Evaluating the Impact of Brand Image and Service Quality on Consumers’ Purchase Intention: A Case of Retail Stores

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ABSTRACT

The aim of this research is to find out the relationship between price, brand image, service quality and consumer purchase intention. Normative and informative susceptibility has indirect effect on consumer purchase intention. By conducting a research analysis the four hypotheses are empirically examined through a survey of 301 consumers of large retail stores belongs to different cities of Pakistan. The result indicates there is a positive effect of brand image and service quality on consumer purchase intention. Price has insignificant relationship on purchase intention. As consumers in large retail stores don’t bother prices. According to the research they consider the stores charge reasonable prices. So their purchase depends on image of the brand and service quality. Normative and informative susceptibility have positive effect on brand image. This research is important for all those operators/managers of shopping mall, who want to increase the number of consumers. They can do this by increasing the brand image and providing better quality service. The research indicates that consumers moods evoked by their perceptions of brand image and service quality influence on the purchase intention. Brand image depends on informative and normative susceptibility.

KEYWORDS: Brand image, informative susceptibility, normative susceptibility, service quality and consumer purchase intention.

INTRODUCTION

Retail market consists of small retail and large retail stores. Consumers always seek an affective experience in retail environment. The structure of retail market has changed considerably in previous years. A number of retailers have established a significant presence. They have given a new way to purchasing. Several small retailers are transforming themselves to compete successfully with the new large players. The consumers are also shifting to large retail stores for purchasing the products. They select these stores on different bases. So their purchase intention from a particular store depends on the different factors. May be their decision depends upon the references (information) which they get from different sources (friends, media, family and social groups). Consumers have a great array of products and services information in their mind. This information may come through advertising, friends, peer groups, family and other channels. They use this information in choosing from available offerings to satisfy their needs. So this information is used by the consumers to decide about purchase of particular products and services. That decision also depends on personal factors such as emotions, feelings, personality attributes and fantasies. Consumers want to purchase those brands which are liked or loved by others. A sense of inspiration is always there. The present study focuses on Purchase Intention. Consumers are not alike in their age, income, education level habits and tastes. There are different factors which affects their choices among different services and products. It is not easy to read a customer mind. Sometimes he or she is unpredictable as their buying decisions can be changed with mind change. At one moment he or she decides to purchase a product but on the other side a sudden change can be come into their mind to change their decision. Consumer becomes conscious about their purchases. The change in buying decision may be due to getting some crucial information about another most valuable brand because consumer purchase behavior depends on social factors. Today the consumer’ purchase behavior is influenced by status, peer groups, family, friends, and social roles and by social classes. There are many variables which influence consumers to purchase as price, merchandise quality, service quality, music, lighting and aroma. Stores are trying to provide a good service to their consumers. The difference between expected services and actually provided services is called the service quality. The overall impression of a brand in the consumers' mind. Brand's real and imaginary qualities in the mind of consumer is also called image. Brand image can be developed by using media, as advertising. Price is one of the major financial factors which affect purchase decision. Consumers’ perceptions about the value affect the prices which they are willing to pay for selective brands. Consumers always

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want to balance the price of products and services with their benefits. But in retail stores the prices are not high, so most of the consumers are not conscious about it. Purchase intention can be defined as the possibility; a consumer will purchase a product or service in future. A positive purchase intention propels to consumer for actual purchase action or a negative purchase intention restrain to consumer not to purchase that. Several factors can influence the purchase intention. A consumer will purchase those brands which have good image. An increase in brand image enhances the purchase intention. The purpose of this research is to evaluate the impact of non-financial factors like brand image and service quality. Non-financial factor, price always effects the consumer purchase decision. So social and personality factors also influence the purchase decision.

LITERATURE REVIEW

Brand Image

Brand image is defined by Aaker that image is series of brand involvement stored in a consumer’s memory [1]. The reasons in consumers’ mind linked with brand specifications [2]. Brand image is the perception of brand that created in memory of consumer due to brand involvement [3]. Brand image is similar to self-image of consumers as consumers associate themselves with brands [4]. In this highly competitive environment, a brand image is very important [5]. To create a well-positioned brand the companies always play an important role. Customers’ emotions to brand based on their identification with a brand image [6]. Brand image is the total and overall personality in the consumers mind. Brand image depends upon the actual image of the firm in consumers’ mind. A unique set of association in the mind of consumers communicates expectations.

Image creation is considered essential for customer attraction and retention [7, 8, 9]. A consumer purchase decision most often depends on brand image rather than physical characteristics of brand [4]. Murphy [10] describes the life cycle of brand. He says there are three stages of brand cycle. The last or the third stage of brand cycle is image building stage. Here the image of brand builds [11]. Consumers have evoked set of brands, while choosing a brand the image help consumer in purchase decision. Image of a brand differentiate the brands from competitor’s brands.

Service Quality

Consumer requirements depend on service quality [12, 13]. Service quality is judgment of consumers’ attitude. Service quality is important factor in affecting decision making process. Service quality is an assessment about the service delivery conforms to the customer expectations. Service quality and purchase intention has a positive relation [14]. A good service quality has a positive relationship with purchase intentions and consumers increase the number of visits to store [14, 15, and 16]. When a store provides better service quality, satisfaction of consumers increase towards a store, and the purchase intention of products also increase [17].

Informative Susceptibility

Ang [18] studied about an interesting fact that non-financial factors have a great impact on consumer purchase intention. Ang and Ochner constructed a model which examine the effect of social and personality traits on consumer purchase decision [19]. Informative susceptibility is the form social susceptibility [20]. Informative susceptibility means opinion of others. It can influence image of a brand. As informative susceptibility has a positive or negative impact on brand image, as consumers may present negative or positive attitudes towards brands image it depends on social image [21]. Chinese society has interpersonal relationships, so their purchase decision affect by others [22].

Normative Susceptibility

Personality traits of consumer have power to influence the individual decisions [23]. Peck and Childer [23] conducted a research that there are individual differences in consumers. Normative susceptibility is form of social influence [24]. Consumer make decisions on the basis of others liking and disliking. Consumers’ purchase decisions depends on others expectations, they want to impress others [18]. Consumers because of personal happiness and pleasure give more importance to norms while deciding about purchase [25]. Chinese society has interpersonal relationships, so their purchase decision affect by others [21]. Individuals are more likely to purchase those products which they considered as status symbol. Consumers are not willing to purchase those products which are less status symbol[26].

Price

In deciding what to purchase consumers trade off the monetary value offered by different brand [27]. P.C. Wu and Wang [28] defined the importance of price that consumer becomes conscious about price while choosing and
purchasing a brand. Price is determined by what a buyer wants to pay. Consumer wants to purchase a product by keeping in mind price of the product [29]. A consumer is willing to pay high prices if the features of the brand justify the high price [28, 29 and 30].

**Purchase Intention**

Purchase intention is that concept which has crucial importance in the marketing literature. It is one of the main concepts which are studied in the marketing. Wang [31] told in his research that Chinese are demanding expensive brands due to change in purchase behavior as well as due to their increased purchasing power. Brand with strong image has higher purchase intention [32]. Quality influences consumer’s purchase intention [33, 34 and 35]. Quality and purchase intention has positive relationship. A research has been conducted by J.-J. Wu & Chang [31, 36] they concluded that quality and purchase intention have direct proportion.

**Research Hypothesis and Conceptual Framework**

**Informative susceptibility and Brand Image**

Image of the brand may build on information. The source of information can be a friend, family member, media and a group. Advertising is the biggest source of information. Image of the big brand has built due to strong advertising. Information is linked with brand specifications. Now the people want the whole information about physical as well as functional specifications [37]. Image and identity of the brand can be developed by the advertising [38]. In the present competitive environment, it is necessary to create an image to differentiate between brands [39]. Information susceptibility is based on others opinion about a specific brand [40]. Brand image is the total impression of the brand in the mind of the consumer [40]. This impression depends on social influence. Information is one of the major social influence indicators. A consumer is in need of information in that time, when he is not fully aware with brand attributes and specifications [41].

**H1: Informative Susceptibility has a positive influence on brand image.**

**Normative susceptibility and Brand Image**

Normative susceptibility is one dimension of interpersonal influences. Some consumers relate the self-image with brand image [42]. Consumers want to impress others [43, 44, 45, and 46]. Image of the brand is made by the users of that brand who associate themselves with that brand [47]. Consumer wants to be visible and prominent in his social circle, so the person with strong self-image can create the strong brand image [48].

**H2: Normative Susceptibility has a positive influence on brand image.**

**Brand image and purchase intention**

Brand image is a strong cue of purchase decision [49, 50]. Brand image gives the highest value to related organizations [48]. Consumers derive emotional benefits on the use of brands [51]. Positive purchase intention is attached with a strong brand image [34]. So positive brand image creates the purchase intention and a negative image creates no purchase intention. So the decision of purchase entirely depends on brand image [52].

**H3: Brand Image has a positive influence on consumer purchase intention.**

**Service quality and purchase intention**

Consumer always wants the maximum improvement in service quality. The highest service quality will move them to purchase intention [53]. Service quality has a direct or indirect influence on consumer buying behavior. A high service quality will lead to a high purchase intention [54]. Service has special importance in those organizations whose purchase majorly depends on quality of service.

**H4: Service Quality has a positive influence on consumer’s purchase intention.**

The store reputation has a strong influence on purchase decisions. This reputation creates in the form of image. Brand image has a specific influence on service quality and service quality has a strong influence on image [39]. Service quality is an influential variable in creating store image[55]. Service quality exerts a strong influence on consumers 'minds by building a strong image[56].

By using the above mentioned literature review, a conceptual framework has been developed. It comprises on brand image and service quality is the independent variable and purchase intention is a dependent variable; price is the controlled variable. Normative and informative susceptibility used to predict brand image.
Sample and Procedure

Questionnaires were distributed randomly to the consumers of different brands which they purchased from different stores and belong to different cities of Pakistan. It comprised of two sections, first section encompassed the brand image, service quality, purchase intention, informative susceptibility, normative susceptibility and price. Second part covered the demographic profiles of the respondents. The respondents were willing to participate in the survey. Here the data has been collected from different universities and colleges of Pakistan. Convenience sampling was used because of the time and budget limitations. Data were collected for quantitative research.

Instrument and Measures

According to the few researchers the results can be generalized about the similar populations and others, it is one of the advantages of survey based research [57]. (Newton, Gould, Reznikoff, & Haag, 1998). Therefore, the researcher here adopted a survey research method which is used to identify the consumers’ purchase intention and effects of other variables on it. A questionnaire has been developed by using five point likert scales. Five-point Likert scale has been used with numerical coding from 1 to 5, 1 is as strongly disagree and 5 denotes strongly agree. Service quality scale was adapted from Caruana et al. 2000 [58] and developed after a minor modification for measuring responses [58]. It comprises on four items, the aim of this part of questionnaire is to measure respondents believe that stores provide those services on time and gives prompt responses. Informative susceptibility and normative susceptibility scales were adapted with minor modifications from Wang, Zhang, Zang, & Ouyang, 2005scale [25]. Informative susceptibility consists of four items which aimed to measure the degree to which respondents influence by others and gather information from friends and families. Similarly, normative susceptibility includes four items. It measured the degree to which respondents want to impress others and purchase the brands to be liked by others. A scale used for price was adopted by Sinha Batra [29]. It has five items to measure the importance of price for consumers in purchase decision. Brand Image scale was adapted by Vahie [58] which aimed to measure the degree to which respondents influence by the performance of the brand. It has four items to measure the performance of the brand depends upon the brands those wear out quickly and gains reliability. Purchase Intention scale was adapted by Knight & Kim, Pavlou & Fygenson [59, 60 and 61]. It has four items which aimed to measure the plan and intention of consumers towards purchase of the product.

RESULTS AND DISCUSSION

Data Analysis

The 320 questionnaires were distributed to the consumers of large retail stores, residing in Lahore and Islamabad of Pakistan. 301 questionnaires were used for data analysis. As 19 questionnaires were not completed so these were excluded from data. The questionnaires were than subjected to analysis, the results of which are provided below.

Demographic Characteristics

Three hundred and one consumers participated in this study. The descriptive statistics for the participants’ demographics are listed in figure 2. 137 were male (54.5%) and 97 were female (45.5%). Out of the 301 participants, 76 (25.2%) belonged to the age group of 18-24 and 182 (60.5 %) to the age group 25-34. 35 (11.6%)
participants belonged to the age group of 35-44 and 8 (2.7%) respondents belonged to the age group of 45-55. The education of the participants was as following: 4 (1.3%) respondents are the students of college. The 297 (98.7%) participants are the university qualified. They are consumers of the large retail stores. The facts about the occupation of the consumers were collected. The numbers of employed respondents are 229 (76.1%). 67 (22.3%) respondents are the students. 5 (1.7%) of the total respondents are the unemployed. In this study the question asked about the family income. As the family income is most important in large store visiting, the consumption of the people depends on their family income. High income group will move towards high consumption and the low income group will inclined to low consumption pattern. 34 (11.3%) were those respondents whose income was less than 50,000 and 81 (26.9%) were those respondents whose income was 51,000-100,000. 145 (48.2%) were those respondents whose income was 101,000-150,000 and 28 (9.3%) were those respondents whose income was 151,000-200,000. 13 (4.3%) were those respondents whose income was more than 201,000 \\

RESULTS

Here exploratory factor analysis has been conducted to determine the different dimension of brand image, service quality, normative and informative susceptibility, price and purchase intention. In each of the factor analysis, the number of the factors retained, there were eigenvalues greater than 1. The overall rotated factors loadings suggested a six-dimension solution. Results of factor analysis are shown in Table # 01.

Table: 01 Results factor analysis

<table>
<thead>
<tr>
<th>Item</th>
<th>factors</th>
<th>loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price (P)</td>
<td>P1</td>
<td>.858</td>
</tr>
<tr>
<td></td>
<td>P2</td>
<td>.830</td>
</tr>
<tr>
<td></td>
<td>P3</td>
<td>.891</td>
</tr>
<tr>
<td></td>
<td>P4</td>
<td>.867</td>
</tr>
<tr>
<td>Normative Susceptibility (NS)</td>
<td>NS1</td>
<td>.850</td>
</tr>
<tr>
<td></td>
<td>NS2</td>
<td>.840</td>
</tr>
<tr>
<td></td>
<td>NS3</td>
<td>.836</td>
</tr>
<tr>
<td></td>
<td>NS4</td>
<td>.887</td>
</tr>
<tr>
<td>Informative Susceptibility (IS)</td>
<td>IS1</td>
<td>.745</td>
</tr>
<tr>
<td></td>
<td>IS2</td>
<td>.787</td>
</tr>
<tr>
<td></td>
<td>IS3</td>
<td>.799</td>
</tr>
<tr>
<td></td>
<td>IS4</td>
<td>.797</td>
</tr>
<tr>
<td>Brand Image (BI)</td>
<td>BI1</td>
<td>.841</td>
</tr>
<tr>
<td></td>
<td>BI2</td>
<td>.862</td>
</tr>
<tr>
<td></td>
<td>BI3</td>
<td>.767</td>
</tr>
<tr>
<td></td>
<td>BI4</td>
<td>.800</td>
</tr>
<tr>
<td>Purchase Intention (PI)</td>
<td>PI1</td>
<td>.647</td>
</tr>
<tr>
<td></td>
<td>PI2</td>
<td>.729</td>
</tr>
<tr>
<td></td>
<td>PI3</td>
<td>.478</td>
</tr>
<tr>
<td></td>
<td>PI4</td>
<td>.783</td>
</tr>
<tr>
<td></td>
<td>PI5</td>
<td>.826</td>
</tr>
<tr>
<td>Service Quality (SQ)</td>
<td>SQ1</td>
<td>.678</td>
</tr>
<tr>
<td></td>
<td>SQ2</td>
<td>.811</td>
</tr>
<tr>
<td></td>
<td>SQ3</td>
<td>.841</td>
</tr>
<tr>
<td></td>
<td>SQ4</td>
<td>.821</td>
</tr>
</tbody>
</table>
Here the multiple regression analysis used to gain insight into the data and to test our hypotheses. Brand image depends on normative susceptibility and informative susceptibility, so here the variance in dependent variable is identified which occurs due to change in independent variable. A model has been used to specify a relationship between brand image, normative susceptibility and informative susceptibility. The results of this analysis are shown in Table # 02, where both informative and normative susceptibility have positive impact on brand image. As beta=0.114 and beta= 0.120 respectively. The explained variance of brand image by normative and informative susceptibility is 54%.

Table:02

<table>
<thead>
<tr>
<th>b</th>
<th>beta</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>9.925</td>
<td>.000</td>
</tr>
<tr>
<td>IS</td>
<td>.114</td>
<td>.158</td>
</tr>
<tr>
<td>NS</td>
<td>.120</td>
<td>.161</td>
</tr>
</tbody>
</table>

Notes: IS= informative susceptibility; NS= normative Susceptibility; Two-tailed significance < 0.05

The equation of the analysis provided in Table # 02, is given below:

\[ BI = b_0 + b_1 (IS) + b_2 (IS) + E_1 \] (Model 1.1)

\[ Brand \ Image = 9.925 + 0.114 \ \text{Normative susceptibility} \ (b_1) + 0.120 \ \text{Informative susceptibility} \ (b_2) \]

In this research, researcher expects a direct effect of brand image and service quality on purchase intention. For this purpose, here researcher has specified a model to test the relationship of brand image, service quality, and price and purchase intention. The results of this analysis are shown in Table #03, where both informative and normative susceptibility have positive impact on brand image. As beta=.228, beta= .003 and beta= .163 respectively. The explained variance of purchase intention by brand image and service quality is 54%.

Table : 03

<table>
<thead>
<tr>
<th>b</th>
<th>beta</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>11.784</td>
<td>.000</td>
</tr>
<tr>
<td>BI</td>
<td>.258</td>
<td>.228</td>
</tr>
<tr>
<td>SQ</td>
<td>.003</td>
<td>.003</td>
</tr>
<tr>
<td>P</td>
<td>.194</td>
<td>.163</td>
</tr>
</tbody>
</table>

Notes: BI= brand image; SQ= service quality; P= price; Two-tailed significance < 0.05

As all the information is available in Table # 03, where brand image and service quality has positive or significant impact on purchase intention. But price has insignificant effect on purchase intention. The equation of the analysis provided in Table III, is given below:

\[ PI = b_0 + b_1 (BI) + b_2 (SQ) + b_3 (P) + E_1 \] (Model 1.2)

\[ Purchase \ Intention = 9.925 + 0.114 \ \text{Brand Image} \ (b_1) + 0.120 \ \text{Service Quality} \ (b_2) + Price \ (b_3) \]

On the basis of the results of the above analysis, H1 has to be accepted. H2, H3 & H4 have to be accepted. Normative and informative susceptibility have indirect effect on purchase intention through brand image. Brand image and service quality both have direct effect on consumer purchase intention.

Implication

The research has importance for managers of retail market, as a number of management practices can be derived from this research. First of all the managers can effectively use the result of this study to increase the brand image.
image and consumer purchase intention by developing a critical strategy. This study indicates that the service quality and image of a store has a positive effect on purchase intention. Therefore managers can increase the consumers' purchase intention by enhancing brand image and by providing superior service quality. This study provides guidelines for enhancing the purchase intention. Today customers cannot spend their valuable time in waiting for services.

Limitation and Further Research

Although this research provides some important insights on consumer purchase decision which depends on brand image and service quality. The research was unable to prove a significant relationship of price. But the concept of price discounts is very strong in large retail stores. There are the further avenues to find out the role of price discount on image of a brand and consumer purchase intention. The future research can be conducted on the importance of store environment, which can generate satisfaction and satisfaction can generate brand loyalty. Then consumers move on repurchase of that particular brand. So keep focusing on store environment and other aspects of store, researcher can produce another research. Moreover the research can be conducted on the consumer behavior of the two different types of shoppers. How the managers can create the impulse buying by focusing on stores environment.

REFERENCES


