previous research which indicated that customer brand experience was a good predictor,

and played a very significant role in brand loyalty (Alamanos *et al.*, 2015; Brakus *et al.*, 2009; Humphrey Jr *et al.*, 2015; Sahin *et al.*, 2011).

In this study, brand experience and its dimensions reflect the customers' relative degree of familiarity with local brands. The sensory dimension of brand experience reflects their sense of touch. Local brands made a strong visual impression on the Malaysian customers. Malaysian customers seem to look for brand experiences that provide sensory gratification and emotional appeals when purchasing a Proton and Perodua brand. The cognitive dimension involves customer creative thinking and the ways of reproducing Proton and Perodua brand in a different manner. The affective dimension reflects that Malaysian customers have a high degree of emotions and inner feelings or sentiments towards the local brands i.e. Proton and Perodua. Intellectual brand experience refers to the local brand's ability to make Malaysian customers think or feel curious. The behavioral dimension of brand experience reflects that the Malaysian customers use Proton and Perodua brands because the brands are capable of providing physical actions, behaviors, and bodily experiences. A pattern of significant positive coefficients was observed between brand experience dimensions and brand loyalty. Therefore, strong experiences contribute differently to loyalty depending on these experiences being affective, sensory, intellectual, and behavioral. According to social exchange theory, brand experience is a vital factor that ensures continuous supportive exchange because customers who have good and sufficient experience with the brand will be more loyal to it.

### 5.3.1.3 Direct Effects of Brand Personality on Brand Loyalty

Unexpectedly, no significant relationship between brand personality and brand loyalty of local automobile brands in Malaysia was observed. The result is consistent with the previous study by Liu *et al.* (2012) among 264 Australian students toward luxury fashion brands (Chanel and CK). They revealed that the link between brand personality and brand loyalty was not significant. Furthermore, in a Malaysian study by Ong, Salleh, and Yusoff (2015) among small and medium enterprises (SME), the link between brand personality and attitudinal loyalty was found to be not significant.

One possible reason for the non-significant influence of brand personality on brand loyalty toward local automobile brands is that Malaysian customers may identify the international brand as their personality in front of friends, relatives, families, and other people. Keller (1998) noted that brand personality reflects how people feel about a brand, rather than what they think of the brand is or does. However, the current result is inconsistent with a Malaysian study by Balakrishnan *et al.* (2008) who investigated the key concepts of the brand personality dimensions (Excitement, Sincerity, Sophistication, Competence, Ruggedness and Peacefulness) and consumer brand preference towards a corporate brand for both local and imported automobile brands. They showed that there were differences in the consumers' perception of brand personality attribute between local and Asian car brand. The brand personality dimensions i.e. excitement, ruggedness, and competence were crucial for imported brands, such as Nissan, Toyota, Honda, and Kia. Based on the result, it could that the effect of brand personality is more

significant on foreign brands but not on local brand. Nezakati *et al.* (2011) found that Malaysian customers preferred foreign brand for several reasons. Brands, such as Mercedes-Benz, BMW, Toyota, and Honda, have appealed luxuries and are suitable for them. The customers believed that imported brands could reflect their social status and have high quality in terms of technology and performance. The Malaysian customers did not believe that Proton and Perodua are sincere, competent, rugged, excited, and sophisticated.

Another plausible reason is that the non-significant findings might be due to the lack of strong brand personality among the local automobile brands. If this is, indeed the case, local automobile brands should learn to develop a brand personality to drive business, like what is being practiced by global brands, such as Toyota and Honda (Balakrishnan *et al.*, 2008). Moreover, the local automobile brands might have confused customers of its personality when they provide varieties of offering, advertising, brand style, and brand quality which are inconsistent with their core brand personality.

### **5.3.2 Direct Effects of Independent Variables on Mediating Variables**

This part addresses the effect of brand image, brand experience, and brand personality on brand satisfaction and brand trust toward local automobile brands in Malaysia. Of six hypotheses, two were found to be not significant while the remaining four hypotheses were positively significant and supported. The following discusses the results.

### 5.3.2.1 Direct Effects of Brand Image on Brand Satisfaction

As expected, a positive and significant impact of brand image on brand satisfaction was found. Hsieh *et al.* (2004) revealed that brand image can help consumers to recognize their needs and satisfaction with the brand. In this regard, brand image plays a key role in marketing because consumers face difficulties in differentiating products based on tangible quality features (Mudambi *et al.*, 1997). Essentially, Keller (1993) maintained that brand image is a vital determinant of satisfaction. When customers are satisfied with the brand, they will be loyal to the brand (Silva & Alwi, 2008). This finding is, thus, consistent with prior research that found brand image had a positive and significant relationship with satisfaction. For instance, Gocek *et al.* (2007) found satisfaction was directly affected by brand image among textile consumers in Turkey. Chen and Myagmarsuren (2011) demonstrated that brand image had an effect on satisfaction in the telecommunications services industry in Taiwan. A Malaysian study among female consumers by Sondoh *et al.* (2007) found that brand image benefits had a positive relationship with the overall satisfaction with the color of the cosmetic products. Wu *et al.* (2011) found brand image had a direct positive influence on customer satisfaction among customers buying medical insurance. Similar findings on the positive influence of brand image on satisfaction were also reported elsewhere (Andreani *et al.*, 2012; Davies, 2003; Tu *et al.*, 2012; Yu-Shan, 2010). In the automotive industry, Wiedmann *et al.* (2011) observed that brand image had a positive and significant relationship with satisfaction, willingness to pay a price premium, and trustworthiness among automobile industries. Loureiro (2016) indicated that brand image had a significant and positive



relationship with satisfaction when assessing customers' perception of automobile brands, such as BMW, Audi and Mercedes-Benz in Portugal and the United Kingdom.

The significant finding of brand image of the local automobile and brand satisfaction implies that the local brand has a nice image in the mind of the Malaysian customers enough to satisfy them. In other words, the finding suggests that the formation of a significant image of local automobile brands has a place in the mind of Malaysian customers before other global brands can be accepted.

#### **5.3.2.2 Direct Effects of Brand Image on Brand Trust**

Unexpectedly, the relationship between brand image and brand trust was found to be not significant. The result is consistent with prior studies that reported a similar finding. For instance, Flavian *et al.* (2005) found image did not affect trust in the context of financial services. The result indicates that when the customers of banks did not perceive a good image of the banks, they were not likely to trust those banks. In the context of automobile products, the present finding appears to be consistent with Hin *et al.* (2013). They conducted their study among international students in Malaysia. The students were asked to rank the quality of local automobile brands i.e. Proton and Perodua in comparison to other foreign brands. The students ranked Malaysian-made brands poorly in terms of quality, whereas foreign automobile brands made in developed countries were highly ranked. Preferability on the local brand was also low compared to other foreign automobile brands. The present finding seems to support Hin *et al.*'s (2013)

study in that the image of the local automobile brand is poor to be trusted by the consumers. Hin et al. (2013) suggested that local automobile companies in Malaysia have to re-strategize and re-think of their marketing effort image of their brands. The findings by Hin et al. (2013) explains the non-significant link between brand image and brand trust. That is because the competing brands are perceived to be better in quality than the local brands, customers appear not to trust the latter brand.

### **5.3.2.3 Direct Effects of Brand Experience on Brand Satisfaction**

Unexpectedly, brand experience and brand satisfaction was found to be not significantly related. This result is consistent with previous studies that found a similar result. For instance, in the service context, Nysveen *et al.* (2013) found that the dimensions of brand experience (behavior, sensory, intellectual, and affective) did not significantly affect brand satisfaction.

A possible reason for the unsupported relationship may be because Malaysian customers do not have enough experience with local brands to satisfy them. Based on the profile in Table 4.1, almost half of the participants were between 24 and 34 years old (46%), who were the Generation Y. This group of customers may not have adequate experience with the local brand to satisfy them.

#### **5.3.2.4 Direct Effects of Brand Experience on Brand Trust**

As expected, a significant and positive impact of brand experience on brand trust was observed. Brand experience is a key driver of brand trust. When customers are committed to a local brand, they are more likely to consider their experience of the specific brand before developing brand trust. This finding is consistent with prior studies that found a similar finding. For instance, Hee and Myung (2012) showed that affective brand experience had a positive relationship with brand trust, especially in sensory experience. Similarly, Chinomona (2013); Ha and Perks (2005); Ueacharoenkit and Cohen (2011) found that brand experience had a significant influence on brand trust. Customers trust a brand based on their past experience as well as the recommendations from a third party (Hong-Youl, 2004; Srinivasan, 2004).

The present finding showed that all the dimensions of the local automobile brand experience had a significant and positive link with brand trust. Thus, in the context of local automobile brands in Malaysia, when customers are committed to a local brand, they are more likely to consider their experience of a specific local brand before developing brand trust. The finding also suggests that local brand customers have a strong belief in their brand experience, leading to a high level of brand trust. This finding recommends that automobile companies make efforts to enhance the customers' brand affective, sensory, intellectual, and behavioral experience with the local automobile brands to increase the level of trust in the brands and to keep the companies' market position in this highly competitive market.

### **5.3.2.5 Direct Effects of Brand Personality on Brand Satisfaction**

Brand personality was found to have a significant relationship with brand satisfaction, as expected. The finding is consistent with previous research. For instance, Brakus *et al.* (2009) demonstrated that brand personality had a direct and significant influence on customer satisfaction. Similarly, Nelloh *et al.* (2011) found the positive effect of congruent brand personality on satisfaction among 150 guests in the D'season Hotel in Indonesia. A similar finding was reported by Yong-Ki *et al.* (2009) who examined the effect of brand personality on brand satisfaction in a restaurant industry in Seoul, Korea. This finding is also parallel with Anisimova (2013) who revealed a positive and significant relationship between corporate brand personality and consumer satisfaction among Australian customer toward global automobile brands.

The finding of this study indicates that local automobile brand personality has a significant relationship with local automobile brand satisfaction. It implies that Malaysian customers have a positive perception that the local brands have a strong enough personality to satisfy the customers.

### **5.3.2.6 Direct Effects of Brand Personality on Brand Trust**

The relationship between brand personality and brand trust was found to be positive and significant among Malaysian customers toward local automobile brands, as expected. This finding is consistent with previous research that reported a similar result. For

instance, Bouhlel *et al.* (2011) found that brand personality impacted brand trust in a mobile marketing industry in Tunisia. In the automotive industry, Ha and Janda (2014) found a positive relationship between brand personality and brand trust among 1000 customers in China. They noted that brand personality traits helped to enhance brand trust and hence commitment to the brand. Similarly, Sung and Kim (2010) revealed the influence of brand personality dimensions on brand trust. They found that competence, ruggedness, and sincerity of brand personality dimensions were more likely to increase the level of brand trust.

The present finding showed that all the dimensions of the local automobile brand personality factor had a significant and positive relationship with brand trust. Therefore, in the local automobile brands in Malaysia, customers are likely to buy local automobile brands based on their trust and the perception of their personality towards the local brand. This conceptualization suggests that Malaysian local automobile brand customers have a strong belief that the personality of brand can represent their personality toward local brand trust. It can be concluded that the dimensions of brand personality play a very important factor to increase brand trust-toward local automobile brand.

### **5.3.3 Direct Effects of Mediating Variables on Dependent Variable**

This section explains the effect of brand satisfaction and brand trust on brand loyalty toward local automobile brands in Malaysia.

### 5.3.3.1 Direct Effects of Brand Satisfaction on Brand Loyalty

The present study found that brand satisfaction had a positive and significant relationship with brand loyalty. Previous researchers also reported similar results (Andreani *et al.*, 2012; Choi *et al.*, 2011; Kuikka & Laukkanen, 2012; Tu *et al.*, 2012). Satisfaction is purported to be an antecedent of brand loyalty as increased satisfaction leads to increased brand loyalty (Bennett, 2001; Bennett & Rundel-Thiele, 2005; Bolton, 1998; Jones & Suh, 2000; Ringham *et al.*, 1994). Kuikka and Laukkanen (2012) found that brand satisfaction had a strong effect on behavioral brand loyalty among customers in Finland toward chocolate industry. This means that when consumers are satisfied with a brand, they will repeat buying that brand. Besides, Choi *et al.* (2011) pointed out that behavioral brand loyalty and attitudinal brand loyalty are directly and indirectly influenced by brand satisfaction. In the context of the automotive industry in the USA, Lanza (2008) revealed a correlation between brand satisfaction and brand loyalty intentions. Hünecke and Gunkel (2012) indicated that product satisfaction had the strongest effect on brand loyalty among German automobile brands in three European countries: Italy, France, and Spain. Similarly, Huber and Herrmann (2001), found a significant relationship between the two key variables. This study concluded that brand satisfaction plays a significant role in explaining brand loyalty in the automotive industry and in so doing, added to the existing literature.

### 5.3.3.2 Direct Effects of Brand Trust on Brand Loyalty

The present study found a positive and significant link between brand trust and brand loyalty. The finding is, therefore, consistent previous works (Chaudhuri and Holbrook (2001); Hanzaee and Andervazh (2012); Papista and Dimitriadis (2012); Ueacharoenkit and Cohen (2011); Wel *et al.* (2011)). The result of the current study suggests that when consumers trust their automobile brand (i.e. either Perodua or Proton) they are likely to develop loyalty towards the brand. Strong brand trust reduces the potential risks with consumers (Xia & Lin, 2010). When customers positively perceive a good brand, this perception positively influences their judgments and generates trust towards the brands (Shimp, Dunn, & Klein, 2004). It is important for marketers to build brand trust among consumers in the long term to ensure consumer loyalty to the brand because of the availability of the competing brands in the market. Developing long-term brand trust is also important as it determines purchasing behavior (Hanzaee & Asadollahi, 2011).

Malaysian customers seem to trust the local automobile brands because they perceive that the brand has met their needs and expectations. Brand trust is the dominant construct for a long-run relationship. Therefore, when customers trust preferred brands, it may be a vital contributor that drives long-term loyalty. In promoting and encouraging local automobile companies, Proton and Perodua companies seem to have been quite successful in directing customers' attention to their local brand. As brand trust is a dominant factor that drives brand loyalty toward local automobile brands, it is

imperative that managers implement and continuously revisit their strategies to compete in the automobile industry, particularly in capturing customers' trust.

### **5.3.4 Mediating Effect of Brand Satisfaction and Brand Trust**

This section discusses the results of the mediating effects brand satisfaction and brand trust. Of six hypotheses, three failed to receive empirical support. In the remaining three hypotheses, the mediation effects of brand satisfaction and brand trust were found.

Out of the six hypotheses, H13, H15 and H16 were found to be not mediated. While the remaining three hypotheses (H12, H14, and H17) were all positively significant and mediating.

#### **5.3.4.1 Significant Mediation Effects**

Three hypotheses (H12, H14, and H17) were found to be significant. Specifically, (H12) Brand satisfaction has a mediating effect on brand image and brand loyalty, (H14) Brand satisfaction has a mediating effect on brand personality and brand loyalty, and (H17) Brand trust has a mediating effect on brand personality and brand loyalty. Discussions on these results have been done on the basis of mediating relationships as follows.



Firstly, hypothesis H12 states that, the mediating effect of brand satisfaction (BS) on the relationship between brand image (BI) and brand loyalty (BL). The present study observed that the link between brand image and brand loyalty was mediated by brand satisfaction. That is, brand image is able to develop brand loyalty among customers local automobile brands because they are satisfied the local brands. The image of the local automobile brands allows Malaysian customers to fulfill their needs and expectations, such as in terms of gaining recognition and approval from their families and friends, which make them satisfied and develop loyalty toward the brand. The finding is consistent with previous studies. For instance, Yu-Shan (2010) found that green brand image and green brand equity were mediated by green satisfaction. Furthermore, Sondoh *et al.* (2007) found that satisfaction mediated the relationship between brand image benefits and loyalty intention among Malaysian females toward cosmetic products. However, the result does not support Bloemer and Ruyter (1998) who found that satisfaction did not mediate the relationship between image and loyalty.

Hsieh *et al.* (2004) suggested that brand image can help consumers recognize their needs and satisfaction with the brand. The importance of brand image helps consumer assemble information, discriminates the brand, creates a positive feeling, and creates a cause to buy (David, 1991). Keller (1993) also maintained that brand image is a vital determinant of satisfaction. When the consumers are satisfied with the product, they will be loyal to the brand although they have other brands as options (Silva & Alwi, 2008). In Malaysia, brand satisfaction plays an important role to increase the relationship between brand image and brand loyalty towards local automobile brand.

This result supports social exchange theory (Blau, 1964). When consumers have a clear image of the brand, they are likely to be more satisfied and feel obligated to be loyal to the local brand. Based on the social exchange theory, the mediating role of trust represents a social pressure mechanism via the norm of reciprocity and can serve as a dominant mechanism for determining loyalty to local automobile brand (Harris & Goode, 2004; Morgan & Hunt, 1994).

Based on the finding, enhancement of the brand image of local automobile brands is necessary local automobile companies wish to encourage customers to make a positive assessment of their brands. By doing so, customers are likely to have the intention to purchase the local brands and recommend them to their families and friends.

In sum, the fact that the effect of local automobile brand image is mediated by brand satisfaction underlines the importance of brand satisfaction. This suggests that brand satisfaction transforms the implications of the brand image of the local automobile brands, and that image can only influence local automobile brand loyalty through brand satisfaction.

Secondly, hypothesis H14 states that, the mediating effect of brand satisfaction (BS) on the relationship between brand personality (BP) and brand loyalty (BL). As expected, brand satisfaction was found to mediate the link between brand personality and brand loyalty among Malaysian customers toward local automobile brands. The result suggests that Malaysian consumers perceive that the local automobile brands have a certain brand

personality that enables them to meet their needs and expectations, making them loyal to the brand. Based on the social exchange theory, when the local automobile brands are perceived to have given benefits needed by the customers, they will feel obligated to reciprocate by increasing the local brands by being loyal to them (Blau, 1964; Chiu-Han & Sejin, 2011).

Thirdly, hypothesis H17 states that, the mediating effect of brand trust (BT) on the relationship between brand personality (BP) and brand loyalty (BL). As expected, brand trust was found to mediate the relationship between brand personality and brand loyalty among Malaysian customers toward local automobile brands. The present study extends previous research by demonstrating that brand trust plays a mediating role in influencing the impact of the relationship between brand personality and brand loyalty. In other words, brand trust is a mechanism that transfers the effect of brand personality on brand loyalty. Thus, this finding is to emphasize that there is a synergistic effect of brand personality and brand trust on brand loyalty toward local automobile brands. The present result suggests that customers develop brand loyalty toward local automobile brands because the brands have certain personalities that make them trust the brands.

#### **5.3.4.2 Not significant Mediation Effects**

Three hypotheses (H13, H15 and H16) were found to be not significant. Specifically, the not significant relationships were found (H13) Brand satisfaction has a mediating effect

on brand experience and brand loyalty, (H15) Brand trust has a mediating effect on brand image and brand loyalty, and (H16) Brand trust has a mediating effect on brand experience and brand loyalty. Discussions on these results have been done on the basis of not mediating relationships as follows.

Firstly, hypothesis H13 states that, the mediating effect of brand satisfaction (BS) on the relationship between brand experience (BE) and brand loyalty (BL). Unexpectedly, the result indicated that brand satisfaction did not mediate the relationship between brand experience and brand loyalty. The result is consistent with Nysveen *et al.* (2013) who revealed that the effect of brand experience' dimensions (behavioral, sensory, intellectual, and affective) on brand satisfaction is ambiguous. As indicated by the result, Malaysian consumers seem to be not satisfied with their brand experience because they failed to have a favorable experience with the local automobile brands. The limited brand experience may be because Malaysian consumers do not have much choice when it comes to automobile brands. In order to support the national automotive industry, the government imposes high tax duties on foreign cars, making them very expensive to buy. Also, because the majority of the participants earned a monthly income less than RM2000, foreign cars are simply beyond their reach.

Another possible reason for the non-significant influence of brand satisfaction might be because the effect of brand experience on brand loyalty might vary as a function of cultural norms (Kim, Lee, & Park, 2010), or it might be that the performance implication of brand experience might be dependent on contingent factors (Amine,

1998; Dick & Basu, 1994); or it might be the culture of dominant pattern of beliefs and values that make the customers' values on trust changed (Nam *et al.*, 2011).

Secondly, hypothesis H15 states that, the mediating effect of brand trust (BT) on the relationship between brand image (BI) and brand loyalty (BL). Contrary to expectation, no mediation of brand trust was found in the link between brand image and brand trust. The result is not surprising because brand image was found to be an insignificant factor of brand trust, therefore, constraining customers from exhibiting loyalty toward the local automobile brands. The failure of brand trust to mediate the relationship between brand image and brand loyalty might be because the local automobile companies have failed to attract customers to their brands. As customers feel that the local brands do not create value enough for them to trust the brand, they are likely to be indifferent toward it. As a result, loyalty toward the brand is not developed. Customers who do not trust the local automobile brands tend not to be loyal to them in the long run.

The failure of brand trust to mediate the relationship between brand image and brand loyalty might be as a result of participants of this study are not motivated by activities of the managers of local automobile companies to encourage the customers to their brands. Therefore, because creating value for the customers is not perceived to be a good motivator for brand trust and eventual brand loyalty, the customers acted with indifference toward the local automobile brands. The finding demonstrated that brand trust does not mediate the relationship between brand image and brand loyalty. In other words, a customer who has lesser trust in local automobile also do not seek a long-run

loyal to local automobile. Therefore, the development of a sense of brand trust in customers-brand relationship can help improve the the relationship between image of the brand and local automobile brand loyalty.

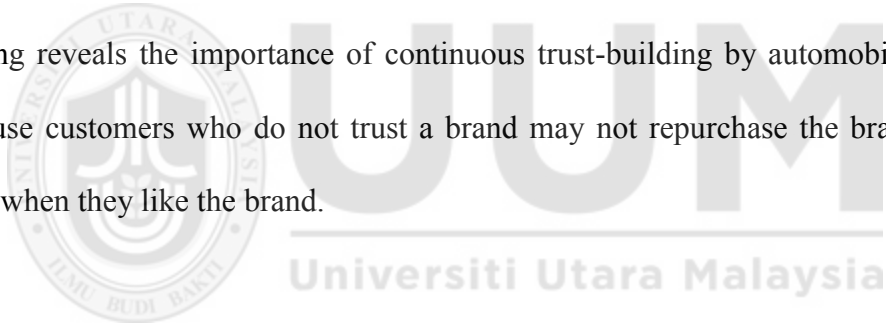
It indicates that customers who trust toward their automobile brand are still arguable and considered as moderate. Hence, a plausible explanation to unsupported hypnotized relationship is due to moderate brand trust effect; trust not study enough to mediate the relationship between brand image and brand loyalty. In the context of Malaysian automobile brand, brand image is seen more important in explaining brand loyalty. This result indicates that the Malaysian customers feel that the image of the Malaysian local automobile brand has an insignificant impact on their behaviour on trusting the local automobile brands. Therefore, Malaysian customers mistrust the local automobile brand image. Hin *et al.* (2013) provided an opportunity for Malaysian car manufacturers such as PROTON and PERODUA to improve the image of the brand from the perspective of customers. It is strongly believed that consumers should not worry where the brand was made, all that they have to worry about are how the brands appeal to them as the customers. Malaysian customers should trust Malaysian brand and support their country (Mahathir, 2014). Furthermore, local companies should create a good image of the brand in the customers' mind and improve their strategies to encourage the customers to trust their brand which leads to increase the level of customers' brand loyalty.

Thirdly, hypothesis H16 states that, the mediating effect of brand trust (BT) on the relationship between brand experience (BE) and brand loyalty (BL). Similar to the previous result, no mediation of brand trust in the relationship between brand experience and brand loyalty toward local automobile brands in Malaysia was observed. The result suggests that customers do not have trust in the local automobile brands because the brand does not provide a favorable experience to them. As a result, their loyalty to the brands is affected.

Doubtless brand trust is one of the important aspects that must be taken in order for the industries to maintain a long-term relationship with their customers. Typically, brand trust is dynamic to drive customer purchase again and again on the same brand. Nevertheless, brand trust develops from past interaction or past experience, and it is in fact something that has been developed over time, this is in line with the social exchange theory which supports reciprocal benefits between local companies and customer (Blau, 1964).

Sometimes the customers might have great brand experience toward specific brand and therefore they have the feeling of brand trust and then tend to be loyal to the brand. On the contrary, the customers who have less brand experience or do not have experience with specific brand are more likely to switch brands. Thus, brand trust within the individual only depends on the experience they have with brands.

Based on the finding of hypothesis 7 which found a positive and significant relationship between brand experience and brand trust with (T value = 1.652), and hypothesis 11 which found a positive and significant relationship between brand trust and brand loyalty with (T value = 5.562). Besides, the finding of hypothesis two, the direct relationship between brand experience and brand loyalty with (T value 2.019). These findings reveal that brand experience is crucial in promoting a positive feeling between consumers and brands for the direct relationship. This information is important for customer of automobile brand in marketing. Brand trust failed to transforms the implications of the brand experience to brand loyalty. However, providing a favorable brand experience may not guarantee the formation of trust in automobile brand. This finding reveals the importance of continuous trust-building by automobile companies, because customers who do not trust a brand may not repurchase the brand's products even when they like the brand.



#### **5.4 Implications of the Study**

The present study has important implications for theory, practice, and methodology, which are explained below.



### **5.4.1 Theoretical Implications**

The empirical support for the antecedents of brand loyalty and the mediating effects of brand satisfaction and brand trust on the relationships is the major theoretical contribution of this research, especially in automotive branding literature.

Firstly, the analysis of the relationship between the independent variables (brand image and brand experience) and the mediating variables (brand satisfaction and brand loyalty) add to the existing literature on automobile brands relationships. The finding indicates that brand personality has the most important influence on both brand satisfaction and brand trust. Meanwhile, brand experience plays a significant role in influencing brand trust. Brand image has a significant effect on brand satisfaction. These results demonstrate the importance of brand personality, brand image, and brand experience in a successful exchange relationship, and provide a theoretical perspective concerning the emotional, psychological and behavioral processes involved in the development of brand trust and brand satisfaction.

Secondly, past studies on the antecedents of brand loyalty were conducted in the developed countries of the West and the USA. However, Malaysia is a multi-linguistic, multi-ethnic, multi-religious country with a population more than 30 million in Southeast Asia. As the literature in local automobile brand loyalty is limited, this study has contributed toward the existing body of knowledge. As such, this study offers

findings that can be compared with studies of similar nature and provides empirical support for the role of the antecedents of brand loyalty in a different cultural context.

Thirdly, the result of this research validates social exchange theory (Blau, 1964), which suggests that, in any social exchange, feelings of mutual benefits between customers and companies are involved. By applying this theory, this research shows consumers who are satisfied with the brands the company offers will feel obligated to reciprocate by increasing their loyalty toward the brands. Specifically, the significant and positive relationships between brand image (BI), brand experience (BE), brand personality (BP), brand satisfaction (BS), brand trust (BT), and brand loyalty (BL) are harmonious with social exchange theory.

The fourth contribution pertains to the mediation effects of brand satisfaction and brand trust. The current study has provided additional insights into the role of brand satisfaction and brand trust in mediating the link between brand image, brand experience, brand personality, and brand loyalty. That is, the current research has done more than merely validating the positive effect of brand image, brand experience, and brand personality on brand loyalty as demonstrated by previous works (Andreani *et al.*, 2012; Brakus *et al.*, 2009; Sahin *et al.*, 2011). The mediation results have, therefore, provided insights into how customers make cognitive and psychological assessments of the stimuli in the environment that have an effect on their attitude and behavior. This study demonstrates that through the development of brand satisfaction and brand trust, brand image, brand experience, and brand personality can increase the level of brand

loyalty toward local automobile brands. In sum, this study has shown a mediating mechanism for a better understanding of the relationship dynamics that exist between brand image, brand experience, brand personality and brand loyalty. In this sense, this study has reinforced the arguments made by several scholars (Hanzaee & Andervazh, 2012; Lau & Lee, 1999; Yu-Shan, 2010) regarding the important role of brand satisfaction and brand trust as mediators.

#### **5.4.2 Practical Implications**

The results have a number of practical implications for branding management in the context of Malaysian local automobile brands. This study makes a contribution to the literature on automobile marketing and will be of significance to automobile manufacturers, automobile dealers, consumers, and government in developing countries, such as Malaysia, as a market expansion strategy. This study found that loyalty toward the local brand in Malaysia is based on a multiplicity of factors, with some directly attributed to the brand image and brand trust while others to brand experience and brand satisfaction.

Firstly, the current study has revealed the importance of brand satisfaction and brand trust in significantly motivating customers to be brand loyal. The result suggests that local automobile companies appreciate the influence of brand satisfaction and brand trust by producing brands that can meet the needs and expectations of their potential customers. Having products that appeal to the customers is likely to help local car

manufacturers meet that objective. In addition, local companies should create a sense of brand satisfaction and brand trust among customers by showing a genuine concern for them. This can be done listening to their concerns when it comes to the products. It is important that the needs of the customers are met and fulfilled as need fulfillment is likely to have an effect on their purchasing behavior in the future.

Secondly, this research provides insight into the need to safeguard the long-term relationship with customers through the development of brand loyalty. This can be achieved by understanding how to make customers satisfied and trust the brands which lead them to be loyal to that brand. In line with social exchange theory and prior studies, the results of this study indicate that brand image, brand experience, and brand personality of local automobile brands can result in high levels of customer satisfaction and trust with the brand which leads to brand loyalty. Hence, local companies can maintain and develop a long-term and mutually beneficial relationship with customers through the creation of brand confidence in the minds of consumers as well as the search for strategies to make them satisfied with the local automobile brands so that they can be loyal toward the local brands.

Thirdly, local companies have to take into account customers' needs and improve the quality of national brands to compete with foreign brands (Hin *et al.* (2013) because they always look for good, quality brands. If the local car manufacturers fail to do so, building a successful relationship with customers may be jeopardized. When customers have a good image of the brand in their mind, they will trust the brand and feel a sense

of gratification with the local brands, and, hence, more likely to be loyal. Furthermore, when customers have a good experience with the brand because they have a connection with the brand at every moment, brand loyalty is likely to be developed. Brand experience affects not only satisfaction but also brand loyalty. For marketers, this means that loyal consumers will recommend the brand to other people and discourage them from buying alternative foreign brands.

Finally, the results of the present study suggest that it is possible for the local automobile brands to compete with foreign brands by focusing on brand management so that customers can gain confidence and satisfaction with the national brand, and hence, loyalty. Brand loyalty can improve the reputation of the national brands (Augustin, 2013), which is likely to help local car manufacturers to succeed in their business ventures.

#### **5.4.3 Methodological Implications**

Prior studies on brand loyalty and its antecedent have used analytical tools, such as SPSS and AMOS (Anwar *et al.*, 2011; Bianchi, 2015; Brakus *et al.*, 2009; Chaudhuri & Holbrook, 2001; Choi *et al.*, 2011). This study used a different tool of analysis (i.e. SEM-PLS) to explain the structural relationships between the constructs. The SEM-PLS tool is a general model that comprises principal components techniques, multiple regression, canonical correlation, and multivariate analysis of variance, among others.

Therefore, the use of this relatively new tool for analysis has important methodological implications.

Firstly, the use of SEM-PLS tool provides an opportunity for testing the robustness and predictive power of the model that explores the integrative relationships of brand image, brand experience, brand personality, and brand loyalty. Secondly, the SEM-PLS analysis allows researchers to compare the results of prior research that used different tools of analysis. Thirdly, another methodological contribution of this study relates to the validation of the brand loyalty measurement scale (Harris & Goode, 2004; He *et al.*, 2012; Oliver, 1997, 1999). The adapted scale was subjected to validity and reliability tests. The finding of convergent and discriminant validity exhibited acceptable results that went beyond the minimum thresholds.

### **5.5 Limitations and Suggestions for Future Research**

The present research has a number of limitations that should be considered when interpreting the finding. Despite these shortcomings, the present study managed to examine the relationship between brand image, brand experience, brand personality, and brand loyalty among Malaysian automobile brands. Also, despite the limitations, the present research has shown the mediating influence of brand satisfaction and brand trust.

The first limitation pertains to generalizability. Since this research was restricted to local automobile brands, the finding might not be generalizable to other brands or product

categories. Also, this study is limited to the northern states of Peninsular Malaysia, namely, Kedah, Perlis, and Penang. It is important for future studies to collect data from different parts of Malaysia, such as the southern and eastern states, to expand the generalizability of the findings.

With regards to future research, it is recommended that future studies are conducted to determine the effect of brand personality dimensions on a wider set of brands because this study employed only local brands to identify Malaysian brand personality dimensions. For instance, it is important to investigate brand personality dimensions and replicate then when comparing Malaysian local automobile brands versus global brands. Secondly, this study employs. Also, because the direct relationship between the dimensions of brand personality was not supported, more studies are required to confirm the finding.

Malaysia is a country with a diversified culture. Here lies an opportunity to conduct research on loyalty toward products or brands from a cultural perspective (Rezaei *et al.*, 2014). Also, future research may wish to consider other factors, like price, brand quality, brand value, brand prestige, brand heritage, and advertisement as direct antecedents of brand loyalty to develop a more holistic model. But the development of the model should not be done at the expense of parsimony to ensure the robustness of the model.

This research focused on composite loyalty; further empirical research should be conducted by examining attitudinal loyalty (Bennett & Rundle-Thiele, 2002) and behavioral loyalty separately (Schoell *et al.*, 1990; Tong & Hawley, 2009). Finally, this study only investigated the relationship between customers and local automobile brands in the Malaysian market. Clearly, there is a possibility for further research to examine the factors that could explain why Malaysian customers tend to prefer foreign brands to local ones (Balakrishnan *et al.*, 2008). In other words, comparing the level of brand loyalty with foreign and domestic brands should be considered in future studies (Hin *et al.*, 2013).

## 5.6 Conclusion

The purpose of the current research was to examine the variables affecting brand loyalty in Malaysian local automobile brands. The rationale behind this study was to understand the mechanisms that explain the development of brand loyalty toward local brands. Brand loyalty is vital for the local automobile industry to ensure that their customers remember its brands/products and they do not go to other competing, foreign brands.

The results of this study indicated that brand image plays a direct and significant role in influencing customers to become loyal to the local brand. In addition, it was revealed that satisfaction, trust, and good experience with local brands were relevant factors that promote brand loyalty. This study also investigated two key mechanisms purported to help increase customers' brand loyalty of local automobile brands. Drawing from social



exchange theory (SET) and relationship marketing, the study found the importance of brand trust and brand satisfaction in helping us understand how Malaysian customers develop loyalty toward local automobile brands (Morgan & Hunt, 1994). Overall, the findings suggest that customers will be loyal when the automobile brand companies offer a good image and quality, satisfies their customers' need, and let the customers trust their brands.



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## APPENDIXES





## Appendix A

### Research Questionnaire



#### UNIVERSITY UTARA MALAYSIA SCHOOL OF BUSINESS MANAGEMENT

Tuan/Puan

Soal selidik ini dibina bagi tujuan mendapatkan pandangan tuan/puan berhubung kajian “*Pengaruh Langsung dan Tidak Langsung Imej Jenama, Pengalaman Jenama, dan Personaliti Jenama terhadap Kesetiaan Jenama*”. Saya, Hashed Ahmed, calon PhD di pusat Pengurusan Perniagaan, Universiti Utara Malaysia, sedang menjalankan kajian tersebut dan tuan/puan telah terpilih untuk menjayakannya.

Segala maklumat yang tuan/puan berikan dalam soal selidik ini adalah (SULIT) dan akan digunakan bagi tujuan akademik semata-mata. Penglibatan tuan/puan dalam kajian ini adalah secara suka rela. Jika tuan/puan mengisi dan mengembalikan soal selidik ini, tuan/puan dianggap telah bersetuju untuk melibatkan diri dalam kajian ini. Terlebih dahulu saya ingin mengucapkan terima kasih kepada tuan/puan atas masa dan kerjasama yang diberikan. Jika tuan/puan mempunyai sebarang soalan, sila berhubung dengan kami.

Yang benar,  
**Hashed Ahmad Nasser  
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**Part A – Faktor Demografi/ Demographic Factor**

Sila tandakan (√) atau isi ruang pada kotak yang sesuai.

*Please tick (√) or fill the appropriate box.*

<b>1. Jantina/ Gender</b>	
Lelaki/ <i>Male</i>	<input type="checkbox"/>
Perempuan/ <i>Female</i>	<input type="checkbox"/>
<b>2. Umur/ Age</b>	
Sila nyatakan umur anda / <i>Please specify your age</i>	<input type="checkbox"/>
<b>3. Tahap pendidikan/ Education level</b>	
Sekolah menengah/ <i>High School</i>	<input type="checkbox"/>
Diploma/ <i>Diploma</i>	<input type="checkbox"/>
Sarjana muda/ <i>Bachelor</i>	<input type="checkbox"/>
Sarjana/PhD / <i>Master/PhD</i>	<input type="checkbox"/>
Lain-lain (Sila nyatakan)..... <i>Others (Please specify)</i>	<input type="checkbox"/>
<b>4. Taraf perkahwinan/ Marital status</b>	
Bujang / <i>Single</i>	<input type="checkbox"/>
Berkahwin / <i>Married</i>	<input type="checkbox"/>
Lain-lain (Sila nyatakan) ..... <i>Others (Please specify)</i>	<input type="checkbox"/>
<b>5. Pekerjaan/ Occupation</b>	
Sila nyatakan ...../ <i>Please specify</i>	<input type="checkbox"/>
<b>5. Pendapatan bulanan (RM)/ Monthly income (RM)</b>	
Kurang daripada RM999 / <i>Less than RM999</i>	<input type="checkbox"/>
RM1000-RM1999 / <i>RM1000-RM1999</i>	<input type="checkbox"/>
RM2000-RM2999 / <i>RM2000-RM2999</i>	<input type="checkbox"/>
Lebih daripada RM3000/ <i>Above RM3000</i>	<input type="checkbox"/>

<b>6. Bangsa/ Race</b>	
Melayu/ <i>Malay</i>	
Cina/ <i>Chinese</i>	
India/ <i>Indian</i>	
Lain-lain/ <i>Others</i>	

<p><b>Jawapan anda perlu menggambarkan jenama yang anda beli atau gunakan:</b></p> <p><i>Your answer should reflect the current brand that you buy or used:</i></p>	
<p><b>Sila pilih satu jenama sahaja.</b></p> <p><i>Please select one brand only.</i></p>	
<b>1</b>	<p><b>Perodua</b></p>
<b>2</b>	<p><b>Proton</b></p>
<b>3</b>	<p><b>Tiada di atas, Sila nyatakan.....</b></p> <p><i>None of the above, Please specify.....</i></p>

Sila baca semua pernyataan di bawah dengan teliti dan tandakan jawapan anda (✓) untuk menggambarkan tahap persetujuan anda.

*Please read all the statements carefully, and then indicate your answer (✓) to reflect your level of agreement toward the statements.*

1	2	3	4	5
<b>Sangat tidak setuju</b>	<b>Tidak setuju</b>	<b>Neutral</b>	<b>Setuju</b>	<b>Sangat setuju</b>
<i>“Strongly disagree</i>	<i>Disagree</i>	<i>Neutral</i>	<i>Agree</i>	<i>Strongly agree”</i>

<b>Part B: Brand Image</b>						
<b>1</b>	Saya berpendapat bahawa jenama ini mesra. <i>I think this brand is friendly</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>2</b>	Saya berpendapat bahawa jenama ini modern. <i>I think this brand is modern.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>3</b>	Saya berpendapat bahawa jenama ini berguna. <i>I think this brand is useful.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>4</b>	Saya berpendapat bahawa jenama ini tidak popular. <i>I think this brand is unpopular</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>5</b>	Saya berpendapat bahawa jenama ini sopan. <i>I think this brand is gentle.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>6</b>	Saya berpendapat bahawa jenama ini bersifat tiruan. <i>I think this brand is artificial.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

<b>Part C: Brand Experience</b>						
<b>1</b>	Jenama ini membuatkan saya sangat terharu, sama ada secara visual atau dengan cara lain. <i>This brand makes a strong impression on me, either visually or in another way.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>2</b>	Saya dapati jenama ini menarik sebab ia mengundang deria saya. <i>I find this brand interesting, because it moves my senses.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>3</b>	Jenama ini tidak merangsang deria saya. <i>This brand does not appeal to my senses.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>4</b>	Jenama ini mengundang perasaan dan sentimen. <i>This brand induces feelings and sentiments.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>5</b>	Saya tidak mempunyai emosi yang kuat terhadap jenama ini. <i>I do not have strong emotions for this brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>6</b>	Jenama ini mempunyai kemampuan untuk mengundang emosi. <i>This brand is an emotional brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>7</b>	Saya melakukan tindakan dan perbuatan fizikal apabila menggunakan jenama ini. <i>I engage in physical actions and behaviors when I use this brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>8</b>	Penggunaan jenama ini melibatkan pengalaman fizikal. <i>Using this brand involves physical experiences.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

<b>9</b>	Jenama ini tidak berorientasikan tindakan. <i>This brand is not action oriented.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>10</b>	Saya banyak berfikir apabila berdepan dengan jenama ini. <i>I engage in a lot of thinking when I encounter this brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>11</b>	Jenama ini tidak membuatkan saya berfikir. <i>This brand does not make me think.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>12</b>	Jenama ini merangsang rasa ingin tahu saya dan penyelesaian masalah. <i>This brand stimulates my curiosity and problem solving.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

<b>Part D: Brand Personality</b>						
<b>1</b>	Saya mempercayai bahawa jenama ini praktikal. <i>I believe this brand is down-to-earth.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>2</b>	Saya mempercayai bahawa jenama ini jujur. <i>I believe this brand is honest.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>3</b>	Saya mempercayai bahawa jenama ini berfaedah. <i>I believe this brand is wholesome.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>4</b>	Saya mempercayai bahawa jenama ini ceria. <i>I believe this brand is cheerful.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>5</b>	Saya mempercayai bahawa jenama ini sangat berani. <i>I believe this brand is daring.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>6</b>	Saya mempercayai bahawa jenama ini bersemangat.	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

	<i>I believe this brand is spirited.</i>					
7	Saya mempercayai bahawa jenama ini penuh dengan imaginasi. <i>I believe this brand is imaginative.</i>	1	2	3	4	5
8	Saya mempercayai bahawa jenama ini terkini. <i>I believe this brand is up-to-date.</i>	1	2	3	4	5
9	Saya mempercayai bahawa jenama ini boleh dipercayai. <i>I believe this brand is reliable.</i>	1	2	3	4	5
10	Saya mempercayai bahawa jenama ini bijak. <i>I believe this brand is intelligent.</i>	1	2	3	4	5
11	Saya mempercayai bahawa jenama ini berjaya. <i>I believe this brand is successful.</i>	1	2	3	4	5
12	Saya mempercayai bahawa jenama ini kelas atasan. <i>I believe this brand is upper class.</i>	1	2	3	4	5
13	Saya mempercayai bahawa jenama ini menawan. <i>I believe this brand is charming.</i>	1	2	3	4	5
14	Saya mempercayai bahawa jenama ini tahan lasak. <i>I believe this brand is outdoorsy.</i>	1	2	3	4	5
15	Saya mempercayai bahawa jenama ini kuat. <i>I believe this brand is tough.</i>	1	2	3	4	5

<b>Part E: Brand Satisfaction</b>						
1	Saya sangat berpuas hati dengan perkhidmatan yang diberikan oleh jenama ini.	1	2	3	4	5

	<i>I am very satisfied with the service provided by this brand</i>					
<b>2</b>	Jenama ini dapat memuaskan kehendak saya. <i>This brand does a good job of satisfying my needs.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>3</b>	Produk keluaran jenama ini amat memuaskan hati. <i>The product provided by this brand is very satisfactory.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>4</b>	Saya percaya bahawa penggunaan jenama ini selalunya memberi/mewujudkan pengalaman yang amat memuaskan. <i>I believe that using this brand is usually a very satisfying experience.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>5</b>	Saya membuat keputusan yang betul apabila memutuskan untuk menggunakan jenama ini. <i>I made the right decision when I decided to use this brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>6</b>	Saya agak ketagih dengan jenama ini. <i>I am addicted to this brand in some way.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>7</b>	Saya amat berpuas hati dengan jenama ini. <i>I am very satisfied with this brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>8</b>	Jenama ini memenuhi jangkaan saya sepenuhnya. <i>This brand fulfills my expectations completely.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>9</b>	Saya mempunyai sikap yang positif terhadap jenama ini. <i>I have a positive attitude toward this brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>



<b>Part F: Brand Trust</b>						
<b>1</b>	Jenama ini memenuhi jangkaan saya. <i>This brand meets my expectations.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>2</b>	Saya berasa yakin dengan jenama ini. <i>I feel confidence in this brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>3</b>	Jenama ini tidak pernah mengecewakan saya. <i>This brand never disappoints me.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>4</b>	Jenama ini menjamin kepuasan. <i>This brand guarantees satisfaction.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>5</b>	Jenama ini jujur dan ikhlas dalam menangani masalah saya. <i>This brand would be honest and sincere in addressing my concerns.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>6</b>	Saya boleh bergantung dengan jenama ini untuk menyelesaikan masalah. <i>I could rely on this brand to solve the problem.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>7</b>	Jenama ini akan berusaha untuk memuaskan hati saya. <i>This brand would make any effort to satisfy me.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>8</b>	Saya tidak akan berasa rugi dengan jenama ini sekiranya ada masalah dengan [produk] <i>This brand would compensate me in some way for the problem with the [product].</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

<b>Part G: Brand Loyalty</b>						
<b>1</b>	Saya lebih suka menggunakan jenama yang saya gunakan sekarang berbanding dengan jenama lain. <i>I believe that using this brand is preferable to other brands.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>2</b>	Saya percaya jenama ini memberikan tawaran terbaik setakat ini. <i>I believe that this brand has the best offers at the moment.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>3</b>	Saya percaya ciri-ciri yang ada pada jenama ini tidak memenuhi langsung apa yang saya gemari. <i>I believe that the features of this brand are badly suited to what I like.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>4</b>	Saya sukakan perkhidmatan jenama ini berbanding perkhidmatan jenama lain. <i>I prefer the service of this brand to the service of others brands.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>5</b>	Saya mempunyai sikap negatif terhadap jenama ini. <i>I have a negative attitude to this brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>6</b>	Saya tidak suka apa yang ditawarkan oleh jenama ini. <i>I dislike this brand offering.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>7</b>	Saya sukakan ciri-ciri perkhidmatan dan tawaran jenama ini. <i>I like the features of this brand services and offers.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>8</b>	Saya sukakan prestasi dan perkhidmatan jenama ini. <i>I like the performance and services of this brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>9</b>	Banyak kali saya dapati jenama ini lebih baik daripada jenama lain. <i>I have repeatedly found this brand is better than others brands.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

<b>10</b>	Hampir selalu saya dapati tawaran jenama ini kurang baik. <i>I nearly always find the offer of this brand inferior.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>11</b>	Banyak kali saya dapati ciri-ciri jenama ini kurang baik. <i>I have repeatedly found the features of this brand inferior.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>12</b>	Banyak kali saya dapati prestasi jenama ini lebih baik daripada prestasi jenama lain. <i>Repeatedly, the performance of this brand is superior to that of competitor brands</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>13</b>	Saya akan sentiasa memilih jenama ini berbanding dengan jenama lain. <i>I would always continue to choose this brand before others brand</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>14</b>	Saya akan sentiasa terus memilih ciri-ciri jenama ini berbanding dengan jenama lain. <i>I will always continue to choose the features of this brand before others brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>15</b>	Saya akan sentiasa terus menyokong tawaran jenama ini berbanding dengan jenama lain. <i>I would always continue to favor the offerings of this brand before others brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>16</b>	Saya akan sentiasa terus memilih untuk menggunakan jenama ini berbanding dengan jenama lain. <i>I will always choose to use this brand in preference to competitor brand.</i>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>

Jika tuan/puan mempunyai sebarang komen, sila nyatakannya di sini. kami amat menghargainya.

*If you have any comment please indicate here I do appreciate it.*

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## Appendix B

### Data Collection Letter

**Othman Yeop Abdullah Graduate School of Business (OYAGSB)**





**OTHMAN YEOP ABDULLAH  
GRADUATE SCHOOL OF BUSINESS**  
Universiti Utara Malaysia  
06010 UUM SINTOK  
KEDAH DARUL AMAN  
MALAYSIA



Tel: 604-928 7118/7119/7130  
Faks (fax): 604-928 7160  
Laman Web (Web): www.oyagsb.uum.edu.my

**KEDAH AMAN MAKMUR • BERSAMA MEMACU TRANSFORMASI**

**UUM/OYAGSB/K-14**  
28 August 2014

**TO WHOM IT MAY CONCERN**

Dear Sir/Madam

**DATA COLLECTION**

**PROGRAMME: DOCTOR OF PHILOSOPHY**  
**SUPERVISOR: ASSOC. PROF. DR. SALNIZA MD. SALLEH**

This is to certify that the following is a postgraduate student from the OYA Graduate School of Business, Universiti Utara Malaysia. he is pursuing the above mentioned course which requires him to undertake an academic study and prepare an assignment. The details are as follows:

NO.	NAME	MATRIC NO.
1.	Hashed Ahmed Nasser Mabkhot	93442

In this regard, I hope that you could kindly provide assistance and cooperation for him to successfully complete the assignment given. All the information gathered will be strictly used for academic purposes only.

Your cooperation and assistance is very much appreciated.

Thank you.

**"SCHOLARSHIP, VIRTUE, SERVICE"**

Yours faithfully

**ROZITA BINTI RAMLI**  
Assistant Registrar  
for Dean  
Othman Yeop Abdullah Graduate School of Business

c.c - Student's File (93442)

Universiti Pengurusan Terkemuka  
The Eminent Management University



**Dear Sir/Madam**

**AUTOMOBILE AND CUSTOMER'S BRAND LOYALTY SURVEY**

The above subject is referred.

I am Hashed Ahmed a PhD student from University Utara Malaysia currently conducting a study pertaining the issues of branding in automobile as well as perception, attitude and behavior of customers towards the local's brand.

The purpose of this study is to examine the contributing factors for brand loyalty among Malaysian customers. Your Mall/supermarket/hypermarket has been selected to participate in this study. Therefore, I pledge your permission to allow me to distribute the questionnaire to the customer inside OR in front of the mall.

Your mall support in participating in the survey is highly appreciated and very important to ensure the success of the study. For your information, all the information gained from this study will be strictly confidential and will be used only for academic purposes. This study is free of charge and token of appreciation will be provided to customers that participated.

Thank you for your kind consideration and support and look forward for your feedback as soon as possible. For your information, this study will be conducted in September 2014, or at your convenience time. If you have any enquiries about this study, please feel free to contact me at mobile phone number: 017-5088 591 or email: hashed88@gmail.com or my Supervisors, Assoc. Prof Dr. Salniza Bt Md. Salleh at 04-928 7102, and Dr Hasnizam Bin Shaari at 04-928 7108.

Thank you.

Yours sincerely

**HASHED AHMED**

Student at UUM School of Business Management

## Appendix C

### Common Method Variance Test (CMV)

#### Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	25.571	38.744	38.744	25.571	38.744	38.744
2	4.677	7.086	45.830			
3	3.025	4.584	50.414			
4	2.046	3.101	53.514			
5	1.732	2.625	56.139			
6	1.387	2.101	58.240			
7	1.334	2.021	60.261			
8	1.238	1.876	62.137			
9	1.167	1.768	63.905			
10	1.069	1.620	65.525			
11	1.001	1.517	67.042			
12	.966	1.464	68.506			
13	.925	1.401	69.907			
14	.850	1.287	71.195			
15	.814	1.234	72.428			
16	.812	1.230	73.659			
17	.744	1.127	74.786			
18	.718	1.088	75.874			
19	.705	1.069	76.942			
20	.676	1.024	77.966			
21	.657	.995	78.962			
22	.635	.963	79.924			
23	.590	.894	80.819			
24	.554	.839	81.658			
25	.541	.820	82.478			
26	.538	.815	83.294			
27	.513	.777	84.070			
28	.498	.754	84.824			



29	.489	.740	85.564		
30	.462	.700	86.265		
31	.456	.690	86.955		
32	.442	.670	87.625		
33	.426	.646	88.271		
34	.402	.610	88.881		
35	.395	.599	89.480		
36	.366	.555	90.035		
37	.356	.539	90.574		
38	.347	.526	91.100		
39	.347	.525	91.625		
40	.334	.506	92.131		
41	.324	.490	92.621		
42	.315	.477	93.098		
43	.301	.457	93.554		
44	.283	.429	93.983		
45	.270	.409	94.392		
46	.258	.391	94.783		
47	.249	.378	95.161		
48	.240	.364	95.525		
49	.238	.360	95.885		
50	.218	.330	96.215		
51	.210	.318	96.533		
52	.203	.307	96.841		
53	.199	.302	97.143		
54	.193	.293	97.436		
55	.183	.277	97.713		
56	.175	.264	97.977		
57	.162	.246	98.223		
58	.157	.238	98.461		
59	.155	.235	98.696		
60	.149	.225	98.921		
61	.140	.211	99.132		
62	.129	.196	99.328		
63	.127	.192	99.520		
64	.110	.167	99.687		
65	.106	.161	99.849		
66	.100	.151	100.000		

Extraction Method: Principal Component Analysis.



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