ABSTRACT: Brand has become a necessary part in our daily life. The product, when becomes a brand, promises quality, trust and distinct place in a range of choices. Brand equity can corrode either because of negative experiences or because of positive new information about substitute brands. Brand equity makes a customer faithful with the product irrespective of its price. In telecom sector, brand equity is valuable assets of every company and it should be made to nurture. This study intends to examine the mediating effect of brand awareness on the relationship between brand loyalty, brand image and brand equity in telecom sector of Mirpur, Azad Kashmir. A sample based on 200 customers, using structural equation modeling approach, brand loyalty and brand image are found to have positive effects on brand awareness. The findings of this study suggest that the brand awareness fully mediates the effect of brand loyalty and brand image on brand equity.

KEYWORDS: brand loyalty, brand image, brand awareness, brand equity.

INTRODUCTION

Now a day, growing level of customer’s awareness and loyalty has made potential customers to choose familiar and promising products. Therefore, if organizations longing to compete their rivals, they should have number of loyal customers for their products and services. However, acquaint customer are keen to buy specific products, as brand awareness is immobile key factor to influence buying decision of customers (Macdonald & Sharp, 2000). Brand awareness has vital role in consumer’s decision making, since the higher the brand awareness the specific product/brand will become member of set of brands in consumer’s consideration (Moisescu, 2009). It is generally accepted that the customers aware with specific brand are always negligibly attracted towards the competitor’s products and showed loyalty with the brand than the customers which don’t have brand awareness (Dimitriades, 2006). Brand awareness has been regarded basic determinants of the long run business success, much of the research on brand awareness investigates its effect on customers after use comments, brand and behavior loyalty. (Cooil et al, 2007).

Although previous researchers have examined the relationship between the brand awareness and brand equity, there have been only rare researches made on impact of brand awareness on the relationship between the brand loyalty and brand equity. In Pakistan, where telecom industry got its boost at the late nineteen century and reach to its peak in the early twentieth century, there is no significant work of researchers on this particular topic. By exploring the mediating role of brand awareness on the relationship between brand image, loyalty and equity this research will provide strapping contribution in previous literature. Cai (2004) suggested an integrated model related to brand development and its experience. Although, prior researches have estimated direct influence of brand loyalty on brand equity but through extensive literature review and to the best of our knowledge, no study has been conducted so far to check the impact of brand awareness on the relationship between brand image, brand loyalty and brand equity in the telecom sector of Mirpur Azad Kashmir, Pakistan.
**Research Model**

This study aims to examine the mediating role of brand awareness on the relationship between brand image, brand loyalty and brand equity. Here, Figure 1 exhibits the conceptual research model of study.

![Figure 1: Showing Direct Relationship](image1)

![Figure 2: Showing Mediating Relationship](image2)

This figure shows brand equity as dependent variable, brand loyalty and brand image as independent variables and brand awareness is mediating variable. The research model shows that brand loyalty and brand image has positive bi-dimensional impact on brand equity via brand awareness. As depicted in Figure 1, the effects of the brand image and brand loyalty on brand equity are fully mediated by brand awareness.

**Brand Loyalty**

High affiliation with a brand is known as brand loyalty (Naghibi & Sadeghi, 2011). The want of a customer to repurchase a product again and again is brand loyalty, although competing brands are may also available (Rajagopal, 2010). But this aspect of consumer behavior differs greatly in different cultures, some societies is more brand conscious than others (Mooij & Hofstede, 2011). According to Tong & Hawley (2009) heart of brand equity is brand loyalty. Whereas, in a study Kim et al (2008) claims that brand loyalty is like a highly held dedication to get or utilizes a favored product or service again and again in the upcoming times. Purchasing decisions of consumers to the same product is mostly influenced by the loyalty of that specific brand (wahid et al., 2011). In a study Ling et al., (2014) stated that Loyalty entails that loyal customer might like to accept any price given by the brand and containing tower switching cost to other brand. So to improve the brand equity, one should enhance the Loyalty (Mishra & Datta, 2011).

**Brand Image**

According to the work of Taylor et al, (2007) brand image is identified as observation about the brand as replicated by the brand relations detained in customer psyche. The corporate brand name or characters serve up as the mainly dominant part with that customers communicate brands (Bresciani & Eppler 2010). Brand image also stated as brand sense, and it is mainly established on customers’ previous considerations and the position of the product or service but as well affected by organizations symbol of their external brand communications (Grace, 2004). In a study Setiono & Hsieh, (2004) stated that the victorious brand image make potential customer to know wants which brand fulfills to differentiate the brand among its rivals, and consequently enhance the likelihood that customers determination to buy brand. Customer’s knowledge about
Brand image built with emerald marketing basics encourages customers buying judgment of emerald brand (Norazah, 2013). Brand image is also known like an essential source of brand equity. The creation of brand image has constructive effect on brand equity (Mishra & Datta, 2011).

**Brand Awareness**

According to Brewer & Zhao, (2010) if consumer ever seen or listen about brand he can let know a brand properly. Furthermore, mainly necessary factor in brand awareness is its name (Davis et al, 2008). Brand awareness play main role in consumer’s decision making, since the superior the brand awareness, that definite product/brand will turn into part of consumer’s deliberation set of brands. Consumer obtain brand awareness with the valuable marketing communication ways such as head phone, online and Media advertising. As these provide statements about product superiority and its reliability which help to minimize threat in product valuation and choice while purchasing product (Rubio et al, 2014). Brand awareness is how customers linkage brand through the exact product that they aspire to possess. Brand awareness has straight belongings on brand’s equity (Iranzadeh & Pouromid, 2012).

**Brand Equity**

Brand equity is the additional worth inserted in its name able to be recognized through the consumer, it also reflect that consumer is eager to attract towards a definite brand or product (Rios & Riquelme, 2008). The matter of brand value has risen as a standout amongst discriminating points for promoting administration (kim et al, 2005). Marketing endeavors, emotion of higher class that cover the brand name, symbol or image (Dolak, 2003). The most basic resource of a few business are impalpable and additionally its establishment of faithful purchasers, brands signs & mottos and brand key picture, identity, characters, states of mind information, attachments and name mindfulness. These profits close with authorizations, trademarks and network connections include brand cost and are main source of upper hand and future income (Neal & Srauss, 2008).

**Brand Awareness And Brand Equity**

There are many conceptual and empirical evidences from the previous research studies that support positive relationship between brand equity and brand awareness. Aaker (1991) concluded that brand association and brand equity have strong relationship with each other because brand association is a component that helps a brand to remain in the mind of the consumers. Later on, in a study it is found that in order to assess brand equity, brand awareness has to be taken into account (Aaker, 1996). Brand awareness is the first and basic attribute of customer brand (Tong & Hawley, 2009). Brand awareness leads in the construction of brand equity in the mindset of the consumers (Huang & Sarigollu, 2011) it has certain effects on perception and attitudes of the consumers.

H1: Brand awareness has significant relation with brand equity

**Brand Image, Brand Loyalty And Brand Awareness**

How consumer perceive the brand image of a product in his/her mind is of great importance than the actual one. Brand image is defined as how consumer perceive a particular brand, while brand identity is the method through which companies launches their brand in the market and what it desirous about the perception of the consumers. At the end the consumers may have different image of the brand than that the company presented (Bian X, 2011). In recent years due to technological developments, buyers are much more conscious and resultantly they only purchase the brands which are well known and are in accordance with their requirements. So wish of the companies to go ahead than their competitors can be achieved by enhancing the level of desire of the consumers to buy the products of their particular brand. Macdonald and Sharp (2000) concluded that although consumers are willing to buy products that are well known but how it is been perceived in the mind of consumers still influence the purchasing decision. When consumers intend to buy any product the first thing comes in their mind is the brand title which shows the brand awareness. The decision of consumers to buy any product can be influence if a brand has higher brand perception (Dodos, Monroe, & Grewal, 1991; Grewal, Monroe & Krishnan, 1998). This explains the concept that the products having high level of brand perception will have high rate of market share and better value evaluation. In addition, while choosing particular products the consumers consider the perceived value and brand awareness. Perceived value can help consumers to have a personalize judgment about the value of the product that contains a salient differentiation and become a more choosy brand in consumers’ minds (Aaker, 1991). Besides, companies have to
develop brand loyalty. Some research studies shows that cost to attract any new customer is five times more than sustaining commitment (Barsky, 1994).

H2: Brand Image has positive influence on brand awareness.

H3: Brand Awareness has positive influence on brand loyalty.

Aforementioned, theoretical interrelationship between the dependent variables brand equity and independent variables brand image and loyalty in this study, as per best of our knowledge through available literature that there is no significant study to evaluate the mediating effect of brand awareness on the relationship among brand equity and brand image on brand loyalty.

H4: Brand awareness mediates the effects of Brand Image and brand loyalty on brand equity.

**METHODODOLOGY**

The data for this study was gathered from Pakistani nationals by using a personally administrated questionnaire in Mirpur Azad Kashmir. All the six well known mobile telecommunication brands i.e Mobilink, Ufone, Telenor, Warid, Zong, SCom were used to check the choice of the respondents. A rational attempt was made to randomize the sampling process by selecting random days and different locations for the data collection. A total of 200 customers responded to this survey. Some respondents denied participating to this study due to their personal reasons. The source of non-sampling error cannot be controlled as there is no such information available about them. Data sample was almost equally divided between males (47.5%) and females (52.5%).

**MEASUREMENT**

There were four constructs in the study, brand loyalty, brand image, brand awareness and brand equity. All the constructs were estimated with the statements adapted from past research carried out by Severi and Ling (2013) and Sasmita and Suki (2014). A 5-point Likert type scale ranging from (1) strongly disagree to (5) strongly Agree.

**DESCRIPTIVE RESULTS**

As noted, all the constructs were assesses using 5-point Likert scales, before starting the analysis reliability of data was checked by using SPSS-21 as reliability of overall instrument was Cronbach’s alpha 0.89. Table 1 shows descriptive Mean, standard deviation and Pearson Correlation. As depicted in Table 1, the means range from 3.36 to 3.65. The correlation illustrate the direction and strength of linear relationship between two variable, here correlation analysis were used to estimate the potential relationship between brand loyalty, brand image, brand awareness and brand equity. The results of analysis show the significant correlations among all variables.

<table>
<thead>
<tr>
<th>Table 1: Correlation statistics (n=200)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean SD</strong></td>
</tr>
<tr>
<td>BRAND LOYALITY</td>
</tr>
<tr>
<td>BRAND IMAGE</td>
</tr>
<tr>
<td>BRAND AWARENESS</td>
</tr>
<tr>
<td>BRAND EQUITY</td>
</tr>
</tbody>
</table>

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

Measurement model is developed to conduct the Confirmatory Factor Analysis and Maximum Likelihood Method is used for estimations. As we have used established measurement scale, Confirmatory Factor Analysis is conducted in this study and reliability of the instrument which describes how well the eighteen items had calculated the four constructs. CFA was performed for each of four variables on the measurement model using AMOS-23 and CFI of every construct is between 0.96 to 1.00 shows good fit, therefore it indicates confirmation of uni-dimensionality (Sureshchandar et al., 2002). To investigate the reliability of our construct; squared multiple correlations (R²) for each item and composite reliability is estimated and value of (R²) for each item ranges between 0.25 to 0.67, which illustrate virtuous reliability (Holmes, 2006). Therefore, all the constructs indicates uni-dimensional and good fit, whereas all values of Cronbach’s alpha lie between 0.70 to 0.80 showing good indication of internal consistency and reliability. By estimating the factor loadings the convergent validity of the measurement items was obtained and composite reliabilities as standardized factor loadings are between 0.51 to 0.82 which are above than suggested level of 0.35 so they all are at significant level which are actually worthy indicators of CFA (Hair et al., 1995). Here CFA divulges that all the items were significantly loaded on individual constructs (p< 0.05).

<table>
<thead>
<tr>
<th>Latent Construct/ Factors</th>
<th>Items / Indicators</th>
<th>Factors Loadings</th>
<th>CFI</th>
<th>(R²)</th>
<th>Reliability Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>BRAND EQUITY</td>
<td>BE1</td>
<td>.82</td>
<td></td>
<td>.96</td>
<td>.67</td>
</tr>
<tr>
<td></td>
<td>BE2</td>
<td>.77</td>
<td></td>
<td></td>
<td>.60</td>
</tr>
<tr>
<td></td>
<td>BE3</td>
<td>.71</td>
<td></td>
<td></td>
<td>.50</td>
</tr>
<tr>
<td></td>
<td>BE4</td>
<td>.52</td>
<td></td>
<td></td>
<td>.27</td>
</tr>
<tr>
<td></td>
<td>BE5</td>
<td>.51</td>
<td></td>
<td></td>
<td>.25</td>
</tr>
<tr>
<td>BRAND IMAGE</td>
<td>BI1</td>
<td>.70</td>
<td></td>
<td>.97</td>
<td>.49</td>
</tr>
<tr>
<td></td>
<td>BI2</td>
<td>.77</td>
<td></td>
<td></td>
<td>.58</td>
</tr>
<tr>
<td></td>
<td>BI3</td>
<td>.63</td>
<td></td>
<td></td>
<td>.40</td>
</tr>
<tr>
<td></td>
<td>BI4</td>
<td>.53</td>
<td></td>
<td></td>
<td>.28</td>
</tr>
<tr>
<td>BRAND AWARENESS</td>
<td>BA1</td>
<td>.63</td>
<td></td>
<td>.97</td>
<td>.39</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>BA6</td>
<td>.59</td>
<td></td>
<td></td>
<td>.35</td>
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<tr>
<td>BRAND LOYALTY</td>
<td>BL1</td>
<td>.66</td>
<td></td>
<td>1.00</td>
<td>.43</td>
</tr>
<tr>
<td></td>
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<td>.70</td>
<td></td>
<td></td>
<td>.49</td>
</tr>
<tr>
<td></td>
<td>BL3</td>
<td>.65</td>
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<td>.41</td>
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</tbody>
</table>

STRUCTURAL EQUATION MODEL

Figure 3 demonstrate the relation among the all the endogenous and exogenous variable of this study, whereas structural equation model helps to measures the influence and potential of brand loyalty, brand Image and its relation to brand awareness. It further divulges the prominence and protagonist of each variable studied in this research for brand awareness and its effects on brand equity.
The Index of fit for our model is shown in Table No 3 which shows that while taking degree of freedom (1) into account most index values approach the general standard of index fit and over all research model is significant (Chi=86.116) (P<0.00) which is evident from these resulted values . The relationship between constructs including brand loyalty, brand image, brand awareness and brand equity of our hypothesis test are shown in Table 4 and figure 1. The table 4 illustrate the Beta values is 0.336 between brand loyalty and awareness, whereas the relationship is evident from the results revealed that if there is one degree change in brand loyalty there would be 0.33 % change in brand awareness. However the association amid brand image and awareness demonstrate the Beta value 0.205 and the association amid brand awareness and equity illustrate Beta value as 0.584 which is higher than the direct effect of Brand loyalty to brand equity as .025 and brand image to brand equity as 0.07, so the value clearly supports the hypothesis that brand awareness fully mediates the relationship between brand loyalty, brand image and brand equity.

**Conclusion**

This research underwrites to the emergent literature on brand equity in two ways. Primarily, parsimonious model of brand equity portrayal on previous research is developed and established for telecom user in Mirpur Azad Kashmir. This study suggests that brand loyalty, brand image are key determinants of brand equity. Exploring the effect of brand loyalty
this study enhance the apparent meanings of the existing models of brand equity i.e Brand loyalty captures the functional aspects whereas brand image capture the symbolic feature of brand equity(Aaker, 1991). Consumers try to recommend dominant brands not only for their functional values but also their symbolic values and market image; this research proposes that brand loyalty and brand image have a positive influence on brand loyalty. In other words, study demarcates that how evocative associations can be established between brands and consumers through symbolic consumption. Consequently, it also validates the findings of previous research by Sirgy (1982) and most recently that of Graeff (1996) and Ekinci et al. (2008). Secondly, it underwrites to the existing knowledge by investigating the effect of brand awareness in envisaging relationship between brand loyalty, brand image and brand equity. Although previous studies suggests that brand loyalty and brand image has a direct effect on brand equity, this empirical study is the first to examine the influence of brand awareness on the relationship between brand loyalty and brand equity in the telecom sector. The study finds that brand awareness fully mediates the effects of brand loyalty and brand image on brand equity.

**MANAGERIAL IMPLICATIONS**

As it is found that brand loyalty has a positive and significant impact on brand equity, therefore telecom advertisers should consider personality characteristics of their brands from the consumer’s point of view and so to develop a brand image according to consumer’s ideal self-concept. Moreover, brand image can be used for positioning telecom brands in competitive markets as most of the customers used to choose telecom beyond satisfying their immediate needs. For example, if a telecom brand is found to have user oriented services, stable and fair service charges, innovative bundle offers, marketing campaigns should design promotions by highlighting the competitive advantages and such unique feature. The findings of this study suggest that customers are motivated to differentiate themselves through brand experiences, based on their loyalty and image of specific brand in market. Therefore, the brand experience should be tailored to support user distinctiveness in order to stimulate brand equity. The findings of the study also show that user cultivates the brand equity as the brand experience has thriving effect on their social identity as well as their lifestyles.

**LIMITATION AND FUTURE RESEARCH**

This research has some limitations along with its substantial contributions to the existing literature on brand management. First of all it is specific to one Pakistani culture and single service sector i.e. telecom. The consolidated brand equity model of this research should be applied to other service sectors as well in order to establish its external validity as the sample size is another considerable limitation of this study. Hence, this research based study cannot be generalized to the entire population and the brand equity model should be applied to other service dominant brands in order to establish its external validity. Although, this research provides some strapping insights on the relationships among brand loyalty, brand image and brand equity, future studies should build upon this conceptual research model and provide further insights into the nature of these relationships in different consumption situations.

**REFERENCES**


