



## RELATIONSHIP OF ADVERTISING APPEALS, CORPORATE REPUTATION AND BRAND ADVOCACY: THE MEDIATION ROLE OF BRAND LOYALTY

Asif Mahmood<sup>1</sup>, Syed Zeeshan Haider<sup>2</sup>

1) Namal Institute, Mianwali, **Pakistan**, 2) National University of Computer and Emerging Sciences Chiniot-Faisalabad, Punjab, **Pakistan**

**ABSTRACT. Background:** Retention of customers to maintain long term profitable relationship is indispensable for the organizations operating in Fast Moving Consumer Goods (FMCGs) sector. Due to lucrative nature of market, proximity of new entrants is very high in emerging FMCGs markets. In order to retain customers for longer time and make them loyal with the brand, companies are spending heavily on advertising campaigns. Informative and normative advertising appeals are two widely used appeals in FMCGs advertisements. This research aims at finding the degree of relationship of informative and normative ad appeals with brand loyalty in FMCGs context. Efforts have been put to understand the relationship of three very important variables; corporate reputation, brand loyalty and brand advocacy in FMCGs sector.

**Methods:** Data were collected using questionnaire with the sample size of 400 from four different cities of Pakistan. Regression analysis was conducted to find the relationships between variables. Firstly, all were measured independently with each other, and then mediating effect of brand loyalty on the relationship between corporate reputation and brand advocacy was measured.

**Results:** The results revealed that informative advertising appeal has created more impact on brand loyalty than normative advertising appeal in FMCGs sector. On the other hand, findings also suggest that corporate reputation and brand loyalty are important but not the major contributor towards the brand advocacy in FMCGs sector.

**Conclusions:** The research has great significance for marketing professionals and practitioners as it would guide them about strategic direction for the use of appropriate appeals in advertising campaigns.

**Key words:** advertising appeals, corporate reputation, brand advocacy, brand loyalty, FMCGs sector.

### INTRODUCTION

In current era, market for retail products is growing rapidly particularly in Asia pacific region. Fast Moving Consumer Goods markets are the prime concern for national as well as multinational manufacturing organizations [Bill, Feurer, Klarmann, 2020]. In South Asian countries, Pakistan is a developing economy with approximate population of 200 million. Adequately developed infra-structure, sufficient availability of modern technologies and overwhelming demand make it a very lucrative market for the consumer goods.

There are many multinational companies such as Unilever, Proctor&Gamble, Colgate Palmolive and local companies catering to the consumer needs of this market. Some companies are offering large product mix including different product lines in different product categories.

Fast Moving Consumer Goods markets contain products which are produced and used on massive scale. Companies make them available in the markets on large accounts. FMCGs products are quickly consumable products and consumers put in fewer amounts of pre-purchase efforts. Further they tend to

easily substitute these products if a specific brand is not available in the market. Per unit profit margins are usually low because of large number of items sold. So tactical planning plays very vital role in this market to maintain sustainable long run profitability [Aribarg, Schwartz, 2020]. Those products which are adequately available in the marketplace and are commonly used by the general public in geographical vicinity are called public goods and those products which are not extensively distributed in the market and brand names are not recognized among general public are called private good.

Customer relationship management (CRM) has its huge academic and practitioner value but still the discussion about its domain and meanings continues. CRM has deep relationship with marketing and some management disciplines. Whereby it is a very important strategic resource for the business. CRM concept should be focused resiliently; a better relationship with customer gives more brand loyal customer and increasing corporate reputation. When customers become the central points in companies, need for the long-term customer relationship evolves. Companies understand that they must take care of customers and it becomes a standard thought that while attracting new customers companies should pay more attention to retain old customers. In FMCGs industry of Pakistan, consumers are selective in their choices and one finds low number brand loyal customers due to availability of various alternative brands in same category. This behavior has invited brand managers to emphasize more on brand loyalty and customer retention programs [Gulbrandsen, Plesner, Raviola, 2019].

Increased competition in emerging Fast Moving Consumer Goods (FMCGs) market has made brand loyalty a very vital subject for brand managers across the world [Filatotchev et al. 2020]. Due to the individual differences in purchase behaviors and large scale advertising campaigns brand switching is very common practice in consumer goods market [Vlachy et al., 2020]. Therefore, companies operating in FMCGs industry are more concerned about making customers loyal to the brands. Managers feel difficulty in constructing long-term brand value for

organizations and their brands have high pressures to gain short-term profits. Losing a customer in consumer goods market is not a one-time loss. Company is losing total revenue stream of all the purchases made by that customer over the entire life span. In hyper competition making your customer loyal with the brand offered by the company is always a challenge for marketers [Armstrong, Kotler, 2011].

Since the last decade, arrival of social media and awareness about advertising and its benefit to persuade consumers to influence their purchase intentions has radically changed the product promotion activities. Now companies are more focused towards 360-degree advertising campaigns which includes mixture of above the line (ATL) and below the line (BTL) activities. As per the nature of market, consumers usually substitute the products without much consideration and availability of many substitute brands is also contributing to lesser brand loyalty [Aribarg, Schwartz, 2020]. In order to remain intact and maintain longer relationships with existing customers companies have to introduced strong customer retention programs which will lead to gaining customer loyalty. Enhanced brand loyalty will help companies to remain profitable and sustain competitive advantage in cut-throat competition [Saeed et al., 2013]. From the above discussion it can be concluded that brand loyalty is very important for the companies working in FMCGs industry.

The accumulated impression formed by the stakeholders of a company which is generally resulting from the long-term two-way interactions between the company and customers is known as corporate reputation [Narteh, Braimah, 2019]. General customers develop corporate reputation from overall assessment of business as well as social activities performed by a particular company in the market environment. It also includes the behavior of company towards customers in terms of how they respond to the problems faced in the marketplace. By fulfilling the commitments with customers, companies construct good reputation amongst them [Keh, Xie, 2009].

After evaluating a particular product, customer forms a positive or negative opinion about the same which he/she shares in his/her social circle. If the experience is positive after repetitive exposure to same brand customer starts spreading positive word of mouth and starts defending that brand in his social appearances [Wong, Sheng, 2008]. By developing knowledge partnership and aiming to build stronger customer relationships companies ensure that customers start spreading positive word of mouth and defending brand in the marketplace. In growing markets, importance of word of mouth brand advocacy is increasing on regular bases. Firms are putting quantifiable efforts to enhance quantity and quality of WOM brand advocacy. This phenomenon is laying the bases for a strong need to analyze firm's efforts to improve and increase WOM advocacy for different brands. In FMCG context, consumer's psychological behavior and social concerns which impact on purchase intentions should be analyzed [Zeithaml, et. al., 2020]. In another study, [Jeong, Kim, 2019] emphasized to work on exploring the contribution of social and community factors to brand advocacy.

Thus, in the contemporary era large FMCG companies working in the country are bound to ascertain the relationship between advertising appeals, corporate reputation and brand loyalty. Further brand loyalty has to be grasped fully by analyzing its mediating role between corporate reputation and brand advocacy in FMCGs industry. The study will act as a litmus test for the contribution of corporate reputation building activities towards brand loyalty and brand advocacy in FMCGs industry.

## LITERATURE REVIEW

### Informative advertising appeals

When consumer is more interactive and his involvement is high during buying process, requirement for information about product attributes and core products benefits will be high. In such situation using informative/rational advertising appeal is more appropriate. In context of digital advertising informative advertising has more significant impact on

consumer behavior so companies should design strategically more convergent informative advertising to be used for digital signage [Argyres, Bercovitz, Zanarone, 2019]. The role of advertisement is very important in selling the products as it conveys accurate and informative message related to product. There are number of customers who only use advertisements as a source of information for buying products. Consumer information about the product may increase or decrease the profit through increased/decreased sales volume. In advertising information may be on product quality, manufacture Company or price [Anderson, Renault, 2009]. The price advertisement cost is related to the cost of the product and the sales volume. Consumers usually gather price information before purchasing to save shopping trip cost. When companies control advertising costs it will help them to remain competitive in price. Advertisements containing appropriate information are more liked by consumers while those with inadequate/irrelevant do not present clear messages. So the main role of disseminating information is to give details about a product. Consumer's awareness about product features is very important and it makes advertisement a very vital subject for organizations. Many advertisements do not contain clear message about product qualities, prices and other details. In oligopolistic markets it is mandatory for the advertisers to convey the proper information in the advertisement.

### Normative advertising appeals

In normative advertising appeals, consumer is persuaded by transforming a message that creates peer pressure to influence the purchase decision. The influences of colleagues, close friends and family are normative factors. Marketer tries to communicate the usage of particular product as norm of the society in which the consumer is living. As consumer purchase decision is influenced by the people or a group of people in consumer's habitant environment, some researchers are discussing that normative influence is different when the compliance to the group norm is not compulsory [Matzler, Pichler, Hemetsberger, Applications 2007, Zhao, Lee 2019]. Reference groups have great impact on

consumer opinions and belief. Reference groups are divided into two types: Normative reference groups (have impact on consumer's norms and attitude) and Comparative reference groups (in which consumers compare themselves with celebrities). While purchasing identical product consumer purchase pattern are influenced by the association with a group and that particular group has a great influence in selection of brand. During routine purchases many consumers give good weightage to the fact that they should buy those products which tends to inspire others in their respective social environment. A company attracts more customers to build relationship to work on social norms of that region. Social norms, such as cultural values are more important for a brand to build a strong relationship with consumers. Those consumers which are extroverts and are enjoying more societal affiliations are more inclined towards purchasing the product consumed by the particular social group with whom they are associated.

### **Brand Loyalty**

Brand loyalty refers to specific behavior of customer in which the customer keeps buying company product or services for an extended period of time and generally shows positive attitude and behavior towards that specific brand he or she is using. Brand awareness is the first step towards the whole procedure which should have been ended with loyal customer base as desired by marketers around the globe. Brand awareness is divided into two components, one is brand recognition and other is brand recall. When people find some brand from their memory of sensory inputs it is called brand recall and when they are stimulated by some external force or activity it is defined as brand recognition. Loyalty not only tells us about the customer behavior, but it reveals the conduct of company as well. Companies make products to facilitate the customers and if customers are purchasing their products repeatedly, it shows that they are loyal with the company but it also show that the company is continuously surpassing their expectations [Rietveld, van Dolen, Mazloom, Worrying, 2020]. Researchers in past have measured relationship of brand loyalty with different variables. Corporate image, trust and

satisfaction have noteworthy effect on brand loyalty [Islam, 2008]. Providing better services in hyper competition markets helps a great deal in satisfying customers which ultimately results in greater brand loyalty. Customer satisfaction is deeply related to brand loyalty. Satisfaction state arrives when a brand meets the expectations of customer and then this state influences the next purchase behavior by encouraging customer to go for the repeat purchases with the same brand. Along with satisfaction trust also has strong bonding with brand loyalty; if customers have trust in the company they will be more loyal to the brands offered by that company [Gulbrandsen, Plesner, Raviola, 2019]. Trust has achieved substantial standing in maintaining brand loyalty for companies. Trust is a precondition to brand loyalty and with rapid growth in population in developing countries increased focus on customer satisfaction is becoming a must to retain customers and to stimulate them for repeat purchases [Jia, Management, 2020]. A company's financial conditions can be evaluated by its customer's equity. High customer equity prevents the brand switching and increase brand loyalty.

### **Corporate Reputation**

Having favorable reputation is the objective of every firm. Managers of the firm influence other shareholders by signaling the social deeds of the firm. The reputation of the firm is constructed based on its internal structure and its social norms. Shareholders measure the organization's reputation by gathering important information through media and other monitors. Insignificant and weak relation is shown between switching and corporate reputation, but strong relation founded between customer satisfaction and corporate reputation. Many companies do not know how to create a corporate reputation, while others do not know how to use it. In these two unwanted situations, copying the behavior of other companies is not a recommended technique. Buyer's expectations are controlled by corporate reputation and market offerings. Buyers' response is affected by his viewpoint of seller's reputation. Collectively customer expectations, company's offerings and reputation affect the buying intentions. Corporate social responsibility (CSR) has

a great impact on stakeholder equity. CSR also has a great contribution in the improvement of managerial and marketing disciplines and which results in better corporate reputation. The good reputation of the company can be measured through its financial performance. Better reputation can only be generated if the financial statement is presenting a healthy picture. An organization has many types of social images which are formed by consumers, social analysts, critiques, arbiters and the interested investors. Expressions and impressions collectively make a scattered image and create problems. An organization should control its complexity, perspective and diverse image to control the scattered image problem [Price, Gioia, Corley 2008]. Corporate philanthropy is a very important asset of any business. Company should focus strategy of philanthropy instead of increasing financial activities. For a good reputation in corporate philanthropy strategy helps a great deal. This strategy facilitates to achieve economic goal and the ultimate result will be amplification of goodwill. The corporate branding (reputation building) takes part in perspectives of different stakeholders in an organization. The functional satisfaction is not only a key to success; cultural affection in brand is also an important factor. Thus, all these concepts are accumulated in corporate branding concepts. Corporate social responsibility activities have positive effect on consumer attitude, and it helps a great deal to develop favorable corporate reputation across the marketing environment. In not-for-profit organizations (NPOs) socially responsible attitude stimulate vendor donation attitudes.

### **Corporate Reputation & Brand Loyalty**

Corporate relations are the major part of an organization. These relationships are formed as a result of trust and fulfillment of commitments over a course of time. If an organization is loyal to its customers, then in the long run customers will also pay back by remaining loyal to that organization. It will result in the formation of a trust relationship. Corporate reputation is identified to gain new customer. Reputation's effect on customer relationship is not fully inspected. There is a strong connection between reputational perception of a firm and expectations

fulfillment of customer. Customer shows loyalty to those firms which have better pre-economic performance and reputation. A company should invest in human resource for good reputation, to make the firm a better place to work. It will bring innovation which is further linked to the customer satisfaction and retention. Socially responsible behavior has great worth for any organization. It can be measured at different levels of corporate gestures. The good CSR will result in better brand image and will help in improved corporate relations. CSR activities benefits an organization by increasing its sales revenue and brand loyalty and by decreasing brand turnover. All consumer expectations are determined by firm's reputation and services given by firm. Empirical study revealed that customer response is favorable if the attitude and vendor's reputation is according to customer expectation. Corporate image has a substantial but indirect effect on customer loyalty, as customer loyalty is determined by both confirmation of hopes and company image. Corporate image and reputation contributes towards increased brand loyalty [Bartikowski et al., 2011].

### **Brand Advocacy**

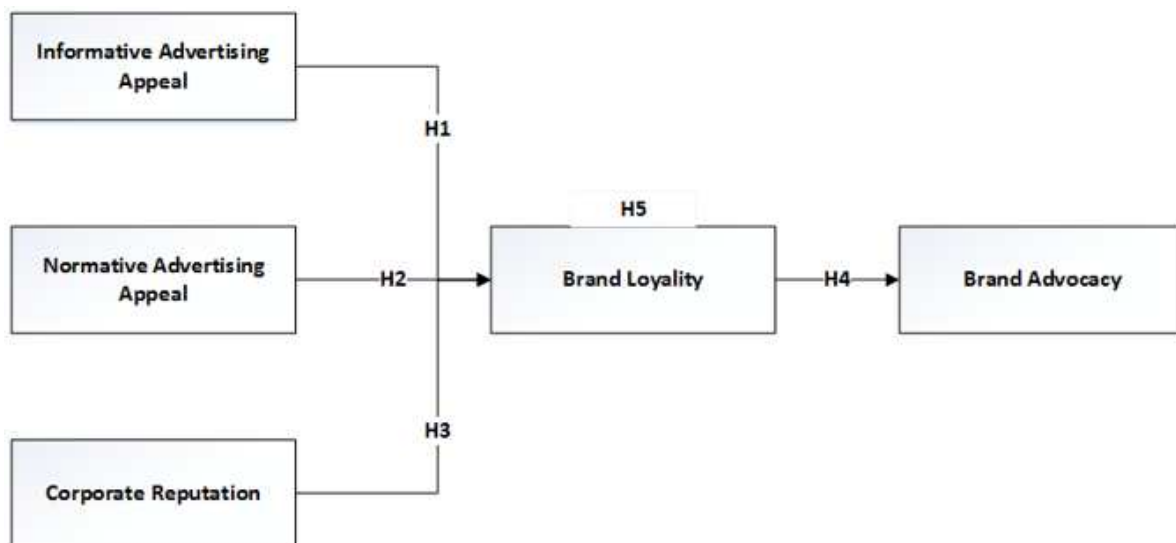
Brand advocates are extremely loyal to the brand; their relationship is far more than just deriving functional benefits from brand. They act as a militant for brand and their commitment is to the extent of generating positive word of mouth (WOM), fully experiencing the brand and becoming biggest allies of the brand. WOM has three aspects "opinion seeking" "opinion giving" and "opinion passing". Opinion seekers are the persons who tend to take advice and opinions from others and then take any major decision. The people who are opinion givers are often the opinion leaders and have a great influence on the attitudes of their followers or group. Opinion passing is an important behavior of electronic-WOM that regulates the information flow towards the different consumers in a social group [Chu, Kim, 2011]. The power of word of mouth is really affective. Many companies seek positive word of mouth to gain competitive advantage. Positive WOM does not generate automatically, one company has to perform up to the total satisfaction of

consumer to generate positive word of mouth [Mazzarol, Sweeney, Soutar 2007]. Companies focus on retaining existing customer because they are not only a permanent source of income but they also influence new ones. Loyal customers are considered alternative of advertising because their positive word of mouth (WOM) can nourish company's image. So, there is a big existence of existing customer on company's performance. When consumers become dissatisfied then generation of word of mouth is obvious in most of the cases. One of the important and interesting aspect is that dissatisfied customers are more engaged in spreading negative word of mouth, but satisfied consumers are less engaged into word of mouth. The difference between both satisfied and dissatisfied is inflated. Companies are offering reward to ensure repeat purchases but through this in the long run, consumers become reward worm. Through referral reward company cannot build the actual image of the brand and if the reward is removed there are chances of decrease in the sale of the product.

Stronger brands do not necessarily use referral reward rather they focus more on customer relationship marketing and improved product and services to generate positive word of mouth.

After the support of existing literature following hypotheses have been developed for current study as shown in Figure 1:

- H1: Informative advertising appeal has significant relationship with brand loyalty.
- H2: Normative advertising appeal has significant relationship with brand loyalty.
- H3: Corporate reputation has significant relationship with brand loyalty.
- H4: Brand Loyalty has significant relationship with brand advocacy
- H5: Brand loyalty will mediate between corporate reputation and brand advocacy.



Source: own work

Fig. 1. Research Framework

## RESEARCH METHODOLOGY

### Sampling

Population for current study is customers of fast-moving consumer goods (FMCG).

Resources and time constraints limits the sample to FMCG customers from four major cities which include Lahore, Faisalabad, Islamabad and Multan. Non-probability sampling technique along with convenience sampling method is used. Rationale behind using convenient sampling is that it is the most efficient and economical method [Sekaran, Bougie, 2013]. Questionnaires were distributed

to 450 respondents of Faisalabad, Lahore, Multan and Islamabad. Out them 50 questionnaires were faulty and responses of 400 questionnaires were recorded to SPSS for analysis, having response rate of 88.8 %. The demographical characteristics of these respondents are shown in the Table 1.

Table 1. Demographical characteristics of respondents

Characteristics	Frequency	Percentage
Gender		
Male	254	63.5
Female	146	36.5
<b>Total</b>	<b>400</b>	<b>100.0</b>
Age (in years)		
15-25	181	45.3
26-35	106	26.5
36-45	77	19.3
45 +	36	9.00
<b>Total</b>	<b>400</b>	<b>100.0</b>
Occupation		
Services	86	21.5
Business	74	18.5
Students	187	46.8
Others	53	13.3
<b>Total</b>	<b>400</b>	<b>100.0</b>
City		
Lahore	90	22.5
Faisalabad	229	57.3
Islamabad	42	10.5
Multan	39	9.8
<b>Total</b>	<b>400</b>	<b>100.0</b>

## Research instrument

Structured questionnaire is used as research instrument for obtaining responses. Questionnaire is derived from existing studies on the relevant variables. The items and dimensions are then rationalized according to the current study and context. The questionnaire is divided into five parts in which each variable is measured on same scale. Five-point Likert scale has been used to measure the answers of respondents in which 1=strongly disagree is minimum and 5=strongly agreed is been the maximum range of responses. The Table 2 below explains about variables included in research which are extracted from secondary data. Different number of measures and result of reliability test is also described.

Table 2. Reliability analysis of all measurement scales

Variable	Source	Number of Items	Reported Reliability
Normative appeal	[Phau & Teah, 2009]	8	0.836
Informative appeal	[Korgaonkar, Silverblatt, & O'Leary, 2001]	5	0.627
Corporate Reputation	[Ponzi, Fombrun, & Gardberg, 2011]	4	0.729
Brand Loyalty	[Moolla & Bisschoff, 2012]	10	0.752
Brand Advocacy	[Matzler, & Hemetsberger, 2007]	5	0.809

## Date collection method

The data were collected in non-contrived settings of natural environment by gathering self-administered questionnaires. The individuals with different demographic characteristics, who are consumers of FMCGs, were considered as unit of analysis. The respondents were briefed on research purpose before having their responses.

## Data analysis & Results

Responses from questionnaire were entered in excel sheet and SPSS 20.0 is used for data analysis and hypothesis testing. Following analysis is performed.

### Correlation analysis

Correlations are calculated to assess the nature of relationship among variables of study. A we can see from Table 3 below that informative advertising appeal has strong positive correlation with dependent variable brand loyalty as  $r = 0.510$ ,  $p < 0.01$ . Whereas normative advertising appeal has weak relationship with brand loyalty as  $r = 0.386$ ,  $p = 0.01$ . Corporate reputation has moderate positive correlation with brand loyalty as  $r = 0.467$ ,  $p = 0.01$ . In the last, brand loyalty has high positive correlation with brand advocacy as  $r = 0.571$ ,  $p = 0.01$ .

Table 3. Correlation analysis of study variables

		Informative	Normative	Creuptation	Loyalty	Badvocacy
Informative	Pearson Correlation	1	.027	.401(**)	.510(**)	.159(**)
	Sig. (2-tailed)		.592	.000	.000	.001
	N	400	400	400	400	400
Normative	Pearson Correlation	.027	1	.064	.386(**)	.329(**)
	Sig. (2-tailed)	.592		.201	.000	.000
	N	400	400	400	400	400
Creuptation	Pearson Correlation	.401(**)	.064	1	.467(**)	.210(**)
	Sig. (2-tailed)	.000	.201		.000	.000
	N	400	400	400	400	400
Loyalty	Pearson Correlation	.280(**)	.386(**)	.257(**)	1	.571(**)
	Sig. (2-tailed)	.000	.000	.000		.000
	N	400	400	400	400	400
Badvocacy	Pearson Correlation	.159(**)	.329(**)	.210(**)	.571(**)	1
	Sig. (2-tailed)	.001	.000	.000	.000	
	N	400	400	400	400	400

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

## Regression Analysis

Simple regression analysis has been applied to measure relationship of informative appeal, normative appeal, corporate reputation, Brand loyalty and Brand advocacy. H1 is formulated

to evaluate the impact of independent variable Informative advertising on dependent variables brand loyalty. Table 4 is showing that 48 % variation in brand loyalty is caused by informative advertising appeal ( $R^2 = 0.48$ ,  $p = 0.000$ ).

Table 4. Regression analysis of informative advertising and brand loyalty

Model	B	SE	B	T	F	R <sup>2</sup>	p
Constant	20.769	2.043		10.164	33.959	0.48	.000
Informative	0.586	0.101	0.280	5.827			

Table 5. Regression analysis of normative advertising and brand loyalty

Model	B	SE	B	T	F	R <sup>2</sup>	p
Constant	24.096	1.047		23.021	69.498	0.369	.000
Normative	0.341	0.041	0.386	8.337			

Table 6. Regression analysis of corporate reputation and brand loyalty

Model	B	SE	B	T	F	R <sup>2</sup>	p
Constant	23.459	1.742		13.465	28.047	0.416	.000
C. reputation	0.561	0.106	0.257	5.296			

Table 7. Regression analysis of brand loyalty and brand advocacy

Model	B	SE	B	T	F	R <sup>2</sup>	p
Constant	2.623	1.025		2.559	192.576	0.324	.000
Loyalty	0.431	0.031	0.571	13.877			

While testing hypothesis H2 for normative advertising appeal as predictor variable and brand loyalty as criterion variable, it is revealed that 37 % variation in dependent variable is predicted by independent variable

normative advertising appeal ( $R^2 = 0.369$ ,  $p = 0.000$ ).

In Hypothesis H3 regression analysis has been calculated by taking corporate reputation



as independent variable and brand loyalty as dependent variable. It is concluded that corporate reputation contributes 41 % variation in brand loyalty ( $R^2 = 0.416$ ,  $p = 0.000$ ).

As per H4, brand loyalty has been considered as predictor variable and brand advocacy as criterion variable. Regression analysis revealed that brand loyalty has 32% contribution in the prediction of brand advocacy ( $R^2 = 0.324$ ,  $p = 0.000$ ).

H5 states the mediation effect of Loyalty on the relationship between Informative appeal & brand advocacy. Mediation analysis has been performed through Multiple regression analysis followed by Sobel test where following values from Table 8 has been inserted as:

$a$  = raw (unstandardized) regression coefficient for the association between IV and mediator.

$s_a$  = standard error of  $a$ .

$b$  = raw coefficient for the association between the mediator and the DV (when the IV is also a predictor of the DV).

$s_b$  = standard error of  $b$ .

Results of the mediation analysis of suggests that the brand loyalty not mediates the relationship between corporate reputation and brand advocacy as  $P > 0.05$  for the Sobel test as depicted in Table 9. the Hypothesis H5 is not supported.

Table 8. Regression analysis of brand loyalty and brand advocacy

Model	B	SE	B	T	F	R <sup>2</sup>	p
Constant	1.233	1.345		.917	97.927	0.327	
Corporate reputation	.112	.070	.068	1.592			.112
Loyalty	.418	.032	.554	13.030			.000

Table 9. Sobel test

	Input	Test-statistic	S.E	P-value
A	.561	4.905	.04780	>0.05
B	.418			
$S_a$	.106			
$S_b$	.032			

## CONCLUSION AND RECOMMENDATIONS

The statistical results are showing that the customers who are influenced by informative advertising appeals i.e. price, quality, and convenience are showing more loyalty towards the specific brands of FMCGs. The customers who are purchasing a particular brand by the influence of normative advertising appeals i.e. family, friends or peer pressure are found less loyal in FMCGs sector. So, companies working in FMCGs sector should pay more attention towards the informative appeals if the objective of advertising is to ensure repetitive

purchase by the consumers and to remain profitable for the longer period. Corporate reputation has moderate relationship with brand loyalty which shows that it is an important but not the major determinant of brand loyalty in FMCGs sector. Further study is required to assess the contribution of other factors such as price, product availability and quality conformance towards the brand loyalty in FMCGs sector.

While analyzing the mediation role of brand loyalty between corporate reputation and brand advocacy it is revealed that there is no mediation in this relationship. Specifically, in studied sector, corporate reputation has moderate relationship with brand loyalty and brand loyalty has weak relationship with brand

advocacy. By introducing brand loyalty as mediator, the betas or nonstandardized coefficients remains unchanged, so this means there is no mediation effect in this relationship. So, we can conclude by the results of mediation that in FMCGs sector, corporate reputation has less contribution towards the brand loyalty and there is less proximity that loyal customers will also act as brand advocates. So strategically companies should think a step ahead to convert brand loyal customers to brand advocates.

## ACKNOWLEDGMENTS AND FUNDING SOURCE DECLARATION

The authors received no funding for conducting of this research.

## REFERENCES

- Armstrong G., Kotler Ph., 2011. Principles of Marketing by Gary Armstrong and Philip Kotler (2011, Hardcover). Retrieved June 28, 2014, from <http://www.ebay.com/ctg/Principles-Marketing-Gary-Armstrong-and-Philip-Kotler-2011-Hardcover-/1699446>
- Anderson S.P., Renault R., 2009. Comparative advertising: disclosing horizontal match information. *The RAND Journal of Economics*, 40(3), 558–581. <http://doi.org/10.1111/j.1756-2171.2009.00077.x1>
- Argyres N., Bercovitz J., Zanarone G.J.S.M.J., 2019. The role of relationship scope in sustaining relational contracts in interfirm networks, *Strategic Management Journal*, 41(2), 222-245.
- Aribarg A., Schwartz E.M., 2020. Native Advertising in Online News: Trade-Offs Among Clicks, Brand Recognition, and Website Trustworthiness. *Journal of Marketing Research*, 57(1), 20–34. <http://doi.org/10.1177/0022243719879711>
- Bartikowski B., Walsh G., Beatty S.E., 2011. Culture and age as moderators in the corporate reputation and loyalty relationship. *Journal of Business Research*, 64(9), 966–972. <http://doi.org/10.1016/j.jbusres.2010.11.019>
- Bill F., Feurer S., Klarmann M., 2020. Salesperson social media use in business-to-business relationships: An empirical test of an integrative framework linking antecedents and consequences. *J. of the Acad. Mark. Sci.* <http://doi.org/10.1007/s11747-019-00708-z>
- Chu S.-C., Kim Y., 2011. Determinants of consumer engagement in electronic word-of-mouth (eWOM) in social networking sites. *International Journal of Advertising*, 30(1), 47-75. <http://doi.org/10.2501/IJA-30-1-047-075>
- Filatotchev I., Wei L.Q., Sarala R.M., Dick P., Prescott J.E.J.J.o.M.S., 2020. Connecting Eastern and Western Perspectives on Management: Translation of Practices Across Organizations, Institution and Geographies, *Journal of Management Studies*, 57(1), 1-24.
- Graf-Vlachy L., Oliver A.G., Banfield R., König A., Bundy J., 2020. Media Coverage of Firms: Background, Integration, and Directions for Future Research, *Journal of Management*, 46(1), 36–69. <http://doi.org/10.1177/0149206319864155>
- Gulbrandsen I.T., Plesner U., Raviola E.J.I.J.o.M.R., 2019. New media and strategy research: towards a relational agency approach, *International Journal of Management Reviews*, 22(1), 33-52.
- Islam M.S., 2008. The Analysis of Customer Loyalty in Bangladeshi Mobile Phone Operator Industry. Presented at: Independent University, Bangladesh. 83 Suhrawardy Avenue, Dhaka-1212, Bangladesh, 1-16.
- Jeong Y.-C., Kim T.-Y.J.A.o.M.J., 2019. Between legitimacy and efficiency: An institutional theory of corporate giving, *Academy of Management*, 62(5), 1583-1608.
- Jia X.J.C.S.R., Management E., 2020. Corporate social responsibility activities and firm performance: The moderating role of strategic emphasis and industry competition, *Corporate Social Responsibility and Environmental Management*, 27(1), 65-73.

- Keh H.T., Xie Y., 2009. Corporate reputation and customer behavioral intentions: The roles of trust, identification and commitment. *Industrial Marketing Management*, 38(7), 732–742. <http://doi.org/10.1016/j.indmarman.2008.02.005>
- Korgaonkar P., Silverblatt R., O’Leary B., 2001. Web advertising and Hispanics. *Journal of Consumer Marketing*, 18(2), 134–152.
- Matzler K., Pichler E.A., Hemetsberger A.J.M.T., Applications, 2007. Who is spreading the word? The positive influence of extraversion on consumer passion and brand evangelism, 18(1), 25-32.
- Mazzarol T., Sweeney J.C., Soutar G.N., 2007. Conceptualizing word-of-mouth activity, triggers and conditions: an exploratory study. *European Journal of Marketing*, 41(11/12), 1475–1494. <http://doi.org/10.1108/03090560710821260>
- Moolla A.I., Bisschoff C.A., 2012. Validating a model to measure the brand loyalty of fast-moving consumer goods. *Journal of Social Sciences*, 31(2), 101–115.
- Narteh B., Braimah M., 2019. Corporate reputation and retail bank selection: the moderating role of brand image, *International Journal of Retail & Distribution Management*, Vol. ahead-of-print No. ahead-of-print. <http://doi.org/10.1108/IJRDM-08-2017-0164>
- Phau I., Teah M., 2009. Devil wears (counterfeit) Prada: a study of antecedents and outcomes of attitudes towards counterfeits of luxury brands. *Journal of Consumer Marketing*, 26(1), 15–27. <http://doi.org/10.1108/07363760910927019>
- Rietveld R., van Dolen W., Mazloom M., Worrying M.J.J.o.I.M., 2020. What You Feel, Is What You Like Influence of Message Appeals on Customer Engagement on Instagram, *Journal of Interactive Marketing*, 49, 20-53.
- Ponzi L.J., Fombrun C.J., Gardberg N.A., 2011. RepTrak™ Pulse: Conceptualizing and Validating a Short-Form Measure of Corporate Reputation. *Corporate Reputation Review*, 14(1), 15–35. <http://doi.org/10.1057/crr.2011.5>
- Price K.N., Gioia D.A., Corley K.G., 2008. Reconciling Scattered Images: Managing Disparate Organizational Expressions and Impressions. *Journal of Management Inquiry*, 17 (3), 173-185, <http://doi.org/10.1177/1056492608314991>
- Saeed R., Tufail S., Lodhi R.N., Ahmad M., Arshad H.M., Saeed R., 2013. Antecedents of Cigarette Brand Loyalty in Pakistan. *Journal of Basic and Applied Scientific Research*, 3(5), 969–975.
- Sekaran U., Bougie R., 2013. *Wiley: Research Methods for Business: A Skill-Building Approach*, 6th Edition - Uma Sekaran, Roger Bougie. Retrieved July 1, 2015, from <http://eu.wiley.com/WileyCDA/WileyTitle/productCd-111994225X.html>
- Wong R., Sheng S.Y., 2008. A System Dynamics Approach to the Study of Word-of-Mouth and Its Effect in an Online Environment, *Technol. Innov. Manage. Rev*, 42-48. Retrieved from [http://www.ebrf.fi/file/44151/EBRF11\\_Paper\\_v02.pdf](http://www.ebrf.fi/file/44151/EBRF11_Paper_v02.pdf)
- Zeithaml V.A., Jaworski B.J., Kohli A.K., Tuli K.R., Ulaga W., Zaltman G., 2020. A Theories-in-Use Approach to Building Marketing Theory. *Journal of Marketing*, 84(1), 32–51. <http://doi.org/10.1177/0022242919888477>
- Zhao W., Lee, Y.-J.J.J.o.P.M., 2019. The Moderating Effects of Status-Consumption Motive and Age in the Relationship between CSR Advertising Appeal Type and Purchase Intentions. *Journal of Promotion Management*.

## ZALEŻNOŚCI POMIĘDZY MARKETINGIEM, REPUTACJĄ FIRMY I POLITYKĄ MARKI: ROLA MEDIACYJNA LOJALNOŚCI MARKI

**STRESZCZENIE. Wstęp:** Utrzymanie klientów w relacjach długoterminowych, umożliwiających osiągnięcie stabilnych zysków jest kluczowym zagadnieniem w branży szybko rotujących dóbr zbywalnych (FMCG). Ze względu na stosunkową łatwość uzyskiwania zysków na tym rynku, można zaobserwować dużą ilość nowych podmiotów wkraczających na wschodzące rynki FMCG. W celu zatrzymania istniejących klientów na dłuższy okres czasu i przywiązanie ich do danej marki, firmy przeznaczają znaczne kwoty na kampanie reklamowe. W obrębie działań marketingowych na rynku FMCG można zaobserwować dwa kierunki: informujący oraz normatywny.

Celem pracy jest określenie stopnia powiązania pomiędzy podejściem normatywnym i informującym a lojalnością marki w kontekście rynku FMCG. Główny nacisk położono na zrozumienie zależności pomiędzy trzema ważnymi zmiennymi: reputacją firmy, lojalnością marki oraz polityką marki w obrębie rynku FMCG.

**Metody:** Dane zostały zebrane przy użyciu ankiety o liczbie prób 400, pochodzących z czterech różnych miast w Pakistanie. Zależności pomiędzy zmiennymi były badane przy użyciu analizy regresji. Na początku określono niezależność każdej ze zmiennych w stosunku do pozostałych, następnie zmierzono efekt mediacyjny lojalności marki na relacje pomiędzy reputacją firmy a polityką marki.

**Wyniki:** Uzyskane wyniki wskazały na większy wpływ informacyjnego podejścia działań marketingowych na lojalność marki aniżeli podejście normatywne dla sektora FMCG. Z drugiej strony, wyniki sugerują, że reputacja firmy oraz lojalność marki mają ważne, ale nie główny wpływ na politykę marki dla produktów FMCG.

**Wnioski:** Praca ma istotne znaczenia dla specjalistów marketingu oraz praktyków, będąc wskazówką odnośnie strategicznych kierunków prawidłowego prowadzenia kampanii marketingowych.

**Słowa kluczowe:** metody ogłoszeniowe, reputacja firmy, polityka marki, lojalność wobec marki, branża FMCG

---

Asif Mahmood ORCID ID: <https://orcid.org/0000-0003-1416-0390>

Department of Business Studies, Namal Institute,

30 KM Talagang Road,

Mianwali, Pakistan, **Pakistan**

e-mail: [mahmood.engieer@gmail.com](mailto:mahmood.engieer@gmail.com)

Syed Zeeshan Haider

National University of Computer and Emerging Sciences Chiniot-Faisalabad

Punjab, **Pakistan**