The Impact of Brand Image on Customers Preferences: A case study on Coca Cola - Pakistan

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Abstract

The purpose of the study is to examine the impact of brand image on consumer preferences. A lot of discussion is done on how a brand image is formed, many factor are controlling the brand image and consumer preferences. The present descriptive study has attempt to devolve that how the both variables are correlate with each other. And how brand image affects the purchasing decision of the consumer while purchasing a particular product. To what extent brand image worth to the consumer. Therefore, while conducting this research in Pakistan the researcher has to develop a link between, brand Image, brand value, brand image, brand appearance, loyalty, quality and price. There are total 96 active respondents, and the data is analysed by using SPSS and AMOS. This research also has a finding which has managerial implications for enhancing strength of brand image.

Keywords:

Brand Image; Consumer Taste Preferences; Brand value; Quality; Coca Cola; Pakistan (Developing Country)

Biographical notes: Muhammad Haris Qureshi is Lecturer in the School of Management Studies, The University of Faisalabad. He is a prolific researcher and renowned for interdisciplinary studies. His research interest includes internal marketing, Branding, Human Resource and Production operation management, he focuses to develop an interdisciplinary relationship between production and service sector. relationship. He also serves as the member of editorial committee of a few national/international journals in various capacities.

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1.   Introduction

A brand is the set of relationship that taken together account for consumer's decision to choose one product or services over another. Brand image is the general emotion of a product held by real or potential consumer. Brand can be defined as a name symbol, 1ogos signature or combination thereof that define a manufacture's or retailer's product or services through differentiating them from competitor's product or services thus offer perception such as quality, value and status to consumers. Brand image is also defined as the meaning that consumer identifies with the product or as the sum of their understanding of the product. Brand image is the result of feeling of consumer gained from various sources about the brand like trying out the branded product, the manufacture's status, product packing, brand name, the ad format used its content and type of media where the ad is presented. Brand image is seen as the sum of emotional and aesthetic impressions generate in consumer' mind about the various characteristics of the product such as what the brand reminds, what is evoke in

the eye of consumer and buying behavior of the consumer (Allison & Uhl, 2006). The research is having the following Questions:

How does a brand image formed?

How does the brand image impact the customers' perception?

What steps does an organization can take in order to improve its brand image?

1.1. History of the Coca-Cola

The Coca-Cola Company is a multinational American based company deals in beverages. It is a manufacturer, retailer of beverages products around the world. It's headquarter is in Atlanta, Georgia. The famous product of this company is Coca Cola, on which company's brand image is based. Coca Cola is a medicated product, which is invented in 1886 by a pharmacist John Stuth Pemberton. The company is operating in a franchised based distribution system from 1889 while the company formula called syrup is made by the Coca Cola Company itself. The bottling process is made throughout the world; in almost every country the Coca Cola Company's bolting process is carried out.

In the current business world a company brand image can be as significant as the products or the services produces by it. A solid brand image is an effective resource. A trusted brand makes individuals certain that the company is care about their customers. Brand image pass on passionate esteem and not only a picture which stores in the mind of the customers. Brand image is only a company's identity. The important component of positive brand picture are the logo which explains the image of the company, slogan portraying company business to sum things up and brand identifier supporting the key qualities. The thought behind brand image is that the customer is not obtaining only the profitable/benefit but rather additionally the image connected with the item/benefit. Brand characteristics are the utilitarian and mental associations with the brand that the consumers have. They can be particular or reasonable. Benefits attached to the product are the reasoning for the buyer's choice. There are three sorts of advantages: Functional advantages - what it show improvements over (others) which others can't do, emotional advantages – what feelings are attached to this product which others don't have, and rational advantages/support - why do I trust you (more than the others company's). Brand traits are customer's general evaluation of a brand.

Brand image has not to be made, but rather is consequently shaped or formed. The brand image incorporates items' allure, convenience, usefulness, popularity, and quality. Brand image is basically brand content. At the point when the customers buy the item, they are likewise obtaining its image which the company has formed. Brand image is the target and mental response of the buyers when they buy an item. Positive brand image is surpassing the clients' desires. Positive brand image upgrades the goodwill and brand estimation of the company/firm.

2.   **Literature Review**

2.1.   *Brand image*

Brand image can be defined as the meaning that the consumers identify with the product or as the sum of their understanding of the product. Brand image is the result of impressions of consumers gained from various sources about the brand. Many factors such as trying out the branded product, the manufacturer's reputation, product packaging, brand name, the ad format used and its content and the type of media where the ad is presented are among these sources. Brand image is seen as the sum of the emotional and aesthetic impressions that occur in the consumers about the product. Various characteristics such as what the brand reminds, what it evokes in the eyes of the consumer as well as the buying behavior of the consumer must be dealt with in order to determine the brand image (Ghose & Lowengart, 2001).

Brand image appears in the mind of the consumer through perceptions of brand that emerge by means of the brand associations kept in memory. Brand image is the entirety of beliefs regarding the brand and it may include elements such as product identity, emotions, and mind associations. Brand image is the sum of elements adding meaning and value the brand. Consumers evaluate products and brands based on the image they created and they purchase the image, not the product. Product attributes and benefits that it provides can be considered as very important factors for a branded product to have an image. Brand must evoke positive brand attributes, benefits, company va1ues, personality, and users in the minds of consumers for creation of a strong brand image. In addition, integration of the brand image with corporate image is also required for a brand image to be effective.

2.2.   Consumer Taste Preferences

(Chaudhuri & Holbrook, 2001) discovers the purchaser conduct is set of activities in which they have, expend and arrange products and services. (Teng & Huihuang, 2007) expresses that buy expectation of the particular brand needs evaluation of every single accessible Brand. Customers experience differing appraisal criteria when settling on any purchase decision for instance brand, costs, highlights, quality, performance, ease of use and accommodation (Khan, Ghauri, & Majeed, 2012). A consumer select his/her upcoming buy by having the help from his/her past purchases, one can anticipate the expectation of that individual future on as well (Conner & Armitage, 1998). (D'Souza, D'Souza, Taghian, Lamb, & Peretiatkos, 2006) expresses if a consumer wants to get advantage from past purchases and will ask and advise to experience some more purchases by himself or by others over and over. (Tariq, Nawaz, Nawaz, & Butt, 2013) Explained purchase aim by explaining it by four key areas, which include, the complete set of plan to purchase the particular brand, think twice or more before purchasing a particular brand, when a person thinks that he wants to purchase the brand on some other time, and the last to buy the specific item totally.

2.3.   Product Appearance

The product visual appearance is a characteristic of the product that ought to be significant and justifiable for both the customers and consumers. Buyers only prefer those products which are eye catching to them. The observation procedure can be condensed in two stages, (Blijlevens, Creusen, & Schoormans, 2009) gave a two-stage model of item appearance. First, when clients see an item, and they perceive some physical properties of the product which jointly develop the presence of item in their mind (e.g. shading, shape, composition, and surface, size). Second, consists a blends of colors, materials and other physical properties which increases the look of the item and built a long lasting image in the mind of the consumer. For instance, a DVD player with the casing having of silver metallic seems to be as a current conducting device (Blijlevens, Creusen, & Schoormans, 2009). The appearance attributes together give a general impression to the buyers. Product appearance qualities are more unique than physical viewpoints. Item show up qualities can be concordance, solidarity, symmetry, extent, commonality, monstrosity, instinctive nature, sensitivity,

innovation, straightforwardness, fun loving nature, and so on (Blijlevens, Creusen, & Schoormans, 2009).

2.4.   Image forming

The focal inquiry of picture framing is that how affiliations can be attached to the brand name. Inductive derivation and deductive derivation are two procedures in picture shaping. According to (Raj, Sasikumar, & Sriram, 2013) the procedure of deductive derivation is critical when on would like to convey the brand associations starting with one brand over then onto the next brand. It can be called picture exchange. Inductive deduction implies that buyers make a brand picture through the contact with the marked article, works and ads. Inductive derivation incorporates conflict with brand article, marketing correspondence, utilization encounters and social impact. Marketing correspondence offers substance to the brand picture. They give buyers the early introduction about the brand. Likewise, the brand pictures in consumers' mind are hard to change at a later stage. Organizations ought to attempt to control the brand picture toward the brand personality through the promoting correspondence. The impact of publicizing is most noteworthy when the item understands every one of the advantages guaranteed in the commercial advertisement. A brand picture can be made through inductive surmising, on the grounds that the marked article, advertising correspondence, utilization encounters and social impact have considerable impact on a brand picture.

2.5.   Quality

Quality is seen through by the product. Quality have some elements which helps in the judgment (Dick & Basu, 1994). The research done on the element quality explains that quality is only driven by the picture which consumers expect to have worldwide. Quality is nothing just an image in the mind of the consumer (Ayanwale, Alimi, & Ayanbimipe, 2005). A universally settled brand name can go about as a "corona" builds that impacts quality convictions (Han, 1989). Particularly a brand is something which is easily assessable, consumers now a day's focus on the quality rather than a brand because a brand may not a quality but a quality must have a brand itself.

2.6.   Brand Loyalty

A good state of mind shaped by a positive utilization experience prompts brand dependability, characterized as far as attitudinal and behavioral points of view (Dick & Basu, 1994). As far as the attitudinal point of view is concerned, brand faithfulness can bring out when buyers have positive benefits about and states of mind towards a brand (Keller, 1993). Attitudinal brand devotion mirrors a deep duty to support of a favored brand by proceeding to like its items (Oliver, 1999). According to (Alfred, 2013) (Allison & Uhl, 2006), the attitudinal brand steadfastness takes advantage of responsibility, reflecting Willingness to keep or keep up a positive association with a brand. (Dick & Basu, 1994) recommends both classes of devotion in conceptualizing devotion. Regarding a behavioral viewpoint, (Aaker D. A., 1991) clarifies that brand devotion ought to be measured by the quantity of brands bought, percent of buys, and future buy goal. At the point when a purchaser is faithful, he or she ceaselessly buys the brand, despite the fact that the brand rolls out improvements, for example, expanding value or adjusting item highlights (Aaker D. A., 1991). (Aaker D. A., 1991) Recognizes five levels of brand devotion as appeared in the brand steadfastness pyramid. The base devotion level incorporates switchers, who are not faithful to the brand. These customers might always search for variation, or are touchy to value and purchase the brand marked down. The second faithfulness level is routine purchasers, who tend to keep on purchasing the brand not looking for option brands. The third level is fulfilled purchasers with exchanging expenses. They are unwilling to change to a substitute brand, because of exchanging expenses in time, cash, and execution hazard. The fourth level comprises of purchasers who like the brand, because of psychic connection. These buyers shape a fellowship with the brand, in view of a positive long-phase relationship. The top devotion level is conferred purchasers. They will keep on buying the brand paying little mind to value or change, in light of the fact that they are all the more firmly fixed to having or utilizing the brand than purchasers who just like the brand (Adamson, 2007).

2.7.   Price

Specialists figured out that once purchasers see a value contrast between neighborhood claimed and outside possessed brands, value dissimilarities start to influence their inclination for nearby possessed brands. Thus cost is likewise a standout amongst the most vital extrinsic signs that shoppers use while assessing the item/mark (Hansen, 2005).

It can be characterized as "the procedure by which buyers interpret cost and value quality to a decent or administration". It has intrigued scientists for quite a while. Price and quality are two imperative elements of worth. They both lead to consumer loyalty furthermore client maintenance, which expand the benefits of any business. Past studies looking at the effect of cost on quality have recommended a negative connection: the higher the value, the lower the item value is seen (Chaudhuri & Holbrook, 2001) (Chernatony, 2006). This is a general wonder that when clients go out for shopping they tend to purchase items which have lower costs so they show signs of improvement worth. According to (Hutton, 1995) more customers are attempting to expand value for cash spent, requesting better quality at lower costs. Although the fact that this may not be totally valid for every one of the clients in light of the fact that a few clients are willing to pay more on the off chance they truly like an item. Higher value results in a more prominent ability by the purchaser to embrace another item (McGowan & Sternquist, 1998). The study is having the following research hypotheses;

H_1: There is a positive & significant relationship between Value and Loyalty.

H_2: There is a significant & positive relationship between Value and Quality.

H_3: There is a positive & significant relationship between Value and Price.

H_4: There is a positive & significant relationship between Image and Loyalty.

H_5: There is a positive & significant relationship between Image and Quality.

H_6: There is a positive & significant relationship between Image and Price.

H_7: There is a positive & significant relationship between Appearance and Loyalty.

H_8: There is a positive & significant relationship between Appearance and Quality.

H_9: There is a positive & significant relationship between Appearance and Price

3.   Methodology

Quantitative research method is used to analyze and present the data. The quantitative research method helps in analyzing the primary data collected

through survey questionnaires from research participants and testing the hypotheses statements (McPhail, 1999). The quantitative research method would assist in analyzing the numeric data collected from sample and generalize the results to the population (Cooper, 2008). The analysis of the data has organized in the following manner.

• SPSS 16 is used to evaluate the demographic profile of the respondent.

• AMOS is used to employ Structural Equation Modelling to estimate the impact of the construct on the consumer preferences.

• Mean, standard deviation and percentage calculation are employed to understand the degree of impact of each of the construct and variables.

Table 1. Descriptive Statistics

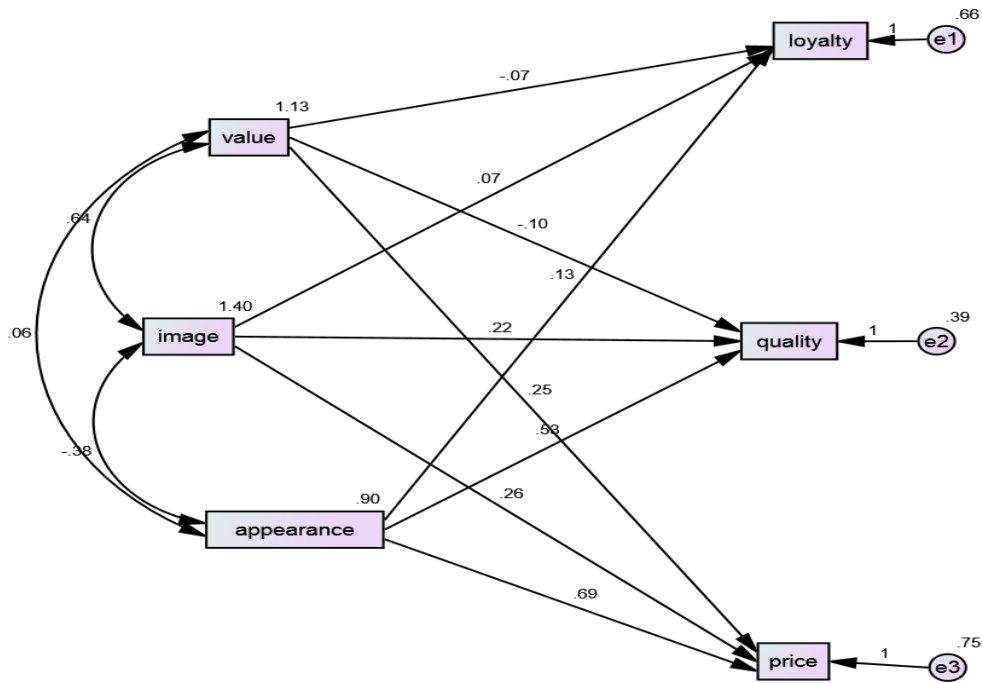| Items	N	Mean	Std. Deviation
Value	96	2.0521	1.06987
Image	96	2.2187	1.18945
Appearance	96	1.9792	0.95122
Price	96	2.4896	1.15161
Quality	96	2.1458	0.78108
Loyalty	96	1.8438	0.82498

Figure 1:1 Structural Equation Modeling

4.   **Empirical Results**

Table 1 shows descriptive statistics: total number of respondents are represented "N" i.e. 96. It reflects the mean and standard deviation values of all the variables. The variable "Value" has the mean value of 2.0521 and S.D 1.06987. The variables "Image", "Appearance", "Price", "Quality", and "Loyalty" have the Mean values 2.2187, 1.9792, 2.4896, 2.1459, 1.8438 and Standard Deviation values 1.18945, 0.95122, 1.15161, 0.78108, 0.82498 respectively. The figure 1 shows that there is a negative relationship between value and loyalty as β=-.07. From the above figure we can conclude that the three variables Value, Image, Appearance have very weak relationship with loyalty as β=-.07, .07, .13 respectively. Image has positive relationship with Loyalty, Quality and Price as β= .07, .22, .26 respectively.

Table 2. Relationship between the Dependent and Independent Variables

	Estimate	S.E.	C.R.	P	Label
loyalty <--- value	-.074	.095	-.780	.435	par_1
quality <--- value	-.097	.074	-1.319	.187	par_2
price <--- value	.248	.102	2.437	.015	par_3
loyalty <--- image	.065	.091	.719	.472	par_4
quality <--- image	.219	.070	3.119	.002	par_5
price <--- image	.264	.097	2.714	.007	par_6
loyalty <--- appearance	.134	.098	1.370	.171	par_7
quality <--- appearance	.534	.076	7.056	***	par_8
price <--- appearance	.688	.105	6.569	***	par_9

Chi-square = 13.285***   Degrees of freedom = 3

Table 3. Acceptance/rejection of Hypotheses of the Study along with Interpretation

Hypothesis	Analysis of Hypothesis	Outcome/Result	Interpretation
There is a positive significant relationship between Value and Loyalty.	Reference to table 15 Loyalty <--- value (β=-.074, P 0.435 > 0.05) **Statistically Insignificant**	Null Hypothesis Rejected	Results sows that brand value have no impact on loyalty. As the value of the brand is not driven by the loyal customers.
There is no significant positive relationship between Value and Quality	Reference to table 15 (β=-.097, P 0.187 > 0.05) **Statistically Insignificant**	Null Hypothesis Rejected	As the null hypothesis is rejected, we accept the alternative hypothesis that there is a significant positive relationship between the variables.
There is a positive significant relationship between Value and Price	Reference to table 15 Price <--- value (β=.248, P 0.015 > 0.05) **Statistically Significant**	Null Hypothesis Accepted	As the alternative hypothesis is rejected, I accept the Null Hypothesis that there is a positive relationship between the variables.
There is a positive significant relationship between Image and Loyalty	Reference to table 15 Loyalty <--- image (β=.065, P 0.472 > 0.05) **Statistically Insignificant**	Null hypothesis Rejected	As the null hypothesis is rejected, we accept the alternative hypothesis that there is a significant positive relationship between the variables.
There is a positive significant relationship between Image and Quality	Reference to table 15 Quality <--- image (β=.219, P 0.02 > 0.05) **Statistically Significant**	Null Hypothesis Accepted	As the alternative hypothesis is rejected, I accept the Null Hypothesis that there is a positive relationship between the variables.
There is a positive significant relationship between Image and Price	Reference to table 15 Price <--- image (β=.264, P 0.007 > 0.05) **Statistically Significant**	Null Hypothesis Accepted	As the alternative hypothesis is rejected, I accept the Null Hypothesis that there is a positive relationship between the variables.
There is a positive significant relationship between Appearance and Loyalty	Reference to table 15 Loyalty <--- appearance (β=.134, P 0.171 > 0.05) **Statistically Insignificant**	Null hypothesis Rejected	As the null hypothesis is rejected, we accept the alternative hypothesis that there is a significant positive relationship between the variables.
There is a positive significant relationship between Appearance and Quality	Reference to table 15 Quality <--- appearance (β=.534, P 0.000 > 0.05) **Statistically Significant**	Null Hypothesis Accepted	As the alternative hypothesis is rejected, I accept the Null Hypothesis that there is a positive relationship between the variables.
There is a positive significant relationship between Appearance and Price	Reference to table 15 Price <--- appearance (β=.688, P 0.000 > 0.05) **Statistically Significant**	Null Hypothesis Accepted	As the alternative hypothesis is rejected, I accept the Null Hypothesis that there is a positive relationship between the variables.

5.   Conclusion:

In the current research we came to the conclusion that before buying a particular product, consumer have different taste preferences on choosing the particular brand. There may be several factors which may affect the buying decision of the consumer. Brand image which was built by the consumers either by their selves or by the external influences have a strong relationship with the taste preferences. The present research is based on the case of Coca Cola in the geographical boundary of Pakistan. From the results we can conclude that brand value has not a significant relationship with loyalty and quality as the P-value is greater than 0.05. Value has a significant relationship with price at P-value = 0.015. Image has also a significant relationship with quality and price. While image and appearance have not a significant relationship with loyalty. Appearance has a significant relationship with price and quality. The three objectives which was developed in the introduction was fully accomplished. A brand image is formed in the mind of the customers, while building the brand image different consumer focus on different variables. In the present research we take the variables named, brand value, image and appearance. Which makes a brand image. Brand image has a positive impact on consumer preferences. Consumers when taking a decision of buying a particular product they took the decision on the basis of many factors which influence i.e. the brand image. If the brand image is good the consumers can took the particular brand. In the case of Coca cola, it has a strong brand image build in the mind of consumers, so purchasing the product consumers automatically take the product of Coca Cola without thinking of the quality, price etc. In order to improve the brand image of the coca cola, company must have to follow some strategies, which have a positive impact on the mind of the customers.

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