

## **Impact of packaging, price and brand awareness on customer loyalty – A study of packaged milk brands in Pakistan**

**Muhammad Ali Yab<sup>1</sup>, Imran Ahmad Rana<sup>2</sup>, Chaudhry Abdul Rehman<sup>3</sup>, Aizza Anwar<sup>4</sup>**

**PhD Scholar at Superior University, Lahore<sup>1,2</sup>, Professor, Business School, Superior University, Lahore<sup>3</sup>, PhD Scholar at Universiti Sains, Malaysia<sup>4</sup>**

**Corresponding author Email: [muhammadaliyab@yahoo.com](mailto:muhammadaliyab@yahoo.com)**

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Brand awareness plays major role in consumer life and is initiating level of interaction to the brands. This study aims to find the relationship between price, brand awareness and packaging on customer loyalty in the packaged milk brands in Pakistan where packaging, price and brand awareness is taken as independent variables and customer loyalty is taken as dependent variable. Questionnaire on five-point Likert scale is taken as data collection tool. Reliability test applied showed Cronbach's alpha as 0.758 which is according to the defined standards. Sampling technique used was convenience sampling. Data is collected from household consumers of three reputable areas in Lahore. Statistical tests such as correlation and regression analysis were used. As per results of regression analysis, there is strong positive and significant connection between packaging and brand awareness with customer loyalty whereas weak and insignificant relationship was found between price and customer loyalty. Correlation showed that there is positive and significant relationship between all independent variables and dependent variable. SPSS 21 was used to conduct analysis. This research paper aimed to comprehend the effects of packaging, price and brand awareness on customer responses in the context of Packaged Milk brands in Pakistan. This study should deliver valuable information to the entrepreneurs, practicing managers and organizations to develop customer loyalty for their products.

**Keywords:** Brand awareness, Packaging, Price, Customer Loyalty, Packaged Milk Industry

### **INTRODUCTION**

This research paper basically investigates the concentration of the impact of brand awareness, packaging and price on consumer loyalty which results in establishment of the brand achievement. This connection between brand awareness and consumer loyalty towards the brand has been considered in Pakistan concentrating on the geographical locale of Lahore. In this study we have taken product as packaged milk brands.

It has for quite some time been held that one of the significant objectives of advertising is to create and keep up brand awareness, this concept has been given importance in low-association circumstances where shoppers may take part in minimal dynamic scan for data to help decision. Promotion re-emergence is utilized to keep the brand in the buyer's thought set and the arrangement of brands to which a purchaser gives genuine consideration when settling on a buy choice. Brand awareness has been contended that how it affects purchaser basic leadership by impacting which brands enter the thought set. Moreover, it additionally impacts which brands are chosen from the thought set (Sharp & Macdonald, 1996).

Imtiaz and Osman (2009) have thrown a light on brand awareness as it stays essential in the life of buyer as the communication beginner to the brands. This study figured out the relationship of brand awareness on customer loyalty for packaged milk brands in the urban Pakistan. There is proof of brand awareness and customer loyalty on brand value. The methodology considers sources of brand value, brand awareness, customer loyalty and picture (discernments/relationship) on the example of customer families. This particular study proposes that in Pakistan among the packaged milk brands there is no connection between brand awareness and customer loyalty.

Another researcher directs an investigation to recognize diverse mental procedure to measure customer loyalty. Brand loyalty implies the repurchase, or purchase item over and over. Brand loyalty is a significant measurement that helps to build the market share in light of the fact that a consumer turns as a faithful to the brand. BL is not the same as different measurements since brand loyalty devours connection to individual involvement regarding every item. Client consider those brands which satisfy desires which is reason the customer settle on obtaining choice to purchasing the brand dependably over and over. Consumer loyalty depicts a purchaser's choice to repurchase the item. It is additionally depicting to a customer dependably purchases something very similar and related to same class (Gope, 2012).

Likewise, an examination was done to investigate packaging then distinguish attributes of wrapping to a customer. Wrapping viewed as a group of exercises connected with structure, generation as well as comprise of a covering which support to secured, put away besides elated as well as promoted. It gives security to the things as well as it is the way of correspondence of the item. It demonstrates to be productive for advancing buyer's merchandise in addition to ventures. Packing contains a cover subsequently utilization of item these coverings got wasted. It is an incredible asset to give data about the job of business sectors. It is deliberated as last marketing instrument. It gathers as significant factor in acquiring choice are made purpose of offer it turns into an essential piece of the selling choice. Item related examination give thoughtful about the distinctive essentials of the advertising. This examination discovers that packaging is an essential device that convinces consumer acquiring deeds in obtaining decision to buy a specific brand of the organization. It was additionally

understood that corporations that uses packaging makes recognize the item from their opponent. This examination describes the attribute fits of labelling in the packaging that improve value item in brand and explore components that advance customer loyalty in the direction of brand loyalty. Likewise, appropriate analysis and investigation has described that the packaging recommends to custom style appealing in the advanced marketplace. Numerous kinds of items are available in market for a wide range of customers. Every one of the items with tag in addition to distinguished clear brand is esteeming sign for choosing item. Numerous elements to choosing the items in this forceful marketplace, wrapping is settling on an acquiring choice (Chaudhary P. , 2011).

Moisescu (2010) discovered the impact of pricing and its role in brand loyalty. Price is one of the four p's components in the promoting blend. Pricing is the process that relates to the deals and purchase of various kinds of request. Price is a significant component in return connection to marketplace. Price is an approval distributed to approximately purchase or buy deal or compromise available to be purchased in fiscal term. Price is fixed for various items in various conducts. It might influence the brand noteworthiness. Price is likewise used to enhance the image of brand quality.

Another study focused to choose brand awareness in area of behaviour of consumer in branded product. Brand awareness is important objective of advertising. Brand Awareness infers a consumer to consider specific product. Brand awareness is moreover observed as element of the evidence about the product. A level comes where users ponder about branded product and consumers go for several times. Brand data in addition to conclusion is applied to expand the brand appraisal. Then there comes a level where consumers distinguish about the product or persistent through product it must prerequisite to buy ( Kaur & Gupta, 2013).

According to researchers like Brown and Hoyer (1990) suggesting to make the level of brand awareness with the help of decisions that involves less involvement and concluding that positive brand images can help brands to achieve high levels of brand loyalty.

Therefore, it is suitable to discourse the issue of customer loyalty in packaged milk industry and accordingly build up a supposition regarding the overwhelming promoting consumptions seen in the business. Subsequently, this paper intends to consider "The relationship of brand awareness on customer loyalty: A Study of Packaged Milk Brands".

### **Significance**

The current exploration gives important bits of knowledge on to the leads of the organizations on the interest persistently upgrade their items packaging with vivacious evaluating methodologies like pricing in sort to get brand awareness an addition to customer loyalty to stay lively in market. The investigation likewise offers help of the association among the customer loyalty, packaging, price and brand awareness as indicated by the Pakistan environment. This investigation not just give advantages to the leaders of the organizations yet it is productive for each kind of business who deals distinctive sorts of item. It is additionally helpful to advance deals, worth of business lastly boost the profits of organization.

### **Problem Statement**

The objective of this research is to study relationship amongst packaging, brand awareness, price and Customer loyalty in Pakistan. Basis includes measurements such as packaging, brand awareness, price and customer loyalty. We as a whole are keen on promoting and are living in reverse culture and we are all need to get an item with good packaging and moderate cost. There is an absence of the information around brand besides devour short dimension of reasoning for the wrapping, besides have fewer involvement for the item. Generally, not prepared to purchase an item deprived of packaging in light of the fact that without it can't be effectively store, exchange and secure. In present day time each consumer needs to get an item that is wrapped in good condition. Against similar reason, to decide customer conduct by utilizing factors to be specific packaging, brand awareness, price and customer loyalty. This examination directed to upgrade the brand image with reasonable packaging, low prices and creating brand awareness as its absence is the reason that customers are less loyal to brands.

### **LITERATURE REVIEW**

#### **Brand Awareness**

Labelling or a specific tag on products appeal customers in a positive way and has significance. Shopper's basic comprehension of product is to relate besides finding out basic information preparing about stuffs buying. Moreover, certainty for building up the trust about brand in due course (Logo Design works, 2007). This mirrors the more noteworthy need from the association's perspective to have solid brands work through appropriate brand the executives coming about because of powerful promoting projects to make brand value.

Aaker and David (1991) stated that the most significant resources of any business are elusive comprising its base of steadfast consumers, trademarks, images plus a brand's fundamental appearance, uniqueness, eccentric, frames of mind, appreciation, associations then tag mindfulness. Assets together with authorisations, symbols, plus network influence include brand value and are considered as a mandatory tool for future profits.

Armstrong, Gary , Kotler, and Philip (2004) stated about branding that the cutting-edge idea of branding became buyer bundled stock trade and a way toward pattern has come to include significantly additional as compare to just building a method to differentiate an article or group. Pattern nowadays is consumed to brand enthusiastic connections to products and corporates. Marking endeavours make a sentiment of inclusion, a sensation of advanced excellence, and then an emanation of inconsequential characteristics which include the brand tag, stamp, or appearance (Dolak & Dave, 2003).

#### **Customer Loyalty**

Brands basically mark recognitions in the brain of purchaser; one of a kind besides at hand is no additional comparable product or management in the marketplace. Successively, a brand is to formal to be compacted on the off chance that it is predictable over a significant lot of time in giving the item or administration which shoppers and planned buyers be able to depend besides belief, which resolve prompt a brand guarantee (Chan, Dae, & Srinivasan, 2005).

Another researcher leads an inspection that concentrates to decide an association amid the brand loyalty, valuing,

packaging and brand awareness in South Africa in dye manufacturing. Investigation infers the brand awareness has critical effect on customer loyalty (Dhurup, 2014).

In a similar study about branding, the researcher contended that labelling is an instrument for various companies then specialist analyses a connection concerning different components which influence the brand loyalty counting in particular brand faith, administration excellence, brand loyalty and product ID in lodging. An examination finds that brand loyalty consists of 3 viewpoints, Behavioural faithfulness, composite faithfulness in addition to attitudinal faithfulness (Maheshwari, 2014).

Investigation of Chou (2013) looks at the consequence of connected system with consumer loyalty besides this study discovers that brand loyalty has optimistic influence on product's superiority.

### Packaging and Pricing

Another examination essence to inspect the link among packaging and item labelling with regards to the USA. The exploration proposed that it has long life association with client (Underwood, 1998).

The researcher Kleimenova (2015) intends to contemplate the association between packaging besides customer loyalty in Pakistan besides scientist contend which organizations centre on packaging because of this they accomplish a product understanding. Packaging proposes assortment of capacities against item, for example, brand personality articulation, connection building, correspondence, selling and security. Packaging is a significant component which not exclusively to secure item yet it likewise the correspondence for consumer.

Rasheed (2015) the analyst led an examination think about plans to decide the connection between item packaging, pricing and brand loyalty in Nigeria. The investigation additionally contends that well-disposed packaging improves joy and motivation, so the study uncovered that packaging configuration significantly affects consumer inclusion as far as brand.

An examination to distinguish packaging to various kinds of brand identity as far as packaging structure when the plan of packaging is appealing it must draw in the consideration of the consumer and they should purchase over and over. Packaging is viewed as the holder to an item plus has physical look that incorporate the product's material, shading, profile besides configuration are utilized. An examination treasures the association between the packaging as well as customer loyalty (Olalekan, 2015).

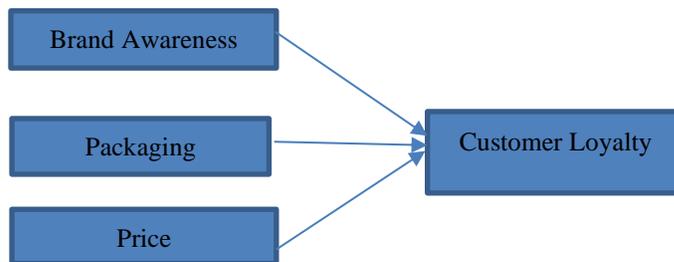
Packaging gives data which helps to customer to separate item from their rivals besides learning led in UK and look at the affiliation amid value, publicizing, product tag, packaging besides item on last client inclinations. Motivation behind investigation to decide the effect on brand association in addition to brand inclination then an analyst discovers the association packaging and product involvement. Packaging configuration is an item property that demonstrates item identity on the off chance that they are very much pressed structure they convince consumer to repurchase item ( Fioretti & Marco, 2014).

Brand awareness composed the accomplishment of a brand in addition essence to realize the element traits in addition implication of brand awareness in Chennai then determine the

affiliation amid brand awareness, properties of element and brand awareness (Koniewski, 2012).

### Research Framework

Research framework of present training is given below. Independent variables are brand awareness, packaging and price whereas customer loyalty is dependent variable.



**Figure 1:** Research Framework

### Hypothesis

**H<sub>1</sub>**- Brand awareness is positively and significantly related to customer loyalty in packaged milk brands of Pakistan.

**H<sub>2</sub>**- Packaging is positively and significantly related to customer loyalty in packaged milk brands of Pakistan.

**H<sub>3</sub>**- Price is positively and significantly related to customer loyalty in packaged milk brands of Pakistan.

### RESEARCH METHODOLOGY

#### Research Approach

This investigation utilizes a quantitative strategy to look at the effect of packaging, brand awareness and price on customer loyalty in a legitimate region of Lahore in setting of Pakistan. This examination used survey methodology thus this investigation then run inferential analysis. For the most part specialist utilize quantitative way to deal with accomplish an important outcome in to connection on the basis of observational examination.

#### Sample Size

Population for this study is residents of three reputable areas in Lahore. The total sample selected was 350 respondents and total 300 responded. Convenience sampling is used for this research.

#### Research Methodology

In this study, inferential statistics has been used.

#### Data Collection

Data in this study has been collected by use of questionnaire.

#### Research Instrument

This study use questionnaire as research instrument for the purpose of the collection of the data by conducting surveys in different areas. The entire questionnaire selected from other literature in the terms of, to fit for this research study. This questionnaire contains five parts. These are personal profile, packaging, price, brand awareness and customer loyalty. The questionnaire from part 2-part 5 used Likert scale for the respondents to select only one option with in five items. Items include 1: strongly disagree 2: disagree 3: neutral 4: agree 5: strongly agree. All the questions are designed in English language.

#### Data Analysis Method

SPSS is utilized for analysis portion. Inferential statistics was determined for the data. Individual data of the respondents is portrayed by percentage. Mean and standard deviation were determined of the elements of item characteristics. Reliability

was checked through Cronbach Alpha test. Correlation and regression analysis were used to conclude later.

## FINDINGS

### Reliability of Instrument

As it is mandatory to check the reliability of data before going forward to analysis portion. In this study reliability is checked for all variables including brand awareness, customer loyalty, price and packaging. Results showed the value of Cronbach's alpha is 0.758 in below table which is acceptable as per defined standards.

### Reliability Statistics

**Table 1: Reliability of Instrument**

	Cronbach's Alpha	N of Items
	.758	28

### Inferential Statistics

Inferential statistics were done through correlation and regression analysis.

### Correlation Analysis

Results of correlation analysis are given in below table. Results showed that all variables including brand awareness, customer loyalty, price and packaging are highly correlated

**Table 2: Correlation Analysis**

		Packaging	Price	Brand awareness	Customer Loyalty
Packaging	Pearson Correlation	1	.552**	.398**	.421**
	Sig. (2-tailed)		.000	.000	.000
Price	N	300	300	300	300
	Pearson Correlation	.552**	1	.402**	.384**
Brand_awareness	Sig. (2-tailed)	.000		.000	.000
	N	300	300	300	300
Customer_Loyalty	Pearson Correlation	.398**	.402**	1	.469**
	Sig. (2-tailed)	.000	.000		.000
	N	300	300	300	300
	Pearson Correlation	.421**	.384**	.469**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	300	300	300	300

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

with each other where  $p < 0.05$  in all cases.

### Regression Analysis

Durbin-Watson test was run to see the presence of auto correlation between all independent and dependent variables. The values were in between defined limits i.e. between 1.5 and 2.5. Later regression analysis was performed. Results of regression analysis are given below in tables.

**Table 3: Regression Analysis**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.717 <sup>a</sup>	.659	.648	.745

a. Predictors: (Constant), Brand Awareness, Price, Packaging,

**Table 4: Anova Table**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.885	5	8.695	24.306	.000 <sup>b</sup>
	Residual	64.543	412	.421		
	Total	86.428	417			

a. Dependent Variable: Customer\_Loyalty

b. Predictors: (Constant), Brand\_awareness, Price, Packaging

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error			
1	(Constant)	1.528	.492		4.960	.000
	Packaging	.512	.923	.412	5.567	.000
	Price	.036	.079	.410	.425	.972
	Brand_awareness	.588	.087	.462	6.146	.000

a. Dependent Variable: Customer\_Loyalty

Results shown in above tables are that there is significant and positive relationship between all three independent variables and dependent variable where  $F = 24.306$ ,  $P < 0.05$ . Maximum significance is shown by brand awareness with coefficient value of 0.588 followed packaging with 0.512 and price as 0.036. Coefficient of determination is showing that there is 66% variation between independent and dependent variables. Over all regression analysis depicted good fit of model.

## CONCLUSION

Dhurup (2014) has led an investigation on how measurements of item traits in particular packaging, price and brand awareness influence customer loyalty. He considered the three components of item characteristics, for example, packaging, price and brand awareness for effect of customer loyalty. This exploration outcomes consume demonstrated like previously stated 3 measurements were having huge in addition constructive association towards customer loyalty.

This current study contemplates remained same in Pakistan, an affiliate perspective in versatile division of Pakistan. Quantitative methodology is utilized for directing an examination. Results were depicted through regression analysis and are presumed that price had no solid association towards customer loyalty then packaging; brand awareness had positive association towards customer loyalty. Moreover, item properties packaging and brand awareness significantly affected customer loyalty.

## LIMITATIONS AND RECOMMENDATIONS

Following are the limitations for current study:

Convenience sampling was embraced for random sample since it helps to achieve most extreme quantities of individuals. Any other technique can be used to get more authentic results. Because of time constraints only 300 respondents were drawn nearer to become reaction after them. The exploration is able to increasingly sum up through receiving reactions as of large sample sizes.

For more beneficial investigation outcomes, information could also be gathered as of various areas of Pakistan. Other information examination procedure can be used for better bits of knowledge into the exploration results.

Following are recommendations of this research:

The aftereffects of the examination prescribe to the presence of the positive relationship between the item qualities in particular packaging, brand awareness and price and customer loyalty. By using these outcomes there are numerous proposals can be recommended to create packaging, brand awareness and value procedures target to improving customer loyalty between clients. With their reference of the packaging, it is necessary for advertisers to improve creative systems for packaging will prompt the client in a long run.

To safeguard customer loyalty expanded in fruitful organizations in business sectors are moving the valuing procedures and approaches. Customer loyalty can likewise increase through the assistance of brand awareness.

Brand awareness is the goal for promoting. Once stage of promotion is completed it might result in brand awareness and brand awareness ultimately may prompt customer loyalty.

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