Emerald Article: Brand credibility, customer loyalty and the role of religious orientation

Abdullah Alam, M. Usman Arshad, Sayyed Adnan Shabbir

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Abdullah Alam and M. Usman Arshad

Department of Management Sciences, International Islamic University, Islamabad, Pakistan, and

Sayyed Adnan Shabbir

Department of Marketing, International Islamic University, Islamabad, Pakistan

Abstract

Purpose – The purpose of this paper is to study brand credibility, customer loyalty and the impact of religious orientation in the Pakistani setting.

Design/methodology/approach – In a study of 263 respondents, exploratory and confirmatory factor analyses were conducted in order to check the fit of the data and the presence of common method variance. Correlation and hierarchical regression analysis was performed to evaluate the hypothesized relationships between the variables.

Findings – Significant and positive relationships were observed between trustworthiness and brand credibility, perceived quality and brand credibility, brand credibility and customer loyalty, religious orientation and customer loyalty. Brand credibility was also found to mediate the relationship between trustworthiness, perceived quality and customer loyalty. Religious orientation was observed to moderate the relationship between trustworthiness and brand credibility.

Originality/value – The paper evaluates brand credibility and customer loyalty in relation to trustworthiness and perceived value in a Pakistani setting. Religious orientation is a term coined up for this research and its impact as a moderator is also evaluated.

Keywords Pakistan, Consumer behaviour, Brand loyalty, Marketing competitiveness, Relationship marketing

Paper type Research paper

1. Introduction

Customer experiences are major driving forces behind their decision-making related to brand re-purchase and re-use. Majority of companies have failed to adopt the marketing mix that dwells upon the needs of the consumers, as the customer would love to buy the way he wants it to. These companies misunderstand the power of the present-day customer and are unable to assure them. As a result, the customer becomes unsatisfied and may sometimes be over-promised. All this, directly and indirectly, affects the credibility of the brand and the customer's loyalty towards it.

As a starting point, trust-building is the most basic yet significant milestone facing a brand manufacturer. Customer satisfaction develops trustworthiness of the brand with the consumer. They, as a result, start perceiving better quality from the manufacturer, welcome any modifications and innovations into the products and show devotion towards any new products from the same brand manufacturer. Both trustworthiness and perceived quality lead towards brand credibility. Customers' perceived value of the product is dependent on three significant stages: pre-purchase expectations, during

transaction experiences and post-purchase experiences. Special efforts are made by brand managers to provide better and efficient services to its customers in order to develop a long-term credibility.

Literature contains numerous studies that have found positive relationships between trustworthiness – brand credibility, perceived quality – brand credibility and brand credibility – customer loyalty. These relationships are theoretically and empirically justified in various studies conducted around the globe. What these relationships fail to account for is the emotional aspect of it. Customers having different religious views may respond differently towards a brand. Brands not conforming to an individual or society's religious beliefs may not get positive response from them. Therefore, the present study utilizes this potential and reality-based aspect of brand selection and utilization to provide an insight into the relationships between trustworthiness, perceived quality, brand credibility and customer loyalty; incorporating the religious thoughts and beliefs of the customers.

Religious orientation[1] plays a vital role in countries like Pakistan, where Islamic thoughts prevail and any subsequent product positioning that contradicts their beliefs may lose its credibility as well as loyalty of the customers. We coin up the term "religious orientation" to account for the choices of people in accordance to their religious views, where they may develop some sort of non-acceptance for brands basically owned by non-Muslims or thought to be non-conforming to their religious beliefs. As such, they may have doubts about the ingredients of the product or they may think that the actual profits will end up to the people for whom they have an aversion/dislike. To be clearer on the customers' perception on this issue, let's have the example of Pepsi Cola. PEPSI is considered to be the acronym for "Pay Every Penny to Save Israel". Although wrong[2], the conceptions in this regard tilt the customers' attitude towards alternate beverages.

The above discussion clearly shows that "religious orientation" is an important aspect of customers' choices and therefore must be incorporated into marketing models dealing with brand's credibility and customers' loyalty towards the brand.

Rest of the paper is organized as: Section 2 discusses the conceptual framework of the study. Section 3 focuses on review of the literature and hypotheses development. Section 4 describes the research methods employed in the study, followed by Section 5 which presents the results of the research. Section 6 discusses the findings of the paper, the implications and also mentions the limitations of the study.

2. Conceptual framework

2.1 Theory of planned behavior

The theory of planned behavior (TPB) (Ajzen, 1985, 1991) is basically a human behavior predictive model. According to this theory, behavioral intentions can be foreseen accurately from behavioral attitudes, subjective norms and the identified behavioral control. A positive expected outcome of an event induces an individual to perform that action. Moreover, the subjective norms (behaviors and attitudes of other people) also play vital role in the decision making part of human behavior. Relating these statements to the scope of this research, the perceived quality of a brand and the expected satisfaction leads a customer into a buying behavior. On a similar note, the managers are also confronted by similar situations; where their decisions are influenced by the expected outcome of it. Also, societal norms (including religious orientations of the members of the society) play considerable role in the choices made by

the customers. Therefore, in order to build customer loyalty, managers must take into account the above mentioned factors and abide by the subjective norms in order to enhance their customer base.

2.2 Social identity theory

According to the social identity theory (SIT) (Tajfel and Turner, 1986), people try to identify themselves and others based on social classes. These classes are formed on the basis of age group, gender, religious orientation and organizational association. Merely inter-personal or merely inter-group behaviors are rare to find in a society (Tajfel, 1978); instead behaviors are dictated by a mixture of both. Individuals try to choose between the alternates based on their social identities and therefore, can be attracted or motivated towards a brand if it represents their identities. For example, a brand having an Islamic name and locally made may have better response from customers as compared to a foreign brand not conforming to their religious beliefs.

3. Review of literature and hypotheses development

3.1 Brand credibility

Brand credibility is a multi-characteristic term that imitates the integrity of the brand in the eyes of the customer. The characteristics of the term include the reliability of the brand in terms of claim-justification, truthfulness, trust-spreading and delivering what is advertised by the manufacturer. Stating plainly, brand credibility is a three-fold term necessitating trustworthiness, expertise and attractiveness (Sternthal and Craig, 1982; Erdem and Swait, 2004).

Brand credibility is considered an important factor impacting the brand's customer base and its market share (Chaudhuri and Holbrook, 2001). Brand signaling theory also peeps into this significance by implying the relevance of brand credibility in fabricating brand equity (Erdem and Swait, 1998). Brand manufactures are persistently in search of motivators that can yield, significantly, towards the augmentation of brand credibility. Having the trust that the brand warrants its publicized traits can build up a strengthened and long-lasting reliance between the manufacturer and its customers.

Maathuis *et al.* (2004) and Swait and Erdem (2007) have insisted on the significance of brand credibility in consumer's decision making and choice perceptions. Brand credibility leads to a risk-minimization approach for customers as they entrust the brand specifications and have convincing psychological motivation regarding the product's worth. This not only reduces the innate risk perceived by the customer but also reduces the information outlay while reaching a decision to use the product (Shugan, 1980).

3.2 Trustworthiness and brand credibility

Erdem and Swait (2004) have proposed trustworthiness, expertise and attractiveness as the three constituents of credibility.

A trustworthy brand is the brand which keeps up to its promises, of providing value and quality, on a consistent basis (Ballester and Aleman, 2005). Trustworthiness may also be referred to as the expectation or reliability of an individual towards something (brand in our case) (Lewis and Weigert, 1985; Riker, 1971). This trust may lead to the belief in the words of mouth of the manufacturer and promotions of the brand; thereby playing role in the decision-making process facilitating the utilization of the

product (McAllister, 1995). Trustworthiness in a brand leads to the credibility of the brand (Keller and Aaker, 1992). This means that the on the basis of prior experience of the customers, they develop a sort of trust in the product and then start valuing it. This trustworthiness leads to the credibility of the brand in the eyes of the customer. Trusted brands also have the leverage of the acceptance of their new extensions and may well fill up the gap created by the direct knowledge of the product (Hem *et al.*, 2000):

H1. Trustworthiness is positively related to brand credibility.

3.3 Perceived quality and brand credibility

A consumer's subjective assessment of the brand is referred to as the perceived quality of the brand (Zeithaml, 1988). A bi-directional relationship prevails between perceived quality and brand credibility. On one hand, higher quality perceptions related to a product improves the credibility of the brand in the eyes of the customers. On the other account, brand credibility is expected to impact the perceived quality of the product (Erdem and Swait, 1998).

One aspect of the relationship between perceived quality and brand credibility is that a credible brand may not have the best available quality among the accessible brands. Sometimes, a moderate-valued product may be more credible to customers due to the perception that they offer what they advertise or specify. So, truthfulness in this regard may also yield higher brand integrity as compared to the competitors who speak higher but present less.

Credibility associated with higher or lower perceived quality also impacts the sensitivity of customers towards prices. Consumers who highly-perceive a brand are generally less receptive to prices as compared to those perceiving brands of lower quality (Krishnamurthi *et al.*, 1992).

Although brand credibility has numerous positives, there are some concerns also with respect to it. A credible brand is highly perceived by its customer brand, where they look for privileged quality and greater product specifications (including price and positioning) as compared to other competitor brands. The brand manufacturer, in order to equilibrate the quality and customer-demands may have to constantly look for product innovations and improvements. This significantly increases the costs related to the production, marketing and positioning the product:

H2. Perceived quality positively impacts brand credibility.

H3. Brand credibility positively impacts perceived quality.

3.4 Customer loyalty

From marketing strategy point of view, customer brand loyalty is considered as one of the most significant upshots (Chaudhuri, 1999; Reicheld and Schefter, 2000). Customer brand loyalty is a sort of commitment towards the brand that induces a re-buy behavior into the customer in spite of the potential marketing attempts by competitors to break up the coalition between the brand and the consumer (Oliver, 1999). Brand loyalty is considered to provide greater leverage to trade, condensed marketing costs (Aaker, 1991) and building an augmented market share (Jarvis and Mayo, 1986). A credible brand is expected to induce higher levels of consumer loyalty.

Much work has been done on the issue of attaining customers brand loyalty and the factors that impact the loyalty (Day, 1969; Jacoby and Kyner, 1973;

Assael, 1987; Kanagal, 2009). Loyal customers not only are chief sources of revenue generation for the manufacturer but also entail lesser marketing expense[3]; since they have already developed an association of trust and fidelity with the brand and its manufacturer.

Customer loyalty can be sub-divided into attitudinal and behavioral loyalty (Day, 1969; Jacoby and Chestnut, 1978; Aaker, 1991). Behavioral (or purchase) loyalty relates to re-purchasing of the product and attitudinal loyalty relays the commitment of customers to the brand due to some distinctive value coupled with the product (Chaudhuri and Holbrook, 2001). Both the dimensions of customer brand loyalty (attitudinal and behavioral) need to be incorporated while evaluating customer loyalty (Gremler, 1995).

Brand trustworthiness also impacts the customer brand loyalty because of the high-valued associations created (Morgan and Hunt, 1994). Similarly, perceived quality is expected to contribute towards brand loyalty (Reichheld, 1996; Parasuraman and Grewal, 2000) as it induces a sort of reliability of the brand with the customer. However, we believe that brand credibility mediates this association between trustworthiness and customer loyalty; between perceived quality and customer loyalty; in the sense that credible brands have trust-tags attached to them. As such, a brand that is regarded as credible would easily generate loyal customers if it consistently conforms to its promised quality and trust. Trustworthiness and perceived quality may not directly lead to customer loyalty. Instead, trustworthiness and perceived quality induce credibility of the brand with the brand, which, then leads to a bigger customer brand relationship, i.e. the brand loyalty:

H4. Brand credibility is positively related to customer loyalty.

H5. Brand credibility mediates the relationship between trustworthiness and customer loyalty.

H6. Brand credibility mediates the relationship between perceived quality and customer loyalty.

3.5 Religious orientation
As discussed earlier, religious orientation is expected to impact the choices of the customers. Decisions of customers are very much impacted by their social norms and play vital roles in their brand selection. Also, customers will, on most occasions, develop loyalty for a brand when it is acceptable according to their religious beliefs. Brands not matching the religious beliefs of the customers do not get a positive nod from them. So, we hypothesize that religious orientation should be used as moderator in the relationships between trustworthiness, perceived quality, brand credibility and customer's loyalty; since we believed that religious orientation enhances the relationship between trustworthiness, perceived quality, brand loyalty and brand credibility:

H7. Religious orientation of the customer enhances the relationship between trustworthiness and brand credibility.

H8. Religious orientation of the customer enhances the relationship between perceived quality and brand credibility.

H9. Religious orientation of the customer enhances the relationship between brand credibility and customer brand loyalty.

3.6 The model
Based on the literature and the hypotheses formed, a model as shown in Figure 1 has been developed for the study.

4. Method
4.1 Experimental design
Hypothesized relationships were checked using a field experiment design. Participants were selected from major cities of Pakistan, using convenience sampling technique, and asked to fill the questionnaires. Respondents were mostly literate people and belonged to different age groups. They were directed about the contents of the questionnaire and its relative significance. Questionnaires were distributed and collected on the spot for some of the respondents, while survey was gathered from the other respondents after one day. 288 surveys were returned out of the distributed 600 questionnaires with a response rate of 48 percent. Some of the respondents had problems understanding a few questions, for which the questions (and their intended meanings) had to be explained to them in detail. 25 surveys were excluded from the study due to missing data, which reduced the response rate to 43.8 percent ($n = 263$).

4.2 Demographic characteristics of the respondents
All the respondents were aged 18 and above. The average age of the respondents was 34 years. About 75 percent of the respondents were male whereas 25 percent of them were female. About 63 percent single and 37 percent married people contributed to the survey. All the respondents had at least graduation level of education, with graduates having 46 percent representation and masters' degree holders having 40 percent representation.
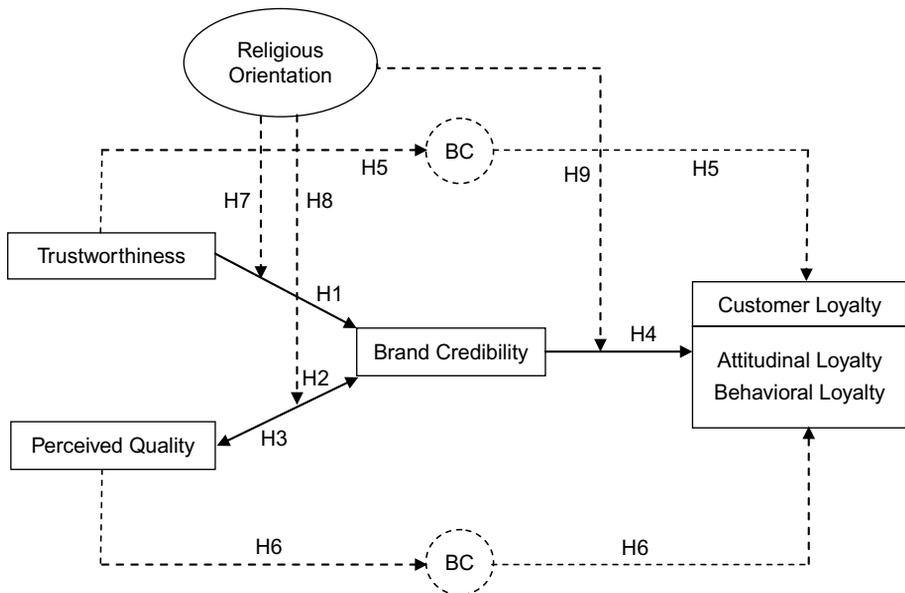

Figure 1.
Conceptual framework

Note: BC represents brand credibility

For the study, beverages were selected as the brand. This was done in order to check, specifically, the impact of religious orientation on the brand perceptions. Also, beverages provide a wide dataset for survey, as majority of the general public is aware of the issues/choices and can be involved into the experimental design. Respondents were provided a list of major brands dealing in Pakistan (for example, Pepsi, Coca Cola, Amrat Cola, Dew, Fanta, Big Apple, etc.) and also a choice to mention the brand of their own choice if not mentioned in the list. The respondents had to answer the whole questionnaire with the mentioned brand in mind.

4.4 Measures and measurement
Trustworthiness was assessed using eight items (e.g. I trust the manufacturer of the brand I am evaluating. The manufacturer of brand I am evaluating is honest) from the studies of Lasser *et al.* (1995) and Chaudhuri and Holbrook (2001). Responses to the items were determined using five-point Likert scale (1 – strongly disagreed, 5 – strongly agreed). An amalgamated measure of trustworthiness was established by taking the average of the eight items ($M = 3.71$, $SD = 0.70$). The Cronbach's α coefficient for the scale was 0.853.

For assessing the perceived quality of the brand, four items were used (e.g. It is likely that the brand offers excellent features) from the studies of Aaker (1991) and Yoo and Donthu (2001). Responses were determined on five-point Likert scale (1 – strongly disagreed, 5 – strongly agreed). A composite measure of perceived quality was created by calculating the average of the four items ($M = 3.85$, $SD = 0.78$) with an α coefficient of 0.811.

Brand credibility was evaluated using seven items from the studies of Erdem and Swait (2004), which included items like "this brand has the ability to deliver what it promises". Answers were determined on a five-point Likert scale ranging from 1 – strongly disagreed to 5 – strongly agreed. An averaged measure of brand credibility was constructed for the seven items ($M = 3.77$ and $SD = 0.70$), having an α coefficient of 0.857.

For customer loyalty, both its dimensions, attitudinal and behavioral loyalty were combined into a single measure, as the focus of the study was to study customer loyalty in general. Five items for attitudinal loyalty and three items for behavioral loyalty were taken from the studies of Oliver (1997), Pritchard *et al.* (1999), Chaudhuri and Holbrook (2001) and Sirdeshmukh *et al.* (2002). Items for attitudinal loyalty included items like "I consider the manufacturer of the brand I am evaluating as my first choice". Items for behavioral loyalty included items like "I intend to keep buying the brand I am evaluating". Responses for all the eight items were determined using five-point Likert scale (1 – strongly disagreed, 5 – strongly agreed). A composite measure of customer loyalty was established using the averages of the eight items ($M = 3.54$ and $SD = 0.65$) with an α coefficient of 0.790.

Religious orientation was evaluated using two items that were specifically designed for this study (e.g. I would not be inclined towards a brand that does not conform to my religious beliefs. I would go for any brand as long as it delivers what it advertises). Initially, we proposed four items to evaluate religious orientation, but decided to drop two items based on the results of the pilot study. Responses for the two items were determined using five-point Likert scale ranging from 1 – strongly disagreed to 5 – strongly agreed. An averaged measure of religious orientation was formed for the

two items ($M = 4.01$ and $SD = 0.93$). The α coefficient for the religious orientation scale was found to be 0.705.

A pilot study ($n = 100$) was also conducted prior to the actual analysis. Based on the results of the pilot study, some of the items were dropped from the questionnaire distributed for the final survey ($n = 263$).

5. Results

5.1 Exploratory factor analysis

An exploratory factor analysis (EFA) was performed to study the factor structure of the items used in the study. One of the purposes of conducting this analysis was to investigate the presence of common method variance bias. Harman's single factor test was used to check this biasness of data (Greene and Organ, 1979; Aulakh and Gencturk, 2000). Also this mechanism (through Kaiser-Meyer-Olkin measure and Bartlett's test) provides a measure of checking the appropriateness of the sample utilized in the study and the correlation matrix. Table I presents the results of the EFA.

The Kaiser-Meyer-Olkin measure of sampling adequacy was observed to be 0.92, whereas the Bartlett's test of sphericity was also significant ($\chi^2 = 3,413.62$, $df = 406$, $p < 0.0001$). The unrotated factor solution clearly indicates that none of the five factors explains majority of the variance (18.14, 14.05, 10.04, 8.68 and 5.14 percent for the five factors, respectively) and that the items did not load onto a single factor; although some of the items did not load onto their respective factors. So, it was concluded that common method variance was not the issue for the data under consideration. Also it was confirmed that the correlation matrix and the sample were appropriate for the study. Average variance extracted (AVE) (Fornell and Larker, 1981) was also calculated for all the constructs. All the values were found to be above the 0.50 threshold.

5.2 Confirmatory factor analysis

EFA indicated that some of the items did not load onto their respective factors with some instances of cross-loadings. The scale items have been used in several previous researches (except for religious orientation) and are based on theory. For the purpose of analyzing and justifying the factor structure of the items used in the study, confirmatory factor analysis (CFA) for the whole model was performed on the 29-items. A multivariate analysis, using structural equation modeling (SEM) was conducted to explore the relationships between the variables of the study. Relationship between the independent variables, dependent variables, mediators[4] and moderators was tested using AMOS 19. Latent variables were created for trustworthiness (TW), perceived quality (PQ), religious orientation (RO), brand credibility (BC) and customer loyalty (CL). All exogenous variables and respective disturbances were allowed to correlate. Figure 2 highlights the results of the CFA by representing the paths and the standardized maximum likelihood estimates for the model.

The data was observed to fit the model reasonably where χ^2 value of 579.58 was significant at 0.001 level with $df = 400$ (*cmin/df* = 1.449). Goodness of fit index (GFI) was 0.88, comparative fit index (CFI) was 0.95 and the root mean square error of approximation (RMSEA) was found to be 0.041 (well below the generally accepted 0.05 threshold level). Common method bias was also checked using the χ^2 and CFI difference tests. The χ^2 difference per single degree of freedom between the model A (items loaded on their respective factors) and model B (items loaded on their

Questionnaire items	1	2	3	4	5
Trustworthiness scale items					
1. I trust the manufacturer of the brand I am evaluating		0.728			
2. I rely on the manufacturer of the brand I am evaluating		0.739			
3. The manufacturer of brand I am evaluating is dependable		0.515			
4. The manufacturer of brand I am evaluating is honest		0.588			
5. The manufacturer of brand I am evaluating is a safe company with which to conduct business		0.586			
6. I consider the manufacturer of the brand I am evaluating to be generally trustworthy		0.654			
7. I believe the manufacturer of the brand I am evaluating does not take advantage of its customers		0.436			
8. I consider the company and people of the company I am evaluating to be trustworthy		0.547			
Perceived quality scale items					
9. It is likely that the brand is of very high quality	0.551				
10. It is likely that brand is of very consistent quality	0.698				
11. It is likely that the brand offers excellent features	0.505				
12. It is likely that the brand is very reliable	0.626				
Brand credibility scale items					
13. This brand reminds me of someone who's competent and knows what he/she is doing	0.535				
14. This brand has the ability to deliver what it promises	0.741				
15. This brand delivers what it promises	0.697				
16. This brand's product claims are believable	0.666				
17. Over time, my experiences with this brand have led me to expect it to keep its promises, no more and no less	0.524				
18. This brand has a name you can trust	0.629				
19. This brand does not pretend to be something it isn't	0.604				
Customer attitudinal loyalty scale items					
20. I use the brand I am evaluating because it is the best choice for me			0.838		
21. I consider myself to be a loyal patron of the manufacturer of the brand I am evaluating			0.603		
22. I am committed to the manufacturer of brand I am evaluating				0.561	
23. In the future, I would be willing to pay a higher price for the brand from the manufacturer I am evaluating over competitive offerings				0.713	
24. I consider the manufacturer of the brand I am evaluating as my first choice			0.654		
Customer behavioral loyalty scale items					
25. I intend to keep buying the brand I am evaluating			0.509		
26. I would not switch to a competitor, even if I had a problem with the products/services of the manufacturer of brand I am evaluating				0.746	
27. I intend to purchase the items from the manufacturer of the brand I am evaluating in the future				0.399	
Religious orientation scale items					
28. I would not be inclined towards a brand that does not conform to my religious beliefs					0.803
29. I will prefer an Islamic brand rather than a non-Islamic one					0.679
Eigenvalues	5.26	4.07	2.91	2.52	1.49
Variance explained (%)	18.14	14.05	10.04	8.68	5.14

Table I.
Principal component analysis
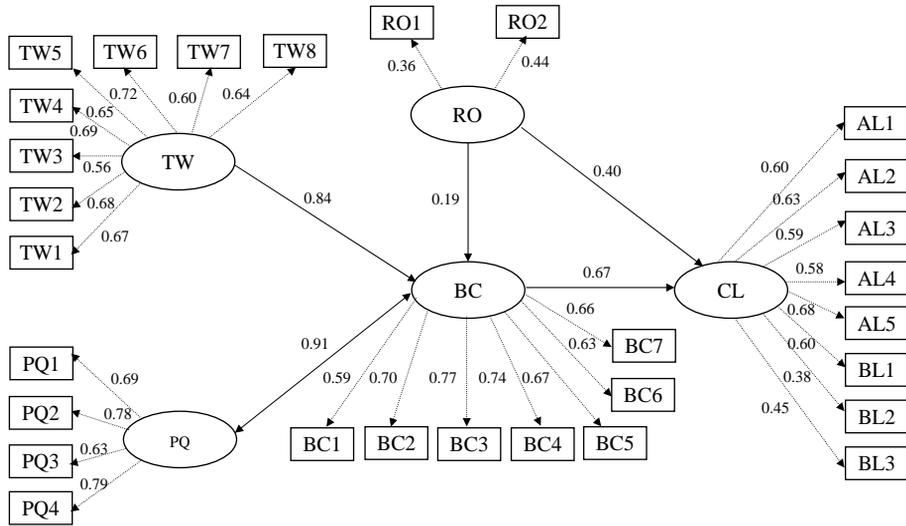
Figure 2.
Standardized maximum
likelihood parameter
estimates

Notes: TW, PQ, BC, CL and RO represent trustworthiness, perceived quality, brand
credibility, customer loyalty and religious orientation respectively

respective factors and a method factor) was found to be less than 3 and the CFI
difference was less than 0.05 (generally acceptable benchmark). Based on these results,
it was concluded that common method bias was not an issue for this study.

5.3 Correlation analysis and hypotheses testing
To study the correlation-related hypotheses, correlation analysis was performed for the
variables under study. Table II presents the means, standard deviations, reliability
coefficients and correlations for the variables under study.

Consistent with our *H1*, trustworthiness correlated significantly with brand credibility
(0.71, $p < 0.01$). Similarly, our *H2* and *H3* were validated by the highly significant
correlation (0.76, $p < 0.01$) between perceived quality and brand credibility. Brand
credibility and customer loyalty also showed significant coefficients (0.58, $p < 0.01$),
indicating a positive relationship between the two variables and thereby, validating
our *H4*.

	AVE	Mean	SD	Trustworthiness	Perceived quality	Brand credibility	Customer loyalty	Religious orientation
Trustworthiness	0.51	3.71	0.70	(0.85)				
Perceived quality	0.50	3.85	0.78	0.73**	(0.81)			
Brand credibility	0.58	3.77	.70	0.71**	0.76**	(0.86)		
Customer loyalty	0.61	3.54	0.65	0.58**	0.57**	0.58**	(0.79)	
Religious orientation	0.52	4.01	0.93	− 0.02	0.04	0.08	0.13*	(0.71)

Table II.
Descriptive statistics,
scale reliability and
correlations among the
variables

Notes: Significant at: *$p < 0.05$ and **$p < 0.01$; scale reliability estimates (Cronbach's α) are in
parentheses on the diagonal; AVE represents average variance extracted

5.4 Hierarchical regression analysis

Separate hierarchical regression analyses were conducted for brand credibility and customer loyalty; with trustworthiness and perceived quality as the predictors. The inclusion of religious orientation was checked for its significant effect on brand credibility and customer loyalty. Table III presents the results of the hierarchical regression analysis. Generation of interaction terms is expected to generate multi-collinearity problem. Therefore, the independent variables were first converted into Z scores that had zero mean and standard deviation as one. Centring and standardizing was conducted and then the interaction terms were generated between the independent variables.

Referring to columns 1 and 2 of Table III, the entry of brand credibility significantly ($p < 0.001$) mediates (partially) the relationship between trustworthiness and customer loyalty; and that between perceived quality and customer loyalty. Brand credibility creates a change of 6 percent in the trustworthiness – customer loyalty relationship, whereas a change of 5 percent is introduced in the relationship of perceived quality and customer loyalty. These results validate our *H5* and *H6* that brand credibility mediates (partially) the relationships of trustworthiness – customer loyalty and perceived quality – customer loyalty.

None of the *H8* and *H9* were validated through the hierarchical moderated regression analysis. Columns 3 and 5 of Table III indicate the non-significance of religious orientation in moderating perceived quality – brand credibility and brand credibility – customer loyalty relationships. However, *H7*, analyzing the role of religious orientation in the trustworthiness – brand credibility relationship, was confirmed by the results of the hierarchical regression results of column 4 of Table III, as relationship between trustworthiness and brand credibility was strengthened by the inclusion of religious orientation. The addition of religious orientation in the relationship creates a significant change of 1 percent in adjusted R^2 value for the model.

	Customer loyalty Model 1 $\beta(t)$	Customer loyalty Model 2 $\beta(t)$	Customer loyalty Model 3 $\beta(t)$	Brand credibility Model 1 $\beta(t)$	Brand credibility Model 2 $\beta(t)$
Step 1					
Trustworthiness	0.58 (11.40)***	–	–	0.71 (16.29)***	–
Perceived quality		0.57 (11.21)***	–	–	0.76 (19.13)***
Brand credibility	–	–	0.58 (11.47)***	–	–
Step 2					
Brand credibility	0.34 (4.97)***	0.34 (4.53)***	–	–	–
Religious orientation	–	–	0.08 (1.62)	0.10 (2.26)*	0.05 (1.35)
Adjusted R^2	0.33	0.32	0.33	0.50	0.58
F	129.95***	125.56***	131.46***	265.37***	365.78***
ΔR^2	0.06	0.05	0.01	0.01	0.003
ΔF	24.70	20.51	2.61	5.13	1.81

Note: Significant at: *$p < 0.05$, **$p < 0.01$ and ***$p < 0.001$

Table III.
Hierarchical regression analysis: predictors of brand credibility and customer loyalty

6. Discussion

6.1 Summary of the findings and their implications

This research was aimed at understanding the role of trustworthiness and perceived quality in the augmentation of brand credibility and customer loyalty. Religious orientation was a real-life issue coined up for this study. Through EFA, we confirmed the existence of distinct factors for the items of the study. Also, EFA confirmed that common method variance was not an issue for this study, where all the factors had shown reasonable shares of the explained variance. However, it was observed that some of the 29-items designed for this study did not load onto their respective factors. Therefore, in order to establish the appropriateness of each item to its relevant factor, we conducted a CFA. The results of the CFA clearly indicated a reasonable fit of the model for the data under study. Therefore, the use of these items in a Pakistani setup was justified.

Positive and highly significant correlation between trustworthiness and brand credibility indicates that highly trusted brands enhance their credibility in the eyes of the customers. This provides a guideline for the brand managers in the sense that they should adopt strategies that can build onto their trustworthiness. Advertisements and policies must incorporate true perceptions and image of the product, thereby augmenting the brand's credibility.

In line with the perception of Erdem and Swait (1998), perceived quality also significantly correlated with brand credibility yielding correlation coefficient even higher than that for trustworthiness – brand credibility relationship. A brand may not be the best among the available brands but it is perceived quality may bring it more market share than other high-quality alternates. Therefore, brand managers must present a true picture of the specifications of the product and refrain from claiming things that the product misses. This would considerably enhance the perceived quality of the brand and in turn, prompt the credibility of the brand.

Brand credibility was observed to have a significant positive relationship with customer loyalty. Also, brand credibility mediates the relationship between trustworthiness, perceived quality and customer loyalty. This validates the argument that trustworthiness and higher perceived quality of the brand lead to the credibility of brand, which enhances the customer loyalty. This study confirms our hypothesized relationship between the variables that brand credibility mediates the relationships between trustworthiness – customer loyalty and perceived quality – customer loyalty. These results open up a new debate for researchers and practitioners in the sense that trustworthiness and perceived quality of a brand do not have a direct relationship with customer loyalty and that without involving credibility of the brand, higher levels of customer loyalty may not be achieved. Significant correlation between trustworthiness and loyalty is in line with the findings of Morgan and Hunt (1994), and that between perceived quality and loyalty is consistent with the results of Reichheld (1996) and Parasuraman and Grewal (2000). However, we find sufficient evidence that brand credibility mediates the relationship of customer loyalty with trustworthiness, perceived quality and loyalty.

Customer loyalty also significantly correlated with religious orientation, indicating the notion that the brands need to conform to the religious teaching and beliefs of the customers in order to induce loyalty of customers towards the brand.

Our view that religious orientation moderates the relationships between perceived quality and brand credibility, brand credibility and customer loyalty was not justified

by the empirical evidence observed as the part of this analysis. However, we attained a significant result for the moderating behavior of religious orientation in the relationship between trustworthiness and brand credibility. This indicates the fact that the brand credibility of customers will be influenced by trustworthiness, based on the analysis that the brand conforms to their religious beliefs/orientations. Therefore, any brand with any country of origin may induce its credibility and loyalty into the customers as far as it delivers consistently and maintains its quality. But the thing to be made sure is to kowtow to the beliefs and religious views of the customers, if long-term credibility of the brand is desirable. This opens up a decision area for brand managers in terms of achieving higher market shares; as trustworthiness, blended with religious conformation, would yield them loyal customers. On theoretical grounds, this study unleashes an open avenue for discussion on the development of brand credibility and customer loyalty by incorporating religious orientation. In cultures like Pakistan, where religious orientations have strong influences on customer choices, brand managers must try to conform to these orientations if they want their brand to be a success.

This study implies certain guidelines for the brand managers. Managers should focus on promotion strategies like media campaigns, etc. but must provide a true picture of their product and avoiding claims that cannot be justified upon the use of the product. Since younger respondents were observed to have higher brand credibility scores; major focus of brand managers should be attracting this age group by promoting and advertising the brand with issues that are of interest to the younger generation. Also, products should be designed and specified according to the religious beliefs of the customers.

6.2 Limitations and directions or future research
Future studies on brand credibility and customer loyalty should focus on using a longitudinal design in order to compensate for the common method variance bias. Also, more antecedents/predictors of brand credibility may be incorporated in the research design. This study focused on beverages as the brand under study. Future research may also try to validate (or invalidate) the results of this study by involving different other brands (e.g. tea brands, laptop brands, mobile brands, etc.). Demographic factors may also be hypothesized to check their role in driving customer loyalty.

Some of the respondents had problems with understanding of certain items as English is not the native language of Pakistan. Use of alternate words or rephrasing the questions may resolve the issue. Also, a questionnaire in the native language may resolve this issue. More items may be designed in future studies in order to evaluate the religious orientation of the respondents.

Notes

1. The way customers respond to a certain brand, based on their religious teachings and beliefs.

2. The drink was named Pepsi, decades before Israel came into existence.

3. Wills (2009) argues that it is five times more costly for firms to attain a new customer than to hang onto an existing one.

4. Mediation was checked using Preacher and Hayes (2004) mediation procedure.

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Corresponding author
Abdullah Alam and can be contacted at: abdullah_alam@yahoo.com