The impact of packaging, price and brand awareness on brand loyalty: Evidence from the paint retailing industry

Authors:
Manilall Dhurup
Chengedzai Mafini
Tshepiso Dumasi

Affiliations:
Faculty of Management Sciences, Vaal University of Technology, South Africa
Lafarge Cement Zambia, Zambia

Correspondence to:
Chengedzai Mafini
Email: chengedzai@hotmail.com
Postal address:
Private Bag X021, Vanderbijlpark 1900, South Africa

Dates:
Received: 02 Apr. 2013
Accepted: 30 Oct. 2013
Published: 01 Apr. 2014

Purpose: The purpose of the study was to investigate the impact of packaging, price and brand awareness on brand loyalty.

Rationale: The study sought to extend empirical evidence on the association between brand loyalty and product-related factors: packaging, price and brand awareness.

Methodology: The study adopted a quantitative survey approach and was conducted in a paint retailing environment. Data were elicited from a conveniently selected sample of 212 consumers who purchased various brands of paint. Regression analysis and the one-way analysis of variance test were conducted to investigate the impact of packaging, price and brand awareness on brand loyalty.

Findings: Packaging, price and brand awareness showed significant positive relationships with brand loyalty, which implied their significant predictive influence on brand loyalty. The results suggest that management should, inter alia, initiate and implement effective packaging, pricing and brand awareness in order to enhance consumers’ brand loyalty to the company’s products.

Value of research: The research provides valuable insights to managers of companies on the need to continuously enhance their products’ packaging with competitive pricing strategies in order to improve brand awareness and brand loyalty and remain competitive in the market. The study also provides evidence of the relationship between brand loyalty and packaging, price and brand awareness in a South African context.

Conclusion: The marketing success of businesses depends on their ability to continuously enhance their products’ packaging with competitive pricing and brand awareness strategies in order to improve brand loyalty. Future studies should be extended to other retailing environments and product categories.

Introduction

The contemporary marketplace is inundated with a wide assortment of product brands. Consequently, keeping pace with this proliferation of diverse brands in the market has become nightmarish for the simple consumer (Suresh, Monahan & Naresh 2012). Organisations develop brands with the prime intention of attracting and retaining consumers (Alvarez & Casielles 2005). Academics and practitioners alike have recognised the importance of loyal customers, because such customers usually spend more, buy more frequently, are motivated to search for information, are more resistant to competitors’ promotions and are more likely to spread positive ‘word of mouth’ (Bytyqi & Vegara 2008; Chaudhuri & Holbrook 2001; Dick & Basu 1994; Keller 2008).

Product-related attributes associated with packaging, pricing and brand awareness, inter alia, tend to create and reinforce the relationship between the consumer and the brand (Suresh et al. 2012). Consumers respond to packaging based on a set of prejudices, learned reactions and individual preferences that help to catapult certain products to dominance in today’s dynamic markets (Aaker 2010). Certain shapes, colours, sizes and textures naturally influence consumers to respond positively, whilst others evoke negative reactions (Aaker 2011). With rising consumer affluence, consumers are often willing to pay a little more for the convenience, appearance, dependability and prestige of better packaging (Kotler & Armstrong 2010). Companies have also recognised the influential power of pricing in contributing to the instant recognition of the company or brand (Duffy 2003). Furthermore, effective brand awareness campaigns tend to attract consumers’ attention and convince consumers to venture out to either adopt the product or to use it repetitively, leading to increased sales for the company (McKee 2010).

Over the years, there has been an explosion of research interests focused on factors influencing brand loyalty. Rowley and Dawes (1999) focused on attitudes and behaviours of customers as
antecedents to brand loyalty. Moore, Kennedy and Fairhurst (2003) examined the influence of price on brand loyalty from a cross-cultural perspective amongst Polish consumers. Allender and Richards (2012) looked at the relationship between price promotion strategies and brand loyalty. Bennet (2008) analysed the predictors of brand loyalty in China’s television industry. Homburg, Klarmann and Schmitt (2010) examined the impact of brand awareness on firm performance. Huang and Sarigollu (2012) explored the association between awareness and market outcome, brand loyalty and the marketing mix. Most recently, Couste, Ros and Partal (2013) surveyed the trends in packaging claims on new products and the implications on brand loyalty. Despite their varied conclusions, a common standpoint in these studies is the emphasis on the need for continued empirical research on the relationship between product attributes and brand loyalty in order to keep abreast with market developments. Information from such studies is important because it provides marketers with information on how to position their brands in the market for competitive advantage (Jiang 2004). It is also interesting to note that most of the previous studies on the effect of product attributes on brand loyalty were conducted in Western countries. Furthermore, literature that focuses explicitly on this relationship is rare. Of specific interest to this study then is the relationship between brand loyalty and product attributes, namely packaging, price and brand awareness, within the context of South Africa, which is a developing market.

Theoretical background

With retail chain outlets operating in a slow growth and unpredictable environment, the pursuit for dominance in the market has become more aggressive in relation to packaging, pricing, brand awareness and brand loyalty, thereby challenging companies to explore other marketing avenues to gain market share (Kent & Omar 2003). Such opportunities are exhibited through the increased emphasis placed on improving the quality of packaging, maintaining competitive pricing and creating loyalty amongst customers (Rowley 2005).

Packaging

Packaging may be perceived as a family of activities that are concerned with the design, production and filling of a container or wrapper of the product item in such a way that the product can be effectively protected, stored, transported and identified, as well as successfully marketed (Kent & Omar 2003). An often-overlooked component of packaging is its latent ability to reflect the product attributes to unsuspecting and otherwise disinterested consumers (Gonzalez & Twede 2007). Most of the packaging decisions affect how consumers associate themselves with a firm’s products (Del Rio, Vazquez & Iglesias 2001). Ordinarily, packaging should be designed in such a way that the product can be handled without damaging the quality of the contents (Silayoi & Speece 2007). Packaging should also be designed to promote product sales (Deliya & Parmar 2012). A consumer should, without extraneous effort, be able to identify the packaging of a particular manufacturer standing on the shelf and distinguish it from other competing brands (Cronje et al. 2003). Non-verbal communication through packaging is an important expression through which consumers learn the thought processes since two-thirds of all stimuli reach the brain through the visual system (Zaltman 1997). Wright (2006) also acknowledges that packaging is effective in marketing products since most consumers are greatly affected by appearances and design of the product, in addition to other aspects such as touch, taste, texture and smell.

Packaging appears to be one of the important factors in purchase decisions that are made at the point of sale where it becomes an essential part of the selling process (Silayoi & Speece 2004). In current competitive retail environments, consumers are exposed to a plethora of messages on packaging and merchandising (Klevas 2005; Nancarrow, Wright & Brace 1998). When consumers are spoiled for choice in terms of the available product range, they rely on product externalities, such as packaging, as signals of perceived quality (Rundh 2005). This presents marketing with a challenge to depend heavily on the visual communication of packaging to inform and persuade consumers, both at the point of purchase and at the point of consumption (McNeal & Ji 2003).

Communicating the right product and brand values on packaging is paramount in order to achieve the appropriate level of aesthetics and visual impact (Mowen & Minor 2001). This, apparently, is where the efficacy of the effective packaging becomes evident. Due to the importance of packaging, visual cues such as odour, information from labelling and images increase the chances of a product being sold at point of purchase (Imram 1999). With the move to self-service retail formats, packaging increases its key characteristic as the ‘salesman on the shelf’ at the point of sale (Silayoi & Speece 2004). Packaging also adds exceptional value to products (Underwood, Klein & Burke 2001) and is a vital product differentiation tool that has a beneficial stimulus effect on the buying behaviour of consumers (Wells, Farley & Armstrong 2007). It attracts the consumer’s attention to a particular brand, enhances its image and influences consumers’ perceptions about a product (Vila & Ampuero 2007).

Research evidence on the influence of packaging on consumer buyer behaviour in diverse contexts is available. A study conducted by Bed (2008), which focused on existing practices of branding, packaging and labelling of new products in consumer product manufacturing units, reveals that the right packaging can help a brand to carve a unique position in the marketplace and in the minds of consumers. Broadbridge and Morgan (2007) also found that most consumers have the desire to feel confident with the product in terms of reliability, performance and packaging before they purchase the product. A study conducted by Hysen and Mensur (2008) reveals that packaging has a great positive effect on the purchase of dairy products. Alhasanul and Ali (2009) also found that packaging plays an important
role in influencing the perception of consumers of pirated electronic products. Findings in a study by Gupta (2009) also show that effective packaging is positively correlated with impulse buying behaviour in the food retailing industry, which justifies the use of sales packaging in that industry. It appears, then, that effective packaging is an indispensable instrument in shaping the purchase decisions of consumers. As such, the following hypothesis is proposed:

**H₁:** There is a significant positive relationship between packaging and brand loyalty

### Pricing

Price, which is an enduring element of the original Ps of the marketing mix, may generally be perceived in terms of the specific monetary value that a customer attaches to goods and services (Kent & Omar 2003). Farahmand and Chatterjee (2008) conceptualise price within the auspices of the value assigned to something bought, sold or offered for sales, expressed in terms of monetary units. It also pertains to how buyers view a product’s price, as high, low or fair, which ultimately affects consumers’ willingness to buy the product (Ahmad & Vays 2011). Pricing is a crucial strategic variable due to its direct relationship with the company’s goals and its interaction with other marketing mix elements (Yesawich 2004). Pricing enables companies to segment markets, define products, create incentives for consumers and even send signals to competitors (Acharya & Hitoshi 2007). Goods and services must be priced in a way that achieves profitability for the company and satisfies customers, in addition to adapting to various constraints such as competition (Sahay 2007).

Price, like other key factors in exchange relationships, is one of the tools marketers may use to confront the market, either by directly attracting and retaining clients or fighting against competitors (Boonlertvanich 2009). Moreover, price presents a unique opportunity to create loyalty, retain existing customers and attract prospective customers (Sahay 2007). To this extent, most companies, especially in the service market, use promotional tools such as price to motivate the sale of a specific product (Campo & Yague 2007). However, this can only be fulfilled if the process pricing is orchestrated fairly, honestly and straightforwardly, rather than unfairly and haphazardly (Dunne & Lusch 2008).

An assortment of pricing strategies may be employed to manipulate the purchase behaviour of consumers (Cataluna, Franco & Ramos 2005). This availability of a multiplicity of pricing strategies presents a strategic but tantalising dilemma to companies (Boonlertvanich 2009). The challenge is exacerbated through the realisation by marketers that all pricing strategies must be consistent with the company’s overall image (positioning), sales, profits and return on investment goals, which in itself is a daunting task (Herrmann et al. 2007). Companies may opt to price high or low or merely be price followers (Palivoda & Thomas 1998). The ‘every-day low prices’ (EDLP) approach and the ‘high and low prices’ (hi-lo) approach have also emerged as popular pricing strategies amongst companies (Cataluna et al. ibid). EDLP strategies are used by retail establishments as an advertising appeal to attract consumers and add the advantage of ensuring consistency in sales (Alvarez & Casielles 2005; Suri, Manchanda & Kohli 2000). Furthermore, the use of simple, one-dimensional prices, quoting a single figure (e.g. a standard R10.00), has made way for odd-even pricing (or psychological pricing) strategies aimed at exploiting particular information elaboration processes or perspective biases associated with specific price presentations (Boonlertvanich ibid). For instance, instead of pricing the product at a standard R10.00, the product is priced at R9.99 (Romani 2006). This creates an impression that consumers are paying a lower price for the product, leading to an acceleration of sales (Lamb et al. 2008).

The issue of reference pricing also presents manifold challenges to marketers (Abedniya 2011). Reference pricing refers to the price against which consumers compare the listed price of a product or service with the discounted price (Anttila 2004). In this way consumers evaluate whether a price is too low or too high as they make their product choices. When a consumer perceives that a retailer charges high prices for a product, the consumer also perceives that the retailer possesses an air of luxury, which may lead to repeat purchases (Dunne & Lusch 2008; Yesawich 2004). Due to the sensitivity of price to different segments of the market, some retailers have resorted to introducing generic products or house brands to cater for the price-sensitive section of the market (Yelkur 2000). This strategy is premised on the view that for some consumers, high price simply means giving up more resources for the product whereas some consumers perceive that high prices are a signal of better quality and prestige (Jin & Sternquist 2003).

Often, marketers are also faced with the predicament of introducing either a fixed price or a discounted price (Abedniya 2011). A fixed price offer suggests to a consumer that the price is non-negotiable or will remain constant whenever they decide to purchase the product (Ahmad & Vays 2011; Nagle & Holden 1994). The discounted price system denotes that the price of a product may be reduced marginally as and when necessary to encourage more sales (Leisen & Prosser 2004) whereas the fixed price offer implies that the product is excluded from consumer promotions or price discounts (Boonlertvanich 2009). Overall, it is important for marketers to choose price communication strategies, both at the point of sale and by the means of various media forms, which are capable of drawing consumers’ attention to the product’s value and thus inducing them to buy (Romani 2006). Since price is an important instrument in shaping the performance and ultimate destiny of both the product as well as the company, it is logical to expect a positive and predictive relationship between price and brand loyalty. This leads to the following hypothesis:

**H₂:** There is a significant positive relationship between price and brand loyalty
Brand awareness

Brand awareness is an important indicator of consumers’ knowledge about a brand, the strength of a brand’s presence in the consumers’ minds and how easily that knowledge can be retrieved from memory (O’Guinn, Allen & Semenik 2009). It is the probability that consumers will easily recognise the existence and availability of a company’s product or service (Mowen & Minor 2001). There are two main types of brand awareness, namely ‘aided awareness’ and ‘top of the mind awareness’ (Farris et al. 2010). Aided awareness occurs when a consumer is provided with a list of brand names and they recognise the brand from the given set whereas ‘top of the mind awareness’ occurs when the name of the brand is automatically recollected because the consumer very promptly associates the brand with the product category (Keller 2008). Despite their inherent differences, both types of brand awareness are useful in their respective domains of application. Moreover, brand awareness also comprises brand recognition, which is the ability of consumers to confirm that they have previously been exposed to a particular brand, and brand recall, which reflects the ability of consumers to name a particular brand when given the product category, category need or some other similar cue such as brand logos (Liu, Liston-Heyes & Ko 2010).

Brand awareness influences consumer decision-making in various ways. For instance, consumers may use brand awareness as a nominal anchor in their purchase decisions (Hoyer & Brown 1990). When consumers know a certain brand, they tend to include that name in their personal consideration set (MacDonald & Sharp 2000). It aids a consumer to understand which product or service category a particular brand belongs to and what products and services are sold under the brand name (De Chernatony & Segal-Horn 2003). This suggests that a well-known brand is likely to perform better in the marketplace than a lesser-known brand (Yoo, Donthu & Lee 2000). Brand awareness therefore has the effect of increasing brand market performance (Huang & Sarigöllü 2012). These insights demonstrate that brand awareness is also an important contributor to the purchase decisions of consumers. Based on the foregoing insights, a positive and predictive association between brand awareness and brand loyalty can be envisaged. Therefore, the following hypothesis is suggested:

H1: There is a significant positive association between brand awareness and brand loyalty

Brand loyalty

Brand loyalty is a measure of the extent to which consumers are loyal to a particular brand over a period of time, which emphasises a consistent repurchase of the same brand (Sheth & Mittal 2004). Brand loyalty results in an emotional attachment to the brand, which is driven primarily by commitment and affection (Hawkins, Best & Coney 2001; Seetharaman, Nadzir & Gunalan 2001). The consumer develops affection for the brand in a manner similar to a friendship (Ball, Coelho & Machas 2004). Brand loyalty can develop through identification: the consumer believes the brand reflects and reinforces some aspects of the consumer’s self-concept (Petromilli, Morrison & Million 2002). It can also be conceptualised from a behavioural dimension and as a function of psychological processes (Tepeci 1999). Consumers exhibit behavioural brand loyalty when a consumer buys a brand simply out of habit or convenience without thinking much about it (Sheth & Mittal ibid). If consumers primarily use the products of a particular company in preference to the products of competing companies, they are absolutely brand loyal (Keller 2008). If they use a product most of the time but occasionally use a competitors’ product, they are moderately brand loyal (Allender & Richards 2012). Low brand loyalty exists if brand or product switching occurs regularly with products (Hawkins et al. ibid).

There are three major contributors to brand loyalty, namely perceived brand-performance fit, social and emotional identification with the brand and habit combined with a long history of using the brand (Sheth, Mittal & Newman 1999). If consumers have a positive brand-performance experience, they may seek that reward again through repeated usage (McKee 2010). Brands also acquire certain social images through marketing communications or by real-world observations by consumers (Zhang, Gangwar & Seetharaman 2008). In addition, marketers often design emotional communication so that it can create a positive affective response (Cant, Brink & Brijball 2006). Consumers also often enjoy using certain brands in such a way that they psychologically begin to see those brands as part of themselves (Melo & Galan 2011; Sheth & Mittal 2004). Brand loyalty arises from habit and long history of brand usage (Chaudhuri 1995; Neslin 2002). For example, a consumer who used a particular brand five years ago and had a good experience with it in terms of quality and performance is more likely to use the same brand today and in the future (Briesch, Chintagunta & Fox 2009). Furthermore, if consumers saw a brand being used in their parental home as they were growing up, they are likely to view this long history of use by parents as testimony to the brand’s goodness and are likely to maintain its usage (Sheth & Mittal ibid). Positive word-of-mouth communications from a committed customer increases both the probability of the recipient becoming a customer and of the recipient sharing the positive comment with a third person (Hawkins et al. 2001).

Even when loyal customers purchase a different brand to take advantage of a promotional deal, they generally return to their original brand for their next purchase (Chaudhuri & Holbrook 2001). The development and maintenance of consumer loyalty is placed at the heart of companies’ marketing plans, especially in the face of highly competitive markets with increasing unpredictability and descreasing product differentiation (Delgado-Ballester & Munuera-Aleman ibid). Marketers are conscious of this fact because customers may demonstrate their loyalty in any number of ways. For instance, they may choose to stay with the provider, whether this continuance is defined as a relationship or not, or they may increase the number of purchases or the frequency
of their purchases (Rowley 2005). Therefore, brand loyalty is one of the ways with which consumers express satisfaction with the performance of the product or service received (Delgado-Ballester & Munuera-Aleman 2001).

Objectives and summary of hypotheses

The primary objective of the study was to investigate the impact of packaging, price and brand awareness on brand loyalty. To achieve this primary objective, two secondary objectives were formulated. These were (1) to establish the degree of association between brand loyalty and three factors, namely, packaging, price and brand awareness, and (2) to determine whether brand loyalty can be predicted by packaging, price and brand awareness. The hypotheses that were formulated in conducting this investigation are summarised in Table 1.

Hypothesised model of the impact of packaging, price and brand awareness on brand loyalty

In this study, the model illustrated in Figure 1 is proposed to test the hypotheses that were formulated. The model presupposes that packaging, price and brand awareness are all positively associated with brand loyalty.

Research methodology

Research approach

A quantitative design using the survey method was used in the empirical segment of the study (Terre Blanche, Durrheim & Painter 2006). In quantitative research, data are quantified to apply statistical techniques in order to gain meaningful insights into relationships (Hair, Bush & Ortinau 2000). A quantitative approach was used as it is suitable to test for relationships using hypotheses, which was the case in this study (Glasow 2005). The survey method was selected because it easily facilitates the collection of data from large groups of respondents, is inclusive in the number of variables that can be studied, requires minimum investment to develop and administer and is relatively easy for making generalisations (Zikmund et al. 2009).

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Packaging has a significant positive impact on brand loyalty.</td>
</tr>
<tr>
<td>H2</td>
<td>Price has a significant positive impact on brand loyalty.</td>
</tr>
<tr>
<td>H3</td>
<td>Brand awareness has a significant positive impact on brand loyalty.</td>
</tr>
</tbody>
</table>

Data collection

Data were collected through the use of a structured questionnaire. The questionnaire was divided into five sections. Section A elicited general and biographical information about respondents. Section B elicited information on respondents’ perceptions of packaging. The questions in Section B were adapted from previous studies conducted by Prendergast and Pitt (1996) and Rettie and Brewer (2000). Section C (with questions adapted from Brucks, Zeithaml & Naylor 2000 and Raijput, Kalhoro & Wassif 2012) sought information on respondents’ perceptions of pricing. The questions in Section D (adapted from Aaker 1996) elicited information on brand awareness and Section E sought information on brand loyalty (Chaudhuri & Holbrook 2001; McKee 2010). With the exception of Section A, Likert scales anchored by strongly disagree (1) and strongly agree (5) were used in the questionnaire.

After its construction, the questionnaire was pre-tested with a conveniently selected sample of 20 respondents in order to identify and eliminate problems as well as to determine the time for the completion of the questionnaire (Presser et al. 2004). The questionnaire was further tested during a pilot study during which further refinement of the questions was undertaken. Feedback from both the pre-test and pilot study was used to make minor revisions to the questionnaire (Radhakrishna 2007). Thereafter, the questionnaire was administered on four consecutive weekends (Saturdays and Sundays) in April 2012. Weekends were selected as they are the busiest shopping days of the week in South Africa (Bowles 2012). Ethical considerations, such as the respondents’ right to anonymity, confidentiality, privacy and non-participation, informed consent and protection from discomfort, harm and victimisation, were adhered to during the administration of the questionnaire.

Results and discussion

The analysis and discussion of the results begins with a brief descriptive examination of the composition of the sample. In order to examine the predictive relationships, regression analysis was undertaken.

Sample composition

Amongst the respondents, 64% were male and 36% were female. A majority of the respondents (79%) were
aged between 30 and 50 years. In terms of language, approximately 51% of respondents spoke English, 20% were Afrikaans speaking and the remainder (29%) spoke local Nguni languages. Furthermore, approximately 63% of respondents were married, 23% were single and 14% were either divorced or widowed. With regard to the frequency of buying paint, approximately 35% of respondents attested to the fact that they ordinarily buy paint once in a cycle of five years whilst approximately 27% attested that under ordinary circumstances, they buy paint twice in a cycle of five years.

Reliability and validity

The internal consistency of the sub-scales (packaging, price, brand awareness and brand loyalty) is reported in Table 2. Cronbach’s alpha values for the individual sub-scales ranged from 0.708 to 0.909, which were all above the acceptable benchmark levels of 0.70 (Malhotra 2011a).

Content validity is the representativeness of the content of the measurement instrument (Malhotra 2011b). The pre-testing and piloting of the questionnaire had the effect of improving the content validity of the entire instrument. In addition, high alpha values were achieved in the reliability tests for the various sub-scales, thereby indicating a satisfactory level of construct validity. Convergent validity reflects the degree of correlation amongst different measures that purport to measure the same construct (Malhotra 2011a). In the study, convergent validity was assessed through the computation of Spearman’s correlation coefficients. Upon analysis of the sub-scales there were significant positive correlations ranging from 0.201 to 0.655 (at \( p < 0.01 \)) thus reflecting evidence of convergent validity amongst the different variables. Predictive validity was measured through regression analysis. Causality was explained by all three independent variables with brand loyalty (refer to Table 3), thereby confirming the existence of acceptable levels of predictive validity in the current study.

Regression analysis

Multiple regression analysis relates independent and dependent variables in a manner that takes mathematical inter-correlation into account (Malhotra 2001b). It is a statistical technique that can achieve the best linear prediction equation between independent variables and dependent variables (Aldlaigan & Buttle 2002). Since positive correlations existed between brand loyalty and the three dependant variables, namely packaging, price and brand awareness, it was necessary to establish the strength of the predictive relationships between the variables. In line with the existence of positive associations amongst the constructs, regression analysis was conducted. Regression analysis was undertaken in order to examine the correlation more closely and to examine the effects of the independent variables on the dependent variable. To test predictive relationships, packaging, price and brand awareness were used as the independent variables and brand loyalty was used as the dependent variable. The results of the regression analysis are reported in Table 3.

In checking for assumptions in multiple regression analysis the following were considered. Firstly regression analysis is often sensitive to sample sizes. Various guidelines are reported in literature. Stevens (1997) recommends that about 15 participants per predictor are needed to construct reliable equations. The current study made use of three independent variables. Tabachnick and Fidell (2007) also provides some guidelines in calculating sample sizes using a formula, taking into account the number of independent variables as \( N > 50 + 8m \) (where \( m = \text{number of independent variables} \)). Based on these criteria the sample size far exceeds the minimum to perform regression analysis. In checking for outliers, normality, linearity and homoscedasticity, the normal probability plots and scatterplot were computed using the SPSS functionality. On inspection of the probability plots, the plots were fairly linear with no major deviations from normality. With regard to the scatterplot the scores were concentrated in the middle, along the 0 point and were not curvilinear. There was only one outlier detected from the scatterplot; the rest of scores fell well within the range (Tabachnick & Fidell ibid). The scatterplot range was between 1.9 and -2.3.

Initially, multi-colinearity tests were conducted by examining the tolerance value and variance inflation factor (VIF) associated with each independent variable. The tolerance values should be greater than 0.1 and the VIF values should not exceed 10.0 (Pallant 2010). Both values were acceptable (highest tolerance value = 0.946 and the highest VIF = 1.382), indicating that multi-colinearity did not constitute a problem in the study and the independent variables are not highly correlated (\( r > 0.70 \)). In addition, the majority of the correlations were 0.30. The regression analysis showed an \( R^2 \) of 0.37, which implies that 37% of the variation of the company’s brand loyalty can be explained by the impact of packaging, price and brand awareness.

### Table 2: Scale reliability.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Number of items</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging</td>
<td>16</td>
<td>0.836</td>
</tr>
<tr>
<td>Pricing</td>
<td>13</td>
<td>0.805</td>
</tr>
<tr>
<td>Brand awareness</td>
<td>7</td>
<td>0.791</td>
</tr>
<tr>
<td>Brand loyalty</td>
<td>13</td>
<td>0.919</td>
</tr>
</tbody>
</table>

### Table 3: Regression model summary of packaging, price, brand awareness and brand loyalty.

<table>
<thead>
<tr>
<th>Model summary Dependent variable: Brand loyalty</th>
<th>( R^2 )</th>
<th>( R )</th>
<th>( F )</th>
<th>( \text{Sig.} )</th>
<th>( \text{Tol} )</th>
<th>( \text{VIF} )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packaging</td>
<td>0.37</td>
<td>0.607</td>
<td>4.240</td>
<td>0.000</td>
<td>0.716</td>
<td>1.048</td>
</tr>
<tr>
<td>Price</td>
<td>0.359</td>
<td>0.368</td>
<td>1.959</td>
<td>0.000</td>
<td>0.946</td>
<td>1.370</td>
</tr>
<tr>
<td>Brand awareness</td>
<td>0.370</td>
<td>0.377</td>
<td>5.825</td>
<td>0.000</td>
<td>0.724</td>
<td>1.382</td>
</tr>
</tbody>
</table>

\( R \), \( R^2 \), \( \text{Adjusted } R^2 \), \( \text{Sig.} \), \( \text{Tol} \), \( \text{VIF} \).
The beta coefficients in Table 3 indicate that all three independent variables, namely packaging ($\beta = 0.276$), price ($\beta = 0.111$) and brand awareness ($\beta = 0.377$), contribute significantly to the prediction of brand loyalty. These results are synchronous to the findings of previous studies conducted by a number of scholars (Ball et al. 2004; Campo & Yague 2007; Underwood et al. 2001; Wells et al. 2007) which also revealed that packaging, price and brand awareness are significant predictors of brand loyalty. Overall, the results of the multiple regression analysis provide evidence of predictive validity; positive relationships that were hypothesised between packaging, price, brand awareness and brand loyalty were supported.

**Conclusion**

The purpose of the study was to investigate the impact of packaging, price and brand awareness on brand loyalty. Three hypotheses were proposed in the study. Based on the regression analysis of the data obtained from a sample of paint consumers, it was possible to reach conclusions regarding these relationships.

With reference to hypothesis H$_1$, the regression analysis showed a significant positive and predictive relationship between packaging and brand loyalty. Hypothesis H$_1$ is therefore supported. In terms of hypothesis H$_2$ the regression analysis revealed a significant positive and predictive relationship between price and brand loyalty. Hypothesis H$_2$ is therefore supported. With regard to hypothesis H$_3$, the regression analysis exhibited a significant positive and predictive relationship between brand awareness and brand loyalty. Hypothesis H$_3$ is therefore supported.

**Recommendations**

The findings of the study endorse the existence of significant positive and predictive associations between brand loyalty and packaging, price and brand awareness. In line with these findings, a number of recommendations may be suggested in order to develop packaging, price and brand awareness strategies aimed at enhancing brand loyalty amongst consumers. With reference to packaging, it is important for marketers develop innovative packaging strategies that will appeal to the customer in an exceptional way (Wright 2006). Typical emerging solutions that have revolutionised packaging best practice in recent times include green packaging, tiered branding, the feel-good factor, adding personality, speed to shelf and multisensory packaging, amongst others (Alvarez & Casielles 2005; Ghidossi et al. 2012).

To ensure that brand loyalty is increased, successful companies in most markets are shifting towards the adoption of pricing tactics such as offering better single price points only if multiple purchases are made, cash discounts for purchasing a ‘suite of products’, discounts on fuel for purchases made in-store, and any other strategies to generate repeat purchases, inspire larger orders and take customers out of the market on key items (Madhu-Mohan & Jayanthi 2012). Meaningful customer relationship management programs may be established in order to improve brand awareness. A meaningful relationship between a brand and its customers can result in deeper customer considerations and higher sales volumes as customers become more conscious of and loyal towards the brand (Huang & Sarigollu 2012). It is important, then, to engage customers and build long-term relationships with them in a two-way dialogue using tools such as insight communities, offline interactions and social media platforms (Homburg et al. 2010). It is also both important and necessary for marketers in the company to assess the response that the targeted customers have towards changes in packaging, price, brand awareness campaigns and messages sent across through various means as a mechanism for monitoring prevailing levels of brand loyalty (Mowen & Minor 2001).

**Limitations**

Although the study provides fruitful insights regarding packaging, price, brand awareness and brand loyalty, it is not without limitations. Firstly, the study was conducted on a limited sample and within the rubric of the paint retailing industry only. This fact naturally limits the extent to which the results of the study may be generalised to other contexts and environments. Secondly, a non-probability convenience sampling technique was employed in the study. In effect, this increased the study’s susceptibility to sampling bias. However, these drawbacks should not necessarily negate the usability of results of the study, since they still retain their wide spectrum of application.

**Acknowledgements**

The authors would like to thank the Faculty of Management Sciences at Vaal University of Technology for providing the funding required for the publication of this article.

**Competing interests**

The authors declare that they have no financial or personal relationship(s) that may have inappropriately influenced them in writing this article.

**Authors’ contributions**

M.D. (Vaal University of Technology) was responsible for the construction of the questionnaire and conducted statistical analyses as well as the interpretation of data. C.M. (Vaal University of Technology) was responsible for compiling the sections of the article and made language revisions. T.D. (LaFarge Cement Zambia) was responsible for writing the literature review and collecting the data.

**References**


http://www.actacommercii.co.za doi:10.4102/ac.v14i1.194


O’Guinn, T.C., Allen, C.T. & Semenik, R.J., 2009, Advertising and integrated brand promotion, 5th edn., South-Western, Mason, OH.


Sheth, N.J. & Mittal, B., 2004, Consumer behaviour, a managerial perspective, 2nd edn., Thomson Learning, Mason, OH.


