

Service Based Brand Equity, Measure of Purchase Intention, Mediating Role of Brand Performance

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Abstract

This research tends to explore relationship between brand equity as a whole construct comprising (brand association & brand awareness, perceived service quality and service loyalty) with purchase intention. Questionnaire has been designed from previous research settings and modified according to Pakistani context in order to ensure validity and reliability of the developed instrument. Convenience sampling comprising a sample size of 150 (non-student) has been taken in this research. Research type is causal correlational and cross sectional in nature. In order to accept or reject hypothesis correlation and regression techniques were applied. Results indicated significant and positive relationship between brand equity and purchase intention, while partial mediation has been proved for brand performance. Only three dimensions of brand equity (perceived service quality, brand association & awareness and service loyalty) have been measured. Other dimensions as brand personality have been ignored. English not being the primary language may have hampered the response rate. As far as the practical implications are concerned practitioners can get benefits from this research as the contribution of brand equity has more than 50% towards purchase intention.

Keywords: Brand Equity, Brand Performance, Purchase Intention, Service Quality, Loyalty

Paper type: Research paper

Introduction

A Reebok shoe (ZigSlash) can cost \$99.98, the same category of shoe can cost a customer only \$20. It is the products of Nike, Rado, Reebok and other brands which drags additional money from customers than their functional value. This price premium generating ability can be attributed towards brands. In order to discuss brands the primary objective must be to clarify what brand is. Brand refers to "a name, symbol, design, or mark that enhances the value of a product beyond its functional value" (Farquhar, 1989). Studies pertinent to brands reap fruits for both academicians as well as practitioners. Brands are powered by brand equity. Aaker (1991) defines brand equity to be the added value which is attributed towards the product name.

The purpose of this study is i) to measure the impact and relationship which brand equity has on purchase intention and how brand performance supports such construct. ii) To identify which organization has the greatest brand equity (brand association, brand awareness, perceived service quality and service loyalty) among the organizations under consideration iii) Explore brand equity from the point of view of service industry. Such topic has been explored because of the fact that many researchers have focused on explaining the impact of determinants of brand equity on

purchase intention, but not brand equity as a whole concept. Research conducted by (Cobb-Walgren, et al., 1995) examines brand equity, brand preference and purchase intention, where relationship of brand equity with purchase intention still remains to be explored. The brands under observation are Ufone, Mobilink, Warid, Telenor and Zong all operating in multi-nations.

The rest article has been structured as; primarily literature review shall be presented showing detail of variables used their operationalization, relationships, and key methodological and conceptual issues concerning brand equity, brand performance and purchase intention. Secondly methodology section shall be discussed showing research type, sampling, and instruments used. After methodology section analysis of construct shall be done with demographic, correlation and regression analyses. Than discussion on the analyses shall be done in lights of practical solutions and finally limitation, future scope and conclusion shall be drawn.

Literature Review

Brand Equity

Many authors have defined brand equity; to some it is considered as the value of the brand, which is well known.

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Some refer it as the value enhancement due to the brand name. Traditionally brand equity is defined as value of the brand as attributed by its name. Definition given by (Yoo et al., 2000; Rust et al., 2001) states brand equity to include attributes which are broad in their nature having the ability to drive customer choice. Research conducted by (Keller, 1993; Chaudhuri, 1995) suggests that brand equity is component of financial and customer side.

Slight modifications have been made in the attributes defined by Aaker (1996) based on previous research as his model suggests four variables (Service quality, brand association, brand awareness and brand loyalty). Based on suggestions drawn by Gremler and Brown (1996) service loyalty along with conceptualization of its antecedents has been used in research study. Service quality has been replaced with perceived service quality because (Lee, 2007) supports SERVPERF over SERVQUAL and argues that it has a better reliability as well as validity over SERVQUAL scale. Thus defining brand equity with (Service loyalty, perceived service quality and brand awareness & association).

Service Loyalty

Building and maintaining long term relationship has been supported by many researches to benefit organizations irrespective of the industry in which they are. Today's extremely competitive environment demands a need for organizations to realize and build measures to enhance long term relationship building with their customers. The most important component of brand equity is considered to be brand loyalty. This concept can be used in case of products while Gremler and Brown (1996) postulated the importance of service loyalty in explaining loyalty. Service loyalty refers to the degree by which customer exhibits, repeat purchasing, contains a positive attitudinal behavior and prefers to use the services/ product offered by the provider in case need arises (Gremler, 1996). Macintosh and Lockshin (1997) argued about the importance of interpersonal relationship in building service loyalty compared to developing loyalty in case of tangible products. Marketing of services requires special attention to be attributed towards forming and maintaining person to person interaction (Czepiel, 1990; Crosby et al., 1990). On the basis of literature service loyalty is defined as customer's ability to continuously patronize and prefer the brand.

Service Quality

Service quality refers to customer's judgment concerning the overall service level (superiority). As being this much important it becomes utmost important to measure the construct of service quality. Zeithaml et al., (1990) states service quality to be attributed as measuring service expectation along with actual perception. Five key dimensions of service quality are reliability, empathy, responsiveness, assurance and tangibility. The service providers ability to deliver according to promise dependably and accurately can be attributed as reliability e.g. complaint handling, keeping promises about delivery, and pricing etc are some examples of reliability. Responsiveness means ability of service provider to promptly and willingly help customers. This dimension focuses on attentiveness of organizational employees in solving customer complaints and requests. Assurance

means how confidently services are being provided. Empathy means treating the customers individually by stepping into their shoes. Finally, tangibility refers to the physical dimension of services organizations. Boulding et al. (1993) strongly supports SERVPERF as "our results are incompatible with both the one-dimensional view of expectations and the gap formation for service quality. Instead, we find that service quality is directly influenced only by perceptions."

Perceived Quality

Perceived quality has been considered as one of the dimensions of brand equity (Aaker, 1996). Perceived quality is consumer's judgment about the quality of product on an overall basis (Zeithaml, 1988; Aaker & Jacobson, 1994). Research conducted by Sethuraman and Cole (1997) concludes perceived quality to contribute a major portion of variance in consumers' willingness to pay price premium. One advantage that perceived quality generates is its applicability across different product categories. This research paper refers to PSQ as defined by (Zeithaml, 1988; Aaker & Jacobson, 1994) as "consumer's judgment about the quality of product on an overall basis".

Brand Association

Brand association has been defined as the assets and liabilities of brand that are linked in the memory of customers (Aaker, 1991). Keller (1998) described brand association as informational nodes that are linked to the memory of the consumers containing meaning assigned to the brand by the consumers. Brand association is considered to be an important construct for marketers as it explains the points which are pivotal for consumers concerning the brand. Aaker (1991) explains the importance of brand associations as it help consumers shaping purchase decision by means of processing, organizing and retrieving information based on such associations. This research paper refers to brand association as the ability on behalf of customers to recognize the brands unique attributes and identify people it serves.

Brand Awareness

Brand awareness is considered to be an important construct of brand equity (Aaker, 1996). Rossiter and Percy (1987) argued that brand awareness is a process initiating communication from the customer to the company. It is not possible to initiate any sort of communication process without brand awareness as it is important for a consumer to be acquainted with the brand before buying it. Rossiter and Percy (1987) supports the argument by narrating the importance of brand awareness as no attitude or buying attention can be formed unless brand awareness has been developed. Rossiter et al. (1991) has of similar view that brand awareness is essential concept for buying behavior. Stokes (1985) states that memory theory supports brand awareness to be the initial step in forming associations which can be found associated with the memory. Brand awareness in this research paper refers to customers' ability to recall, remember the company and its logo, symbol and offerings.

Brand Performance

Marketing literature is now recognizing the importance of strong brand building as being the primary consideration by organizations now a day such as research studies by

(Aaker, 1996; Keller, 2001) presented the same view. Brands are considered to be important assets as defined by many researchers (Ambler et al., 2002; Millward Brown, 2007). Peter Durker (1954) argued that marketing and innovation are important determinants in achieving superiority in brand's performance. The concepts that are related to brand success constitute many. Previous research confirms all constructs of brand equity and brand strength to have positive impact on firm performance. Aaker and Jacobsen (1994) concluded brand equity to have a positive and significant relation with value of stock market and financial performance of the firm. This article defines brand performance as "The ability of the brand to satisfy the needs of its customers, offer unique and differential products than its competitors and provide superior value compared to prices it charges.

Purchase Intention

Morwitz et al., (2007) defined purchase intention as a situation in which consumer is propelled to purchase a product according to certain conditions. Prior literature has studied the relationship between purchase intention and advertisement effectiveness. For this purpose Baker and Churchill, 1977 have developed a scale to measure advertisement effectiveness. Kwek et al., (2010) identifies purchase intent to be one attribute concerning with cognitive behavior. Some researcher's states customer consideration in buying to be a measure of purchase intention. Intentions and attitudes are two distinct measures. Attitudes can be referred as summary evaluations, while intentions represent "the person's motivation in the sense of his or her conscious plan to exert effort to carry out a behavior". Purchase intention refers to the customer's willingness to buy the brand, increase and continue its usage. Research conducted by (Walgren, et al., 1995) examines brand equity, brand preference and purchase intention, where relationship of brand equity with purchase intention still remains to be explored.

Research Methodology

This study is a cross sectional study with investigation into the causal correlational impact of independent variable (brand equity) on the dependent variable (Purchase intention). One way ANOVA suggests no control variables to be used. Primary data were collected on all the variables from users of the brand category in consideration.

Hypothesis

Although prior research has been focusing too much on the concept of brand loyalty, no formal context of service loyalty has been discussed as construct of brand equity. So, the hypothesis has been developed as

Hypothesis

H1: Brand Equity

H1a: Brand equity has a positive impact on purchase intention

H1b: Brand equity has a positive relationship with purchase intention

H1c: Brand equity has a positive relationship with brand performance

H1d: Brand equity has a positive impact on brand performance

H2: Brand Performance

H2a: Brand performance mediates the relationship between brand equity and purchase intention

H2b: Brand performance has a positive impact on purchase intention

H2c: Brand performance has a positive relationship with purchase intention

Instruments and Scales

Scales are important in the context of any research as they provide base on which whole building of research is constructed.

The scale for measuring service loyalty has been developed using behavioral, cognitive, affective, trust and commitment dimensions as initially developed by (Sudhahar, Israel, Britto, 2006). The reliability coefficient as by the author for each dimension was found to be high (greater than .80). The loading were greater than .40 for all the items. The scale suggests strong internal consistency and reliability for each servloyal dimension.

Parasuraman et al., (1988) and Zeithaml et al., (1990) rates reliability to be the most pivotal dimension in the SERVQUAL dimensions with empathy and assurance on the second number. Many researchers are of the view that tangibility as to be least critical dimension in case of service customer. That is why tangibility dimension has been dropped from the service dimension. Previous studies supports servperf over SERVQUAL and argues that it has a better reliability as well as validity over SERVQUAL scale (J, Lee, 2007). Wording and scale have been adapted to suite Pakistani context. Perceived service quality was measure using a 13-item scale with answers ranging from (1= strongly disagree to 7= strongly agree).

Scale for brand awareness and association has been taken and modified according to the service setting of Pakistani market from the study conducted by (Norjaya, Mohd & Osman, 2007). Purchase intention scale has been developed from different studies concerning purchase intention as from study conducted by (Balahi et al., 2003). The scale of brand performance has been developed looking into the context of Pakistani cellular market. For further validity concerns face validity has been attained by passing on the questionnaire to marketing professor, who confirmed the validity of questionnaire.

As all the scales have been taken from previous research but modified according to the context of Pakistani cellular market the scales ranged from (1= strongly disagree to 7= strongly agree).

It is of extreme importance to attain reliability and validity of such scales. Reliability refers to the consistency in the research in case of replication. Reliability is usually measured by Cronbach's alpha, which shows internal consistency. Cuieford (1965) argues for a Cronbach value beyond ($\alpha = .7$) to be acceptable and reliable. Results are considered as reliable when its values are greater than 0.5. For this purpose reliability of each construct is shown in Table 1. Validity means is the instrument measuring what it is supposed to measure. For this purpose factor analysis, was performed using principal component analysis via the VARIMAX method, as the orthogonal rotation method. All the factor loading showed values greater than 0.5 thus requires no need to delete any.

Table 1. Dimensions and Cronbach's Alpha

Dimensions	Cronbach's Alpha
Perceived Service Quality	0.854
Brand Performance	0.750
Brand Association & Brand Awareness	0.749
Customer Loyalty	0.772
Purchase Intention	0.802

Data Collection

For this purpose a seven point likert scale has been used ranging from 7 = strongly agree, 6 = agree, 5 = somewhat agree, 4 = neutral, 3 = somewhat disagree, 2 = disagree and 1 = strongly disagree. The best method of data collection is considered to be survey in order to collect data from a large population. Kerlinger & Lee, (2000) stated that information that is gathered reliably and validly can be generalized to the entire population. Questionnaire constitutes two parts one pertaining to items for different variables (Likert scale) and the second concerning questions with demographics (nominal and ordinal scale). A total of 300 questionnaires were distributed in the city of Lahore, and were gathered randomly with the help of trained coders who had the capacity to explain every facet of the questionnaire where ever required. A total of 150 questionnaires were reimbursed showing a response rate of 50%.

Research Model and Variables

Model and variables have been identified after extensive literature review where for brand equity model of (Aaker, 1996) has been modified, as model suggests four variables (Service quality, brand association, brand awareness and Brand loyalty). Based on suggestions drawn by (Gremler & Brown, 1996) as to use service loyalty along with conceptualization of its antecedents has been used. Service quality has been replaced with perceived service quality because (Lee, 2007) supports SERVPERF over SERVQUAL and argues that it has a better reliability as well as validity over SERVQUAL scale. Thus defining brand equity with perceived service quality, brand association & awareness and service loyalty. Brand performance has been taken as a mediating variable while purchase intention has been taken an independent variable. The reason to use service industry lies with the future scope given by (Norjaya, Mohd & Osman, 2007) concept of brand equity should also be applied to other constructs as service organizations.

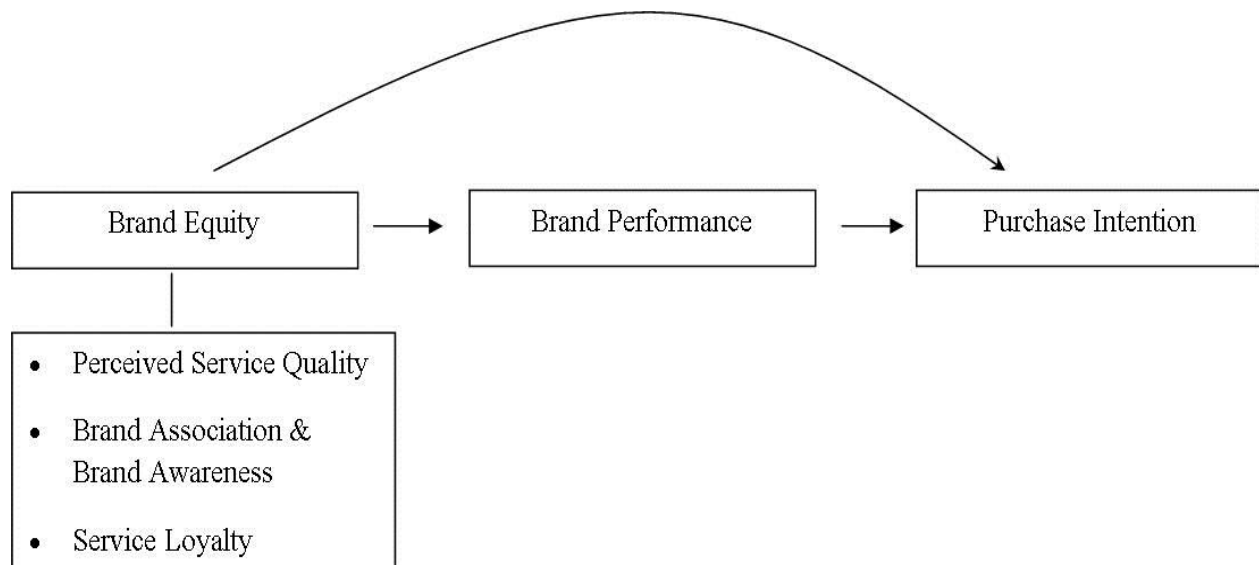


Figure 1. Schematic diagram of theoretical model

Respondents Characteristics

Sampling was taken in the following proportion of users in Pakistani telecommunication network (Ufone 32%, Warid 39%, Mobilink 17%, Telenor 8% and Zong 5 %). Gender composition was (male 75% and Female 25%). Respondent's gender varied with a percentage of 75%

(male) and 25% (female). For the purpose of collecting age of respondents ordinal scale was developed having options 15-25, 26-36, 37-47 and 48-58. Standard deviation of the respondent's age was 0.48. Majority of the age lies between 15-25 representing 80% of the respondents. Measurement of education was also measured on a nominal scale, showing respondents with Intermediate / A level 5%,

Graduate 30%, Masters 61% and M. phil / PhD 3%. Respondents with education level at masters were the most 60%. Experience has been calculated in years. It is

concerned with the number of years respondents have been using the connection. The mean experience which respondents have is $m = 4.38$ and a S.D of 2.17.

Table 2. Respondents Characteristics

Demographics	Total	Percentage
Gender		
Male	112	75%
Female	38	25%
	150	
Age Wise		
15-25	120	80%
26-36	28	19%
37-47	1	1%
48-58	1	1%
	150	
Qualification wise		
Intermediate / A level	8	5%
Graduate	45	30%
Masters	92	61%
M. phil / PhD	5	3%
	150	
Connection Wise		
Ufone	48	32%
Warid	58	39%
Mobilink	25	17%
Telenor	12	8%
Zong	7	5%
	150	

Hypothesis developed for the research mentioned as below:

H1 a,b,c: Brand Equity

H1a: Brand equity has a positive impact on purchase intention

H1b: Brand equity has a positive relationship with purchase intention

H1c: Brand equity has a positive relationship with brand performance

H1d: Brand equity has a positive impact on brand performance

H2 a,b,c: Brand Performance

H2a: Brand performance mediates the relationship between brand equity and purchase intention

H2b: Brand performance has a positive impact on purchase intention

H2c: Brand performance has a positive relationship with purchase intention

Firstly the construct of brand equity has been formed by aggregating the mean values of all the determinants of brand equity perceived service quality, Brand association & Brand Awareness and service loyalty.

Table 3. Brand Equity of Mobile Connections

Mobile Connection	PSQ Mean	BAAsw Mean	SL Mean	Total Brand Equity
Ufone	5.03	5.52	4.96	15.51
Warid	4.81	5.11	4.78	14.70
Mobilink	4.94	5.50	4.73	15.17
Telenor	5.56	6.00	5.52	17.08
Zong	5.32	5.17	4.69	15.17
Grand Total	4.99	5.38	4.88	15.25

Table 3 shows that brand equity in case of telenor although having only 8% of the respondents is the highest while in case of all other brands Ufone, Warid, Mobilink and Zong shows approximately m=15. In case of individual construct of PSQ telenor scores the highest, in case of BAAsw telenore scores highest which is 6, finally the construct of

SL is also rated the most in case of telenor which is 5.52. The reason attributed with such great brand equity and low number of respondents can be the packages offered by telenor. The above procedure to combine the mean score of individual dimensions in order to generate brand equity has been taken from study of (Kim, W., & Kim, H. (2004).

Results and Discussion

Hypothesis Testing

Following hypothesis are tested drawing a correlation matrix

H1b: Brand equity has a positive relationship with purchase intention

H1c: Brand equity has a positive relationship with brand performance

H2c: Brand performance has a positive relationship with purchase intention

Table 4 shows the Pearson correlation matrix displaying the independent, mediating and dependent variable. All the variables showing significant values, brand performance showing (.71, P=0.000) as the value of r is above .50 it shows that brand performance is strongly and positively related to Purchase intention thus accepting H2c. In case of Brand equity the value is (.76, P=0.000) which approves H1b. Finally the hypothesis H1c is also accepted based on (.73, p=0.000).

Table 4. Pearson correlation matrix

	Mean	S.D	PI	BP	BE
PI	5.13	1.09	1		
BP	5.08	0.96	0.71***	1	
BE	5.08	0.78	0.76***	0.73***	1
* Correlation is significant at the 0.05 level (2-tailed)					
** Correlation is significant at the 0.01 level (2-tailed)					
*** Correlation is significant at the 0.000 level (2-tailed)					

For testing hypothesis concerning impact regression analysis is required. To attain such purpose hypothesis shall be tested one by one. Kerlinger and Lee (2000) were of the view that regression analysis is used to relate one

variable (dependent) with one or more independent variables. It identifies how much of a dependent variable is explained by an independent variable. Determinants of Brand equity has a positive impact on purchase intention.

Table 5. Multiple Regression Analysis

	Purchase Intention			
	β	R ²	ΔR^2	Sig.
STEP 1 (Independent Variable)				
Perceived service quality	.023	.648	.648	.723
Brand Association & Brand Awareness	.227	.648	.648	.000
Service Loyalty	.647	.648	.648	.000

Table 5 indicates regression analysis in which Perceived Service Quality (PSQ), Brand Association & Brand Awareness (BASAw) and service loyalty (SL) are taken as independent variables while purchase intention is a dependent variable. Independent variables show ($R^2 = .648$) indicating 64.8% variance as explained in dependent variable by independent variables. Individual construct shows PSQ to be insignificant in explaining Purchase intention ($\beta = .23, p = .723$). While BASAw ($\beta = .227, p = .000$) and SL ($\beta = .637, p = .000$) are significantly contributing towards purchase intention.

H1a: Brand equity has a positive impact on purchase intention

Table 6. Simple Regression Analysis

	Purchase Intention			
	β	R^2	ΔR^2	Sig.
STEP 1 (Independent Variable)				
Brand Equity	.767	.588	.588	.000

Table 6 indicates regression analysis in which brand equity is an independent variable while purchase intention is a dependent variable. R^2 and ΔR^2 shows that brand equity is significantly contributing towards purchase intention. .588 means that 58% of the dependent variable (Purchase intention) is represented by brand equity which is a very good indication. While Beta value represents if there is an increase of one unit in brand equity respondents purchase intention shall increase by 76%. Based on these values H1a is accepted.

Third hypothesis assumes brand performance as an independent while purchase intention as a dependent variable figures support H2b ($\beta = .718, R^2 = .516, P = .000$). Statistics strongly approve hypothesis H2b by suggesting that more than 50% of variance in brand performance is explained by brand equity. In all the above models explained, p value is 0.000 which means regression model is 100% confidently explaining dependent variable.

H2a: Brand performance mediates the relationship between brand equity and purchase intention

In order to perform test on mediation (Baron and Kenny, 1986) suggests three requirements to be fulfilled.

1. The relationship between independent and mediating variable must be significant

Table 7. Regression Analysis in case of Brand Performance as Dependent Variable

H1d: Brand equity has a positive impact on brand Performance

	Brand Performance			
	β	R^2	ΔR^2	Sig.
STEP 1 (Independent Variable)				
Brand Equity	.739	.547	.547	.000

The second hypothesis assumes brand performance as a dependent while brand equity as an independent variable figures support H1d ($\beta = .739, R^2 = .547, P = .000$). Statistics strongly approve hypothesis H1d by suggesting that more than 50% of variance in brand performance is explained by brand equity.

H2b: Brand performance has a positive impact on purchase intention

Table 8. Regression Analysis, Purchase Intention as dependent Variable

	Purchase Intention			
	β	R^2	ΔR^2	Sig.
STEP 1 (Independent Variable)				
Brand performance	.718	.516	.516	.000

2. The relationship between independent and dependent variable must be significant
3. The relationship between mediator and dependent variable must be significant

Baron and Kenny (1986) further suggests, if the effect of independent variable on the dependent variable is reduced this is the case of partial mediation. While if the relationship between independent and dependent has changed from significant towards insignificant than it constitutes full mediation. The above three requirements have been proved in case of conducting a mediation test as evident in Table 6, Table 7, Table 8. Calculations show significant relationship between dependent, independent and mediating variables.

Purchase Intention

Independent Variable	Model 1			Model 2		
	β	R^2	ΔR^2	β	R^2	ΔR^2
Brand Equity	.767***	.588	.588***	.520***	.639	.516
Mediator						
Brand performance				.718***	.516	.516

Table 9. Mediation Analysis

Table 9 represents the mediation analysis in which model 1 represents the direct path from brand equity to purchase intention. While second model (Model 2) represents mediating variable. As there are no control variables thus directly we move towards step 2. As per conditions mentioned by (Barron & Kenny, 1986) if the variance of independent variable on the dependent variable is reduced than it is showing partial mediation. Thus hypothesis H2a is said to be partially approved, that is brand performance mediates the relationship between brand equity and purchase intention. The effect size reduced from ($\beta = .767$, $p = .000$ to $\beta = .520$, $p = .000$), while R^2 was reduced by .588 to .123. From results it can be said that brand performance partially mediates the relationship between brand equity and purchase intention.

Discussion

The focus of the study was to examine brand equity as an independent variable and its impact on purchase intention while brand performance being mediating variable. Brand equity dimensions have been constructed on model as identified by (Aaker, 1996) in which model suggests four variables (Service quality, brand association, brand awareness and Brand loyalty). Service quality has been replaced with perceived service quality because (J, Lee, 2007) supports SERVPERF over SERVQUAL and argues that it has a better reliability as well as validity over SERVQUAL scale. Thus defining brand equity with (Perceived service quality, brand association & awareness and service loyalty). While some studies such as (Norjaya, Mohd & Osman, 2007) measures single constructs of brand equity as brand recall (brand awareness) to having an insignificant relationship between purchase intent. Results presented by (Norjaya, Mohd & Osman, 2007) are contradictory to our research findings in which brand equity is having a significant and positive impact on purchase intent. This significance can be because of more than one determinant explaining brand equity. Research conducted by (Sethuraman & Cole, 1997) concludes that perceived quality explains a major portion of variance in consumers' willingness to pay price premium. Findings of this research show insignificant contribution of PSQ on Purchase intention. But it supports the construct developed by Aaker (2002). One study conducted by Cronin and Taylor (1992) concluded that service quality did not appear to have a significant (positive) effect on intentions to purchase, while Boulding et al. (1993) found positive relationships between service quality and repurchase intentions and willingness to recommend. As far as brand equity construct among various cellular companies in Pakistan are concerned, telenor with a mean value of 17.08 showing the greatest level of awareness & association, perceived service quality and service loyalty among the respondents. Although the users of other telecom industry are more except for zong still brand equity is more in telenor. This can be an alarming situation for other brands. After measuring brand equity on a company to company basis, aggregately it is seen that whether brand equity has an impact on brand performance and purchase intent which is found to be highly significant. All hypotheses have been accepted as brand equity has a positive relation and impact both on brand performance as

well as purchase intent. Brand performance also has a positive and significant relationship and impact on purchase intent. This hypothesis fulfills the conditions as set by (Barron & Kaney, 1986) to test mediation. Final hypothesis of mediation is proved but on a partial basis. The acceptance of hypothesis shows that telecom sector in Pakistan has a high degree on brand equity and this brand equity has a positive impact on both brand performance as well as purchase intent. The results of brand equity with brand performance are supported by the research conducted by (Aaker & Jacobsen, 1994). This simple but in depth analysis of stated constructs open whole new avenues of research and provides a sound basis for managers to look into. The reason attributed to such a strong relationship can be implied towards the coverage of this telecom sector in Pakistani market. Another plausible reason behind such results can be the user spread, recognition and usage level of telecom services in Pakistan especially by the youth (80% of respondents). Seeing the positive relationship we can suggest increasing brand equity can increase purchase intent. Brand equity can be enhanced by many factors, not necessarily advertisement. One more consideration can be the level of education as 60% of the respondents being masters degree holder awareness can also be related to the level of education.

Managerial Implications

Empirical evidence support brand equity to be an important determinant in influencing purchase intention. One interesting thing to be noticed by practitioners is the construct used which shows brand equity (perceived service quality, Brand association & awareness and service loyalty) contributing more than 50% in the purchase intent of the mobile users. It can be an indication for managers to cut their advertising budgets and spend time on quality. Organization must increase their service quality, connection quality, coverage, brand association & awareness, service loyalty which can enhance purchase intent. It is important for organizations to develop strategies enhancing and focusing on building service loyalty. Academicians can use this model as a bench mark to do future research.

Limitations of the Study

Results of this study may be viewed with the following limitations in mind.

- Although the sample size was 300 with a response rate of 50%. This sample size was small as compare to the population of mobile phone users in Pakistan. Sample size cannot be considered as large enough to present a true picture of the market.
- Only three dimensions of brand equity (perceived service quality, Brand association & awareness and service loyalty) have been measured. Other dimensions as brand personality have been ignored.

Future Research

- Actual purchase can also be another construct rather than purchase intent because no one can say with certainty that whether the purchase intent has been converted to actual purchase
- Brand equity has been measured from customer perspective, new research can be

established looking into the company and market dimensions of brand equity as actual sales and market share

Conclusion

Proper emphasize of managers residing in cellular companies of Pakistan must be on enhancing the quality, loyalty and awareness of their offerings. Proper quality departments must be set and customer interactive team taking the feedback along with building company awareness and positive perceptions must also be developed. Managers must also know that advertisement is not the only tool used to increase revenue. Spending lavishly on advertisement can generate short term customers, spending smartly on customer can generate long term loyalty.

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