

Customer Perceptions about Branding and Purchase Intention: A Study of FMCG in an Emerging Market

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ABSTRACT

A cross-sectional field study of 362 individuals was conducted to explore the factors affecting purchase intentions among FMCG consumers of Pakistan. Variables namely brand image, product quality, product knowledge, product involvement, product attributes and brand loyalty were studied as determinants of consumers' purchase intentions and were found to have a positive association with purchase intentions. Implications for these results for marketers are discussed in the final section and recommendations are proposed as well.

KEYWORDS: brand image, product quality, product knowledge, product involvement, product attributes, brand loyalty, purchase intentions.

INTRODUCTION

Purchase intention is the implied promise to one's self to buy the product again whenever one makes next trip to the market (Fandos & Flavian, 2006; Halim & Hameed, 2005). It has a substantial importance because the companies want to increase the sale of specific product for the purpose to maximize their profit. Purchase intention depicts the impression of customer retention. There are certain functions of the brand which have a strong influence on the purchase intention of the customer's i.e. brand image, product quality, product knowledge, product involvement, product attributes and brand loyalty.

This study will show the purchase behavior of the customers that how general public attract to make purchase of the branded product and also reveal the important aspects which are quite necessary to capture the purchase intention of the customers. This research helps to categorize that among these aspects which factors have significant effect on the purchase intention of the patrons.

In this wondrous world where penetration in the market in the presence of competitors is very problematic and challenging, it is very much important to determine the exact features which the consumer wants. It will help the marketers to focus on the features of the product that are significant and are positively correlated with purchase intentions of the customers. The customer driven approach is applied to find out the perception of users to have an exact idea about preference and desires.

Significance of the study

This study will serve the field of marketing as additional empirical evidence in the knowledge base of marketing practitioners and academicians regarding the variables of interest of this study. It may also elevate the awareness of the concept of "brand" in a market where there is an abundant availability of unbranded FMCG products. Moreover, the current study undertakes customer driven approach. In Pakistan's markets where advertisement and marketing is mostly organizational oriented, implying customer driven approach will provide the marketers with an insight into the consumer's perception of their marketing efforts in an attempt to focus their efforts for more effective outcome.

1. LITERATURE REVIEW

Halim and Hameed (2005) explain purchase intention as the number of patrons that has a proposal to buy the products in future and make repetition purchases and contact again to the specific product. In and Kang (2011) explains purchase intention relating four behaviors of consumers including the undoubted plan to buy the product, thinking unequivocally to purchase the product, when someone contemplate to buy the

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product in the future, and to buy the specific product utterly. Fandos and Flavian (2006) explain the phenomenon of purchase intention as the projected behavior of consumers on short basis about the repetition purchase of specific product i.e. when someone decided to buy the product whenever he/she will come again to the market.

Purchase intention is the disguised undertake to one's self to buy the product again whenever one makes next trip to the market. This is a multi-step process firstly the consumer collect the information about the desired brand then evaluate its attributes by using the product if it suits with the intentions of the buyer after that they start thinking to make purchase decision when he/she make one purchase attempt of the specific brand, this consumer have experienced personally now they would have complete product knowledge about the product if the consumer is satisfied from the particular brand they would absolutely think again or to show interest to purchase again the particular brand this is called "purchase intention". This meticulous behavior is called purchasing behavior. Purchase intention is positively inclined by some independent variables i.e. brand image, product quality, product knowledge, product involvement, product attributes, brand loyalty. We will discuss them one by one.

Arslan and Altuna (2010) defined brand image as the positive and negative feeling about the brand when it comes to the mind of the consumers abruptly or when they recall their memories. They have the view that there are three aspects of brand image which make the whole image of the brand which are; favorability, strength, and distinctiveness. Meenaghan (1995) explains brand image in terms of the attitudes of the consumers about the particular brand which helps to point it and thinking of the buyers in the significant way to make the product different from others. Bian and Moutinho (2011) described the phenomenon by using marketing sense to explain it as the set of statements given to the target market to capture the purchase intentions of the targeted consumers. Lee, Lee and Wu (2011) explain the brand image as the overall mind reflection and beliefs about the particular brand by keeping in mind its unique qualities which make it different from the others.

The brand image is very important aspect towards purchase intention. It propels the consumers to consume more value on the specific brand having good brand image. It helps the consumers to decide whether which brand is a better option for them and they are forced to make purchase intentions couple of times. A good brand image helps to create long term relationships between the product and ultimate users. It is very constructive way to make better brand personality in the market for the purpose to increase the sale of the product. Product attributes, brand personality, and brand benefits are the three key gears of the brand image. Higher the brand image, higher will be the purchase intention.

Wu & Wu, (n.d) studied every dimension of the brand image and found the considerable effect on the consumer purchase intention. They collected respondents aging 18 to 40 years in three countries like Taiwan, Japan and Europe. They analyzed the data and confirmed that each dimension of brand image has a positive effect on the level of purchase intention.

Chi, Yeh and Huang(2008) studied the influence of brand image on consumer purchase intention. They developed 53 questions in six parts to verify that the brand image is significantly and positively related with the purchase intention. Linet. al. (n.d) studied the relationship between brand image and purchase intention and proved that the brand image has a significant positive relationship with the consumers' purchase intention. Eze, Tan, Yeo (n.d) researched brand image to find out its influence on the consumer purchase intention. They collected data from Chinese students having age between 20-23 years. They also found and proved that there is positive relationship between brand image and consumer purchase intention. So based on above studies we can develop our hypothesis

H1: Brand Image has a significant and positive relationship with purchase intentions.

Sebastianelli and Tamimi (2002) explained product quality as something which resembles with the innate excellence, which mean, it comes from the production level and it should be recognizable. They emphasized that quality should consist of measurable features instead of preferences. Product quality is the competitive advantage of the product on the opponent product. It includes the structure and manufactured design of the product. Product quality is that which satisfy the needs of the ultimate users which may include different features and this quality would absolutely enhance the performance of the product (Dunk, 2002). In the words of Vonderembs and Raghu Nathan (1997) the product quality is to understand and measure the requirements of the consumers and implement the necessary changes at production level to ensure their needs by using the process of re-engineering and redesigning the already existent products. They focused to build the house of quality it's a multi-step process which analyze customer needs and make changes in the product to ensure better quality and performance.

Product quality is the key factor to measure purchase intention. It is a continuous process improvement process that keeps changing day by day to increase the product performance and to satisfy the customer needs. Quality should be improved time by time due to competitive environment. There is great

deal of competition among the various brands. If you notice the laps in the quality of the product then specify those areas which need improvement. Secondly establish the teams by giving the responsibility make improvement in the quality of the product. Lastly equipped the team with all such necessary resources which helps to determine root causes, and then make a solution to ensure better quality. There are eight dimensions of the product quality i.e. performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality.

While studying the relationship between product quality and purchase intentions Chi, Yeh and Yang, (2008) collected the data from 267 respondents through questionnaire and concluded that if the product has better product quality then the customer shows more intent to purchase and confirmed that product quality has a positive effect on the consumer purchase intention. Tsotsou (2005) studied that the product being of high quality has higher intentions to purchase the product than consumer perceiving a product being of low quality. The focus of its study was on the university students which was 226 in number in Athens, Greece in 2005 through questionnaire. Jalilvand, Samiei and Mahdavanja (2011) explored the effect of product quality on purchase intention. They used 242 responses to verify the fact that product quality has a positive effect on purchase intention

Tsotsou (2006) studied the perceived product quality and overall satisfaction on purchase intention. Its study comprises of the survey questionnaire and collected data by simple random sampling from 197 university students in 2004 and after doing lot of tests and analysis the researcher confirmed that there is a positive relationship between product quality and the consumer purchase intention. The study of Eze, Tan, Yeo(n.d)on product quality to find out its influence on the consumer purchase intention involving 215 respondents who are Chinese students having age between 20-23 years also found positive relationship between product quality and consumers' purchase intention. This helped us in developing our hypothesis

H2: Product quality has a significant and positive relationship with purchase intentions.

Prieto, Revilla and Prado (2009) explain product knowledge as something which we collect with the passage of time by experiencing the product and to know their necessary features. Actually product knowledge is the indication about the organization i.e. which product they are producing and which combinations they are using to manufacture the product. Fu, Chui and Helander (2006) elaborated product knowledge as the proposed ideas, rules and procedures that give direction to execute some actions. It is the information which is filtered by the buyers mind, after making certain cost and benefit analysis this knowledge compels the consumer to interpret the conclusion which may or may not be purchasing behavior. Bian and Moutinho (2011) explained the same phenomena in terms of features of the product which persuaded all the process of the decision making. This knowledge may vary from consumer to consumer due to different level of sensitivity of their mind. Here the focus is mainly on purchase intention so product knowledge would have great deal of impact on purchase behavior of the buyers.

Product knowledge is that descriptive features which company wants to acknowledge to the general public to cater their purchase intention. Simply says if a consumer goes to the market he will prefer to get those products about which he has already knowledge, there is very rare chance for him to look for other products. So companies trying to provide necessary product knowledge by using various modes of communications to the buyers to get their attentions regarding purchase. Trust is another major factor which a company can attain by providing knowledge to patrons about their operations, procedures and rules use to make the product. So it is cleared that if people have more product knowledge then they would be morepersuaded towards purchase intention.

Lin, Yeh, Chung, Wen, (n.d) studied the relationship between product knowledge and purchase intention by collecting 292 responses and confirmed that the product knowledge has a significant positive relationship with the consumer purchase intention. Pedersen &Nysveen (n.d) studied product knowledge and its effect on the consumer purchase intention. On the basis of 874 responses they were able to determine and prove that there is a direct positive effect of product knowledge on purchase intention. Moreover, Eze, Tan, Yeo (n.d) studied product knowledge to find out its effect on the consumer purchase intention. The collected data from Chinese youth (n=204) aging between 21-35 and after analysis found a positive relationship between product knowledge and consumer purchase intention. This helped us in developing our hypothesis

H3: Product knowledge has a significant and positive relationship with purchase intentions.

Quester and Lim (2003) explain product involvement as the commitment of consumers on the subject of thoughts, feelings, attitudes and behavioral responses toward product. They focused that the product

involvement is a different phenomenon from purchase intention because a person may be involved in a product but not bound to make purchases. Xue (2008) proliferate product involvement in such a way Product involvement is the personal relevance of the product based on intrinsic needs, benefits and ethics. This behavior shows an impact on choosing the brand and making purchase decisions. Product involvement increases the motivation of the consumers to build strong purchase behavior. Bian and Moutinho (2011) discussed product involvement as Product involvement is the lasting insight about the product and considering the product is very important by the consumer based on inherent needs, Interest and values. If there is high product involvement consumers are more willing to spend additional money on the specific brand.

Product involvement comes by making some kind of affiliation with the specific product this phenomenon is the result of the brand loyalty. In this behavior consumer thinks that the particular product is very vital for him and he/she wants to purchase it again but it does not means that consumer always show purchase behavior there are some factors which inhibit them i.e. poverty, in somehow price etc. If consumer have high product involvement he/she will motivated more intrinsically towards purchase intention. But one thing is cleared that product involvement is the implied contract between the particular product and consumer due to their high internal satisfaction.

Pedersen & Nysveen (n.d); studied product involvement and its relationship with the consumer purchase intention. They collected data from 874 respondents to determine the purchase intention of the customers and after taking several tests and analysis they verified that there is a direct positive effect of product involvement on consumer purchase intention. Tsotsou, (2005) studied the product involvement and overall satisfaction on purchase intention. Its study comprises of the survey questionnaire and collected data by simple random sampling from 197 university students in 2004 and confirmed that there is a positive association of product involvement with the consumer purchase intention. This helped us in developing our hypothesis.

H4: Product Involvement has a significant and positive relationship with purchase intentions.

Wickliffe and Pysarchik (2001) elaborate product attributes as those important features which has intensive influence on the behavior of the consumers i.e. brand and price. These are the two factors which cover major areas of the product attributes but there are some other elements of the attributes like structure, look, colour, weight and quality etc. Abbott et al, (2009) explain product attributes as the sensory processes of the product its cognitive features and casual properties it includes the design, technology engineering processes of the product which form the overall rating of product on the part of consumer. So it shows that product attributes are those features of brand which make its position in the market which may be strong or weak and a consumer satisfaction is totally based on the product attributes.

Bian and Moutinho (2011) explained the phenomenon as the expressive features that distinguish the product from others. Intrinsic and extrinsic are two types of attributes, intrinsic are those information bundles which influence the product directly and extrinsic are those information bundles which influence the product indirectly. Attributes of the product is actually the reflection of the company's image it consist of the features of the product. It is the features which distinguish from other products. Attributes play vital role in achieving brand equity. Satisfaction level of the consumers firmly depends on the attributes. If the consumers are more satisfied they will show interest in the particular product and make purchases repeatedly.

Bian and Moutinho (2011) studied the purchase behavior of customers that in what way product attributes influence the customer purchase behavior. They conducted their study in Glasgow and collected the data from randomly selected supermarkets (n=20) and prove that the positive product attributes are the significant predictor of purchase intention. Jung & Bonn (n.d) studied the effect of product attributes on the consumer purchase intention for that purpose they collected data from the respondents having age 21 or above through questionnaire. Their study found a significant effect of product attributes on consumer purchase intention. On the basis of available literature we can develop our hypothesis

H5: Product attributes has a significant and positive relationship with purchase intentions.

Jensen (2011) explains brand loyalty as the way to measure the current number of customers of the particular brand. It can be measured by two approaches, behavioral and attitudinal. First approach shows the customer purchase behavior toward brand and the second approach shows their relative preference for particular brand on others. Ou, Shih, Chen and Wang (2011) explain brand loyalty as implied promise to re-purchase the meticulous merchandise. It increases the motivation of consumers towards purchasing behavior. They mentioned that brand loyalty can be increased by building strong customer relationship and consumer loyalty programs. Moraga, Parraga and Gonzalez (2008) explain brand loyalty as continual purchasing manners. Brand loyalty is not a onetime stroke but a continual process. It helps the company in order to get customer preference, purchase intention and secured profitability. Brand loyalty is the interpreter of company's economic performance.

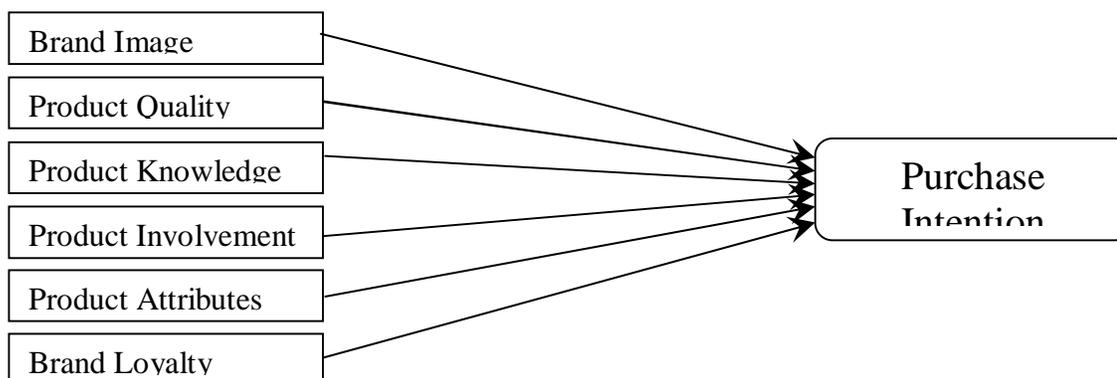
Brand loyalty is in fact attained when the customer's show repeated purchase behavior towards the specific brand. Loyalty comes as a result of the customer satisfaction, if customers are satisfied from the brand functions then they show loyalty towards the brand and they become the insensitive of price factor and they will show strong interest to buy the product at any cost. Brand loyalty helps to maximize the brand equity in the region. There are certain behaviors which developed in the consumers as a result of the brand loyalty i.e. positive attitudes toward brand, insensitivity to the price of the preferred brand, unpleasant feeling, if preferred brand departed unexpectedly and recommendation to others about brand. Ultimately brand loyalty have very positive influence on the purchase intention mean more the brand loyalty then high will be the purchase intention.

Chi, Yeh and Yang, (2008) collected the data from 267 respondents through questionnaire to find out the effect of brand loyalty on purchase intention. They proved that there is a positive relationship between brand loyalty and purchase intention. Jalilvand, Samiei and Mahdavanaia (2011) studied the effect of brand loyalty on purchase intention. Based on 242 observations from multiple respondents they verified that brand loyalty has a positive effect on purchase intention. So we can formulate our hypothesis

H6: Brand loyalty has a significant and positive relationship with purchase intentions.

These dimensions may be summarized in the following model.

Fig. 1: Branding and Purchase Intentions



2. Hypotheses

- H1:** Brand Image has a significant and positive relationship with purchase intentions.
- H2:** Product quality has a significant and positive relationship with purchase intentions.
- H3:** Product knowledge has a significant and positive relationship with purchase intentions.
- H4:** Product Involvement has a significant and positive relationship with purchase intentions.
- H5:** Product attributes has a significant and positive relationship with purchase intentions.
- H6:** Brand loyalty has a significant and positive relationship with purchase intentions.

METHODOLOGY

The current study is a cross sectional study which was conducted in non-contrived settings in Lahore, Pakistan that is a first rate market for the consumers of FMCG. Data was collected from literate youth (those who had made it to higher/university level of education) the reason being that only educated individuals possess awareness about variables of interest of this study in the FMCG market of Pakistan because of abundance of unbranded products. Simple random sampling technique was used to select a sample of 500 individuals. Self-administered questionnaires were used to collect data. 366 filled questionnaires were received with a response rate of 73% among which 362 were usable. The data was coded and entered in SPSS version 16. The association between brand characteristics and purchase intentions was found using Pearson's correlation to ensure whether there is a positive and significant relationship exists between various dimensions of the product and intention to purchase of the consumers' or not.

3. Analysis and Results:

The demographic characteristics of the respondents are as follows,

Table: 1 Demographic characteristics of respondents (N=362)

Characteristics	N	Percent
Gender		
Male	163	45
Female	199	55
Age(years)		
18-25	339	93.6
26-40	16	4.4
41-Above	7	1.9

A total of 500 questionnaires were distributed among the university students of Lahore, Pakistan. 366 were collected and out of this 362 are usable questionnaires in all respect. In the sample, a total of 163 were male (45 %) and 199 were female (55%). The highest concentration of ages were between 18-25 years representing 339 people (93.6%) and other were 26-40 years representing 16 people (4.4%) the last age group were above 41 years representing 7 people (1.9%).

Table: 1 Correlation Analysis

		Purchase Intentions
Brand Image	Pearson Correlation	.321**
	Sig. (2-tailed)	.000
Product Quality	Pearson Correlation	.214**
	Sig. (2-tailed)	.000
Product Knowledge	Pearson Correlation	.255**
	Sig. (2-tailed)	.000
Product Involvement	Pearson Correlation	.283**
	Sig. (2-tailed)	.000
Product Attributes	Pearson Correlation	.225**
	Sig. (2-tailed)	.000
Brand Loyalty	Pearson Correlation	.409**
	Sig. (2-tailed)	.000

** . Correlation is significant at the 0.01 level (2-tailed).

The results of Pearson's Correlation Coefficient showed that brand image, product quality, product knowledge, product involvement, product attributes, and brand loyalty have positive and significant relationship with purchase intentions at 0.01 level of significance with "r" scores .321, .214, .255, .283, .225, and .409 respectively.

4. Conclusion and Recommendations:

Brand image is an exclusive design, a reliable surety to ensure the quality and value added services as claimed by Chi, Yeh and Haung (2008). According to them brand image can be influenced by the advertisement. The above survey shows that there is a moderate significant relationship between brand image and purchase intention, the reason of the moderate relationship is the promotion factor. Advertisement is the major mode of promotion but the companies are making adds ignoring the social issues of the people. The element of reliability and attractiveness in their ads are very low. Companies can drag the brand image to the desired level by making the promotion process more effective such as inducing more celebrity endorsement in an appropriate way to capture the purchase intention of the customers for the purpose to imprint the brand related knowledge to the customers mind and shift their feelings on the brand.

Product quality is the evaluation about the product perception related to the pre-eminence or excellence that persuaded by the personal feelings and that differentiates the product from others (Tsiotuso, 2006). According to Tsiotuso (2006) product quality create customer satisfaction. These days' companies are producing low quality products because the quality standards are not driven according to the specific demands of the customers which create dissatisfaction among the people. The above survey indicates that there is a moderate relationship between product quality and the purchase intention of the customers that give a picture of the quality compromising behavior of the Pakistani people. According to the researcher's point of view the reason behind this relation is the fake promises and exaggerations in the company's promotional activities and lack of concentration towards the awareness programs of quality to the people and not highlighting the dimensions of the service quality. They would optdifferent methods to recognize

the importance of quality to the people according to the customer driven quality standards and provide right quality against the money to retain the purchase intention and the customer satisfaction level.

Product knowledge is a perception towards definite products, together with previous experience of using the product Eze, Tan and Yeo (n.d); According to them it is the list of the information that is related to the product and helps the customers to check whether it fits to their needs or not. The above survey shows that there is moderate relationship between the product knowledge and the purchase intention of the customers. The reason behind the fact is lack of effective integrated marketing techniques and literacy rate of the people of Pakistan (58.2%). If the company's focuses on the knowledge awareness programs to make the people better understand of the product. In that way they can detain the purchase intention of people. The companies should provide information either through advertisement or pasting the label in the understandable language on the product. These integrated marketing systems could help the people to recognize the product.

Product involvement is the personal preference for the particular product depending on the needs and wants of the customers Xue (2008), it is allied with the information processing and search activities of the customers Tsiotsou (2005), and that information will help the people to understand and build affiliation to the product. According to the above survey there is a moderate relationship between the product involvement and the consumer purchase intention the reason behind this is the lack of understanding power of the people related to the product knowledge due to the low literacy rate in country like Pakistan. People are less loyal to the specific products as a result they show less involvement and choose alternatives. Companies should make attention on awareness and loyalty campaigns to create better perception of the product among the people. This will lead to increase the satisfaction level of the customers and would be more involved with the specific product

Product attributes are the special features including design, price, image etc which help to distinguish the product from others Abbott et al. (2009). The above study indicate the weak relationship between product attributes and the customer purchase intention, the reason behind this is the social and economic condition of the people of the Pakistan. There per capita income in 2010 is \$1051 that shows the nominal number other thing is the increasing rate of inflation (13.9% in 2010); parallel to this corporate sectors are offering high prices of the products. The features in the products are not satisfying the customer needs. According to the researcher's point of view if the companies manufacture the product by keeping in mind the socioeconomically factors of the public in the pricing process. They should work for the betterment of the value enhancement in the product for the purpose to satisfy the customer needs

Brand loyalty is a situation which shows the finicky behavior of the customers that how long they would remain attached to the brand irrespective of change in the price and other features Jalilvand, Samiei and Mahdavinia (2011), according to their study it is the motivation of the customer for the product which helps to remain stuck with the product. The above study specifies that there is a strong relationship between brand loyalty and purchase intention. Loyalty built by making better relationship with the customers and offering customer driven standards in the quality and attributes. The most important phenomenon is the relationship between the channels of distribution (manufacture, wholesalers & retailers) and customers to create loyalty among the customers.

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