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Impact of promotional mix on customer based braned equity: Mediating effect of brand image a case study of beverage industry in Pakistan

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Keywords

Celebrity; Endorsement; Advertisement; Sales Promotion; Brand; Equit; Faisalabad In present scenario, customers were well aware about the price and feature of all the substitute of a product. They had more awareness, more accessibility to the brand in the market. Generic competition among the products develop the competition tougher. The aim of this study was to estimate the effect of promotional activities on brand equity and its dimensions in beverage. A study has been conducted in metropolitan city Faisalabad. Respondents were selected on the basis of non-probability convenience based sampling technique. Data were taken from 273 respondents. Students enrolled in university were considered as the target population. Reliability test, descriptive analysis, factor analysis and regression analysis were used for data analysis, however Cronbach's alpha had the value of 0.767. Factor analysis showed that all the factors had its loading values near to 1. The result showed that brand image has a partial mediating effect on brand awareness, brand association and brand loyalty through advertisement, celebrity endorsement and sales promotions. Brand image showed mediating effect on the perceived quality through celebrity endorsement, advertisement and sales promotion. The results of this study helped out the brand managers and marketing managers in the beverage industry for designing and launching the promotional mix. They can develop brand loyalty through choosing effective celebrity for endorsing the brand by dent of truthfulness and trustworthiness of the celebrity. They can enhance brand awareness and experience with the brand through effective sales promotion technique.

Abstract

Introduction

Customers are well known about the price and feature of a substitute of a product. Maximum awareness, accessibility and generic competition among the products made a tough competition. All these factors force the seller to think different about positioning company's product among all close substitutes. It is important for the customers having the knowledge about the product which he would be purchased. The companies started advertisement for giving knowledge to consumers (3). For enhancing the market share as well as experience with the product, companies offered different types of sales promotions (25). During 1997, 25% advertisements out of total in US were indulging celebrity in their advertisements for endorsing their products (26). At the same time, this percentage was 70% in Japan (11). Celebrity exert remarkable effects on purchase intentions of customers (2; 9; 30). Brand equity is most important factor of a brand for developing a competitive edge over the other competing brands (27). Brand equity is an intangible asset of company and it is the reason of increasing utility and value of a product or services (10; 29). High brand equity refers to strong recognition and recall of a brand, strong positive image in consumer's mind, high level of value from product usage and competitive edge over other competing brands (10; 29; 1). The major studies in this regard deal with the effect of promotional activities on targeted respondents purchase intentions. Numbers of different soft drinks and energy drinks have been introduced from the last decade. This is due to the increase in purchasing power of a large number of consumers as well as the increase in awareness about the product and made it compulsory part of life (8). The endorsement is a plate form for the celebrity to act as a spoke person for a company to convey the message about the company's product by attaching the goodwill and trustworthiness of his own. Celebrities hired by the companies for endorsing their products against the huge amount of remuneration (12). Celebrity endorsement has a significant positive effect on brand image (4), brand awareness (22), brand association and brand loyalty (12).Whereas, celebrity endorsement showed a significant effect on the perceived quality (5). Advertisement has a significant effect on brand image (6; 20; 18), brand awareness (28), brand association, perceived quality and brand loyalty. Sales promotion has a significant positive effect on brand image, brand awareness and brand association. While sales promotion does not have a significant effect on he perceived quality (15) and brand loyalty. Brand image showed significant effect on brand awareness (13) brand association, perceived quality and brand loyalty (7). This research has been accompanied for exploring the impact of celebrity, sales promotion and advertisement for a soft drink brand as well as the long lasting effect of celebrity endorsement, advertisement and sales promotion on brand equity according to Faisalabad's customer perspective. The following hypotheis were constructed:

H₁: Brand image has mediating effect on brand awareness through sales promotion, celebrity endorsement and Advertisement.

 H_2 : Brand image has mediating effect on brand association through sales promotion, celebrity endorsement and Advertisement.

H₃: Brand image has mediating effect on the perceived quality through sales promotion, celebrity endorsement and Advertisement.

H₄: Brand image has mediating effect on brand loyalty through sales promotion, celebrity endorsement and Advertisement.

Materials and Methods

In this study, University students were nominated as a target population. Seventy three percent population of Pakistan is comprised of young people. Pakistani nation considered as a sports loving nation specially cricket. They are eager to spend additional time and money for purchasing the soft drink brand endorsed by the sports celebrities; therefore, it was considered most profitable segment in Pakistan. Business graduates had been selected from Govt. College University and National Textile University, Faisalabad however Non-probability sampling technique had been selected. The study focuses on selecting those respondents with the best match to the targeted population. 300 students had been selected as sample for the study (9).Out of which 273 completed and usable questionnaires were received and included in the study. In order of examining the impact of and advertisement, celebrity endorsement sales promotion on brand equity, soft drinks selected as a product. Soft drink become the important part during parties, marriage functions, serving guests and fast food intake. Junk food promoted very quickly during the last decade in Pakistan. While the majority of the junk food users are young people.

Analytical Framework

Scaling is a process of assigning appropriate possible predictions of respondents against each question asked in the questionnaire. Peter (1979) described that scale is the extension of measuring tool. A 5 point Likert scale was used to quantify the response of respondents about each statement. 5-point Likert scale ranging from strongly agree to strongly disagree were used (9; 16). Information on brand equity dimensions of brand equity and selected 3 promotional activities were collected through interview. Customer based brand equity consists of four dimensions, i.e. brand awareness, brand association, perceived quality and brand loyalty. Brand association is measured by the questions (14; 1; 19; 23; 24). Pappu et al. (2004, 2005) tool kit for perceived quality was used. To check the impact of brand loyalty Yoo and Lee (2000) tool kit was employed for questionnaire development. Brand awareness, brand association, perceived quality and brand loyalty contain five, eight, four and three questions respectively.

Martínez Salinas and Pina Pérez, (2009) tool kit of brand image has been selected, however brand image contained eight questions. Promotional mix included advertisement, celebrity endorsement and sales promotion. Each promotional activity contained four questions described by Kirmani and Wright (1989); Yoo and Lee (2000). In questionnaire Section A, contained demographic information like age, gender and income however section B, contained 43 questions related to the constructs of a customer based brand equity, brand image, brand awareness. brand association, perceived quality, loyalty, brand advertisement, sales promotion celebrity and endorsement. Statistical techniques of descriptive analysis, Regression analysis and Factor analysis employed for analyzing data. Baron and Kenny's (1986) technique have been used to test the mediating effect of brand image. Statistical Package for Social

Science programs (SPSS) 20th version used as software for completing the data analysis process.

Results and Discussion

Descriptive Analysis

From figure-1 showed that 273 respondents were involved in the study. Out of which 91 were female and rest of the 182 were male, furthermore 114; 110 and 49 respondents were the age of 16-20; 21-23 and 26-30 respectively. Out of all the respondents 107 were in intermediate however 125 having the qualification of graduations and 41 respondents have the master degree holders. At the end it showed that out of 273; 72, 61, 69, 10, 40 and 21 respondents liked brand coca cola, pepsi, mountain dew, mirinda, sprite and 7up.



Factor Analysis

First, factor analysis was a dimension reduction technique. It made the same factors of all those items which were relevant to each other that factor had given a name and considered as single variable and that single variable used for analysis. The second reason depicted the importance of items exist in the questionnaire. The importance of an item was determined on the basis of loading value of an item. In factor analysis, model fit and sample adequacy was measured by KMO and Bartlett's test. KMO is used for testing the adequacy of a given sample. Some statistician in the favor of 0.7 and another group is interested with 0.5. By adopting conservative approach, the study considered the KMO's value of 0.5 as an acceptable value for this research work. It depicted that all the factors were important for this study. It has been concluded from the study that celebrity endorsement has a significant positive effect on brand image and it is congruent with the study conducted by (4).

Int. J. Adv. Multidiscip. Res. (2017). 4(11): 18-27 Table 1: Estimated Results of factor Analysis

| Sr. No. | Factors | Factor's Loadings | | | | | | | |
|------------|--|----------------------|--|--|--|--|--|--|--|
| | KMO and Bartlett's Test = 0.73, Sig. = 0.000 | 0 | | | | | | | |
| 1 | Without bothering about other brands which possesses the same features, I would like to purchase this brand. | 0.982 | | | | | | | |
| 2 | Without bothering about other brands as good as this brand, I will purchase this brand. | 0.983 | | | | | | | |
| 3 | Without bothering about the same price of other brand, I will purchase this brand. | 0.978 | | | | | | | |
| 4 | If I asked to purchase a soft drink. I will purchase this brand. | | | | | | | | |
| 5 | KMO and Bartlett's Test = 0.877, Sig. = 0.000 I am familiar with this the brand. | 0.982 | | | | | | | |
| 6 | When I think about soft drink, it includes in brands that come to my mind. | 0.919 | | | | | | | |
| 7 | It is a brand of product category, I am very familiar with. | 0.974 | | | | | | | |
| 8 | I know what this brand looks like. | 0.877 | | | | | | | |
| 9 | I can distinguish this brand among other rival brands of product category. | 0.966 | | | | | | | |
| 10 | KMO and Bartlett's Test = 0.787, Sig. = 0.000 This brand is considered valuable exchange for the money. | 0.938 | | | | | | | |
| 11 | Considering the price and quality of Pepsi, purchaser get more than theirs expenditure. | 0.954 | | | | | | | |
| 12 | Brand of soft drink has a personality. | 0.939 | | | | | | | |
| 13 | Within product category, I consider this brand a good buy. | 0.941 | | | | | | | |
| 14 | Brand is interesting. | 0.948 | | | | | | | |
| 15 | I exactly know which type of people like this brand. | 0.939 | | | | | | | |
| 16 | I belief the manufacturer of this brand. | 0.951 | | | | | | | |
| 17 | The company which makes this brand has credibility. | 0.907 | | | | | | | |
| 18 | KMO and Bartlett's Test = 0.654, Sig. = 0.000 Brand of soft drink is very good quality product. | 0.991 | | | | | | | |
| 19 | This brand offers product of consistent quality. | 0.982 | | | | | | | |
| 20 | This brand is very reliable product. | 0.99 | | | | | | | |
| 21 | This brand offers product with excellent features. | 0.99 | | | | | | | |
| 22 | KMO and Bartlett's Test = 0.794, Sig. = 0.000 I reflect myself to be loyal to this brand. | 0.988 | | | | | | | |
| 23 | This brand is my definite first choice, when seeing product category. | 0.989 | | | | | | | |
| 24 | I will not purchase other brands of product category, it this brand is existing at the store. | 0.99 | | | | | | | |
| 25 | KMO and Bartlett's Test = 0.930, Sig. = 0.000 Quality of this brand is very high. | 0.945 | | | | | | | |
| 26 | This soft drink brand has a better taste in comparison with other competing brands. | 0.982 | | | | | | | |
| 27 | Brand is good. | 0.974 | | | | | | | |
| 28 | This brand has unique characters which unify this brand with other available brands. | 0.983 | | | | | | | |
| 29 | This brand of soft drink does not dissatisfy its clients. | 0.979 | | | | | | | |
| 30 | This is the best soft drink brand in soft drink industry. | 0.972 | | | | | | | |
| 31 | brand is much merged in the marketplace. | 0.956 | | | | | | | |
| 32 | KMO and Bartlett's Test = 0.741, Sig. = 0.000 Advertisings of this brand are seen often on TV or other media | 0.871 | | | | | | | |
| 33 | Advertisings of this brand are seen very exciting, humorous and thrilling. | 0.951 | | | | | | | |
| 34 | Advertisement of this brand are very common. | 0.97 | | | | | | | |
| 35 | Advertisement of this brand are easy to remember. | 0.91 | | | | | | | |
| 36 | KMO and Bartlett's Test = 0.662, Sig. = 0.000 Celebrity endorsement of this brand are seen often on TV or other media. | 0.963 | | | | | | | |
| 37 | Celebrity endorsement of this brand are seen very exciting, humorous and thrilling. | 0.957 | | | | | | | |
| 38 | Celebrity endorsement of this brand are very common. | 0.973 | | | | | | | |
| 39 | Celebrity endorsement of this brand are easy to remember. | 0.967 | | | | | | | |
| 40 | KMO and Bartlett's Test = 0.745, Sig. = 0.000 Sales Promotion of this brand are seen often on TV or other media. | 0.959 | | | | | | | |
| 41 | Sales Promotion of this brand are seen very exciting, humorous and thrilling. | 0.96 | | | | | | | |
| 42 | Sales Promotion of this brand are very common. | 0.943 | | | | | | | |
| 43 | Sales Promotion of this brand are easy to remember. | 0.938 | | | | | | | |

Model summary table 2 showed that in model 1 independent variables celebrity endorsement, advertisement sales promotion explained the variation of 57.9% on brand awareness by showing the value of R square (0.579).

| Table | 2: Regression | Analysis fo | r showing F | Relationship | between cel | lebrity with | brand awareness |
|-------|---------------|-------------|--------------------|---------------------|-------------|--------------|-----------------|
| | | | · · · · • | | | | |

| Model | R | \mathbb{R}^2 | Adjusted R ² | Std. Error | R ² Change | F Change | df1 | df2 | Sig. F Change | Durbin- Watson |
|---|--|----------------|-------------------------|---------------|--------------------------|--------------|------|-----|------------------|-------------------|
| 1 | 0.764 | 0.584 | 0.579 | 0.29920 | 0.584 | 125.858 | 3 | 269 | 0.000 | |
| 2 | 0.802 | 0.643 | 0.638 | 0.27750 | 0.059 | 44.706 | 1 | 268 | 0.000 | 1.977 |
| a. Predict | ors: (Co | nstant), S | ales Promotion | , Celebrity E | ndorsemen | t, Advertise | ment | | | |
| b. Predictors: (Constant), Sales Promotion, Celebrity Endorsement, Advertisement, Brand Image | | | | | | | | | | |
| c. Depend | c. Dependent Variable: Brand Awareness | | | | | | | | | |

In model 2, independent variables celebrity endorsement, advertisement, sales promotion and brand image explained the variation of 63.8% on brand awareness by showing the value of R square (0.638). Similar results reported by (22) Sig value showed that p-value was less than . It was a partial mediation. Celebrity endorsement had a significant positive effect on brand awareness. Similar are reported by (22). Celebrity endorsement also has a significant positive effect on brand association and brand loyalty.

| Model | Variables | Beta | t | Sig. | Collinearity Statistics | | |
|-------|-----------------------|-------|--------|-------|----------------------------|-------|--|
| | | | | C | Tolerance | VIF | |
| | Constant | - | 10.180 | 0.000 | | | |
| 1 | Advertisement | 0.596 | 9.168 | 0.000 | 0.366 | 2.730 | |
| 1 | Celebrity Endorsement | 0.174 | -2.974 | 0.003 | 0.453 | 2.206 | |
| | Sales Promotion | 0.339 | 5.182 | 0.000 | 0.361 | 2.771 | |
| | Constant | - | 9.024 | 0.000 | - | - | |
| | Advertisement | 0.361 | 5.184 | 0.000 | 0.274 | 3.654 | |
| 2 | Celebrity Endorsement | 0.175 | -3.230 | 0.001 | 0.453 | 2.206 | |
| | Sales Promotion | 0.251 | 4.031 | 0.000 | 0.344 | 2.903 | |
| | BrandImage | 0.393 | 6.686 | 0.000 | 0.385 | 2.600 | |

Table 3: Relationship of Sig. and beta and its effect on variables

H₄: Brand image showed mediating effect on customer based brand equity through Sales Promotion, Celebrity Endorsement and Advertisement.

H₀: Brand image do not show mediating effect on brand awareness through Sales Promotion, Celebrity Endorsement and Advertisement.

 $H_{4(a)}$: Brand image showed mediating effect on brand awareness through Sales Promotion, Celebrity Endorsement and Advertisement.

Coefficients table 4 showed that in model 1, p-value (Sig.) of advertisement, sales promotion and celebrity

endorsement showed less than (0.05). It means that advertisement, sales promotion and celebrity endorsement showed significant effect on brand awareness. The same results reported by Valkenburg and Buijen, 2005. In model 2, p-value (Sig.) of advertisement, sales promotion, celebrity endorsement and brand image showed less than (0.05). It means advertisement, sales promotion, celebrity that endorsement and brand image showed a significant effect on brand awareness. The similar results reported by Kort et al., 2005. The variance explained in model 1 and 2 was 57.9% and 63.8%, respectively,

show the value of R square. The R square change showed the difference of variance explained in model 1 and 2 which was 5.9%. It showed that brand image showed a partial mediation effect on brand awareness through celebrity endorsement, advertisement and sales promotions. Advertisement has a significant effect on brand image (6; 18; 20) also reported similar results. Advertisement has a significant effect on brand awareness. This result is supported by (28). Advertisement has a significant effect on brand association, perceived quality and brand loyalty.

Table 4: Estimate Results of Regression Analysis for showing Relationship between celebrity with brand association.

| | | | | | | Change Statistics | | | | | |
|--|----------|----------------|-------------------------|------------|-----------------------|-------------------|-----|-----|------------------|-------------------|--|
| Model | R | \mathbb{R}^2 | Adjusted R ² | Std. Error | R ² Change | F Change | df1 | df2 | Sig. F Change | Durbin- Watson | |
| 1 | 0.909 | 0.827 | 0.825 | 0.24695 | 0.827 | 427.373 | 3 | 269 | 0.000 | | |
| 2 | 0.949 | 0.900 | 0.898 | 0.18800 | 0.073 | 196.136 | 1 | 268 | 0.000 | 1.765 | |
| a. Predictors: Constant, Sales Promotion, Celebrity Endorsement, Advertisement | | | | | | | | | | | |
| 1. D. 1. 1 | <u> </u> | | 1 D | C.1.1.1.1 | 7 | A .1 | | | | | |

b. Predictors: Constant, Sales Promotion, Celebrity Endorsement, Advertisement, Brand Image

c. Dependent Variable: Brand Association

Model summary table 5 showed that in model 1, independent variables celebrity endorsement, advertisement sales promotion explained the variation of 82.7% on brand association by showing the value of R square (0.827). In model 2, independent variables celebrity endorsement, advertisement, sales promotion and brand image explained the variation of 90% on brand association by showing the value of R square

(0.900). Sig value showed that p-value was less than . It was a partial mediation. Sales promotion has a significant positive effect on brand image, brand awareness and brand association. While sales promotion has a significant effect on perceived quality and brand loyalty, it is in accordance with the studies conducted by Laroche et al., 2003.

Table 5: Relationship of Sig. and beta and its effect on variables

| Modol | Variables | Poto | т | Sig | Collinearity Statistics | | |
|-------|-----------------------|-------|--------|-------|----------------------------|-------|--|
| wouer | v ar rables | Deta | 1 | 51g. | Toleranc e | VIF | |
| | Constant | 0.086 | 1.420 | 0.157 | - | - | |
| 1 | Advertisement | 0.687 | 16.384 | 0.000 | 0.366 | 2.730 | |
| 1 | Celebrity Endorsement | 0.099 | -2.637 | 0.009 | 0.453 | 2.206 | |
| | Sales Promotion | 0.348 | 8.234 | 0.000 | 0.361 | 2.771 | |
| | Constant | - | -1.591 | 0.113 | - | - | |
| | Advertisement | 0.427 | 11.564 | 0.000 | 0.274 | 3.654 | |
| 2 | Celebrity Endorsement | 0.101 | -3.515 | 0.001 | 0.453 | 2.206 | |
| | Sales Promotion | 0.250 | 7.578 | 0.000 | 0.344 | 2.903 | |
| | BrandImage | 0.437 | 14.005 | 0.000 | 0.385 | 2.600 | |

H₀: Brand image do not showed mediating effect on brand association through Sales Promotion, Celebrity Endorsement and Advertisement.

 $H_{4(b)}$: Brand image showed mediating effect on brand association through Sales Promotion, Celebrity Endorsement and Advertisement.

Coefficients table 6, showed that in model 1, p-value (Sig.) of advertisement, sales promotion and celebrity endorsement showed less than (0.05). It means that sales promotion and celebrity advertisement, endorsement showed a significant effect on brand association. The similar results reported by Kiran and Shekhar (2013). In model 2, p-value (Sig.) of advertisement, sales promotion, celebrity endorsement and brand image were less than (0.05). It means that advertisement, sales promotion, celebrity endorsement and brand image showed a significant effect on brand association. The variance explained in model 1 and 2 were 82.7% and 90%, respectively, showing the value of R square. The R square change should be the difference of variance explained in model 1 and 2 which was 7.3%. It showed that brand image had a partial mediation effect on brand association through celebrity endorsement, advertisement and sales

promotions. Brand image has a significant positive effect on brand awareness; it is congruent with the study conducted by (13). Brand image has a significant positive effect on brand association and perceived quality. Brand image also has a significant positive effect on brand loyalty, the result of this variable is supported by the study of (7). Brand image has a partial mediating effect on brand awareness through advertisement, celebrity endorsement and sales promotions. Brand image has a partial mediating effect on brand association through advertisement, sales promotions and celebrity endorsement. Brand image has mediating effect on the perceived quality through celebrity endorsement, advertisement and sales promotion. Brand image has a partial mediating effect on brand loyalty through advertisement, celebrity endorsement and sales promotion.

 Table 6: Estimate Result of Regression Analysis for showing Relationship between celebrity with brand image with perceived quality

| | | | | | | | D 1. | | | |
|---|------------|----------------|-------------------------|--------------|-----------------------------|------------|-------------|-----|------------------|-------------------|
| Model | R | R ² | Adjusted R ² | Std. Error | R² Change | F Change | df1 | df2 | Sig. F Change | Durbin- Watson |
| 1 | 0.382 | 0.146 | 0.136 | 0.59368 | 0.146 | 15.318 | 3 | 269 | .000 | |
| 2 | 0.389 | 0.152 | 0.139 | 0.59283 | 0.006 | 1.774 | 1 | 268 | 0.184 | 0.828 |
| a. Predicto | ors: Cons | tant, Sale | s Promotion, (| Celebrity En | dorsement, Adv | ertisement | | | | |
| b. Predictors: Constant, Sales Promotion, Celebrity Endorsement, Advertisement, Brand Image | | | | | | | | | | |
| c. Depend | lent Varia | able: Perc | eived Quality | | | | | | | |

Model summary table 7 showed that in model 1 independent variables celebrity endorsement, advertisement sales promotion explained the variation of 14.6% on perceived quality by showing the value of R square (0.146). In model 2, independent variables

celebrity endorsement, advertisement, sales promotion and brand image explained the variance of 15.2% on perceived quality by showing the value of R square (0.152). Sig value showe that p-value was greater than . It is a full mediation.

Table 7: Relationship of Sig. and beta and its effect on variables

| Madal | Variables | Reto | t | C :~ | Collinearity Statistics | | |
|--------|--------------------------|--------|--------|-------------|--------------------------------|-------|--|
| wiodei | variables | Бега | l | 51g. | Tolerance | VIF | |
| | Constant | 1.783 | 12.243 | 0.000 | - | - | |
| | Advertisement | 0.309 | 3.314 | 0.001 | 0.366 | 2.730 | |
| 1 | Celebrity Endorsement | 0.359 | 4.285 | 0.000 | 0.453 | 2.206 | |
| | Sales Promotion | -0.414 | -4.410 | 0.000 | 0.361 | 2.771 | |
| | Constant | 1.832 | 12.217 | 0.000 | - | - | |
| | Advertisement | 0.381 | 3.538 | 0.000 | 0.274 | 3.654 | |
| 2 | Celebrity Endorsement | 0.359 | 4.296 | 0.000 | 0.453 | 2.206 | |
| | Sales Promotion | -0.386 | -4.030 | 0.000 | 0.344 | 2.903 | |
| | Brand Image | -0.121 | -1.332 | 0.000 | 0.385 | 2.600 | |

H₀: Brand image do not showed mediating effect on the perceived quality through Sales Promotion, Celebrity Endorsement and Advertisement.

 $H_{4(C)}$: Brand image showed mediating effect on the perceived quality through Sales Promotion, Celebrity Endorsement and Advertisement.

Coefficients table 8, showed that in model 1, p-value (Sig.) of advertisement, sales promotion and celebrity endorsement showed less effect than (0.05). It means that advertisement, sales promotion and celebrity endorsement showed a significant effect on perceived quality. The similar results reported by Chaudhary et al., 2012. In model 2, p-value (Sig.) of advertisement,

sales promotion and celebrity endorsement showed less effect than (0.05) but the p-value (Sig.) of brand image was not less than (0.05). It means that advertisement, sales promotion, celebrity endorsement showed significant effect on perceived quality but brand image did not showed significant effect on perceived quality. The Variance explained in model 1 and 2 were 14.6% and 15.2%, respectively, showed the value of R square. The R square change showed the difference of variance explained in model 1 and 2 which is 0.06%. The value of R square change was near to zero. It showed that brand image has mediating effect on the perceived quality through celebrity endorsement, advertisement and sales promotions.

 Table 8: Estimate Result of Regression Analysis for showing Relationship between celebrity and brand image with brand loyalty

| Model | R | R ² | Adjusted R ² | Std. Error | | | D 11 | | | |
|-------------|---|----------------|-------------------------|--------------|-----------------------|-------------|-------------|-----|------------------|--------|
| | | | | | R ² Change | F Change | df1 | df2 | Sig. F Change | Watson |
| 1 | 0.873 | 0.762 | 0.760 | 0.35795 | 0.762 | 287.431 | 3 | 269 | 0.000 | |
| 2 | 0.903 | 0.815 | 0.812 | 0.31635 | 0.053 | 76.398 | 1 | 268 | 0.000 | 1.711 |
| a. Predicto | ors: Cons | tant, Sale | s Promotion, (| Celebrity En | dorsement, A | dvertisemen | t | | | |
| b. Predict | b. Predictors: Constant, Sales Promotion, Celebrity Endorsement, Advertisement, Brand Image | | | | | | | | | |
| c. Depend | c. Dependent Variable: Brand Loyalty | | | | | | | | | |

Model summary table 9 showed that in model 1 independent variables celebrity endorsement, advertisement and sales promotion explained the variance of 76.2% on brand loyalty by showing the value of R square (0.762). In model 2, independent

variables celebrity endorsement, advertisement, sales promotion and brand image explained the variance of 81.5% on brand loyalty by showing the value of R square (0.815). Sig value showed that p-value is less than . It was a partial mediation.

Table 9: Relationship of Sig. and beta and its effect on variables

| Madal | Variables | Data | 4 | Sia | Collinearity Statistics | | |
|--------|-----------------------|--------|--------|-------|-------------------------|-------|--|
| wiodei | variables | Deta | l | 51g. | Tolerance | VIF | |
| | Constant | -0.182 | -2.073 | 0.039 | - | - | |
| 1 | Advertisement | 0.489 | 9.945 | 0.000 | 0.366 | 2.730 | |
| 1 | Celebrity Endorsement | 0.246 | 5.575 | 0.000 | 0.453 | 2.206 | |
| | Sales Promotion | 0.225 | 4.553 | 0.000 | 0.361 | 2.771 | |
| | Constant | -0.352 | -4.398 | 0.000 | - | - | |
| | Advertisement | 0.268 | 5.333 | 0.000 | 0.274 | 3.654 | |
| 2 | Celebrity Endorsement | 0.245 | 6.277 | 0.000 | 0.453 | 2.206 | |
| | Sales Promotion | 0.142 | 3.167 | 0.002 | 0.344 | 2.903 | |
| | BrandImage | 0.370 | 8.741 | 0.000 | 0.385 | 2.600 | |

H₀: Brand image do not show mediating effect on brand loyalty through Sales Promotion, Celebrity Endorsement and Advertisement.

 $H_{4(d)}$: Brand image showed mediating effect on brand loyalty through Sales Promotion, Celebrity Endorsement and Advertisement.

Coefficients table 10 showed that in model 1, p-value (Sig.) of advertisement, sales promotion and celebrity endorsement were less than (0.05). It means that advertisement, sales promotion and celebrity endorsement have a significant effect on brand loyalty (Kiran and Shekhar, 2013; Laroche et al., 2003). In model 2, p-value (Sig.) of advertisement, sales promotion, celebrity endorsement and brand image showed less than (0.05). It means that advertisement, sales promotion, celebrity endorsement and brand image showed significant effect on brand loyalty. The similar results reported by Cretu and Brodie, 2007. The variance explained in model 1 and 2 are 76.2% and 81.5% respectively showing the value of R square. The R square change showed the difference of variance explained in model 1 and 2 which was 5.3%. It showed that brand image recorded partial mediating effect on brand loyalty through celebrity endorsement, advertisement and sales promotions.

Conclusion

At the end it was concluded that celebrity endorsement showed significant positive effect on brand image, brand awareness, brand association, perceived quality and brand loyalty. On the other hand advertisement showed significant effect on brand image, brand awareness, brand association, perceived quality and brand loyalty. However sales promotion showed a significant positive effect on brand image, brand awareness and brand association, perceived quality and brand loyalty. Brand image has a significant positive effect on brand awareness, brand association and perceived quality. Brand image has a partial mediating effect on brand awareness through advertisement, celebrity endorsement and sales promotions. Brand image showed partial mediating effect on brand association through advertisement, sales promotions and celebrity endorsement. Brand image showed mediating effect on the perceived quality through celebrity endorsement, advertisement and sales promotion. Brand image has a partial effect brand mediating on loyalty through advertisement, celebrity endorsement and sales promotion.

Recommendations

For launching a new brand, the brand managers should to improve brand awareness, brand associations and brand image in the minds of customers. They should efficiently use the celebrity and advertisement campaign for endorsing the brand. For developing the brand loyalty of an existing brand, they should use that celebrity in their advertisement which enjoy a strong reputation of credibility and trustworthiness.

Limitations

The study had been conducted in only one metropolitan city of Pakistan. Responses may be different in different cities due to their change in lifestyle and preferences. However it is suggested to researchers that they can conduct the same research in other cities of Pakistan at the city level or at national level as well to test same activities.

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