

## **“The Effect of Marketing Mix and Customer Perception on Brand Loyalty”**

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**Abstract:** *The Malaysian hypermarkets have steadily increased over the past decades with brand loyalty emerging as a frontrunner in the retail industry. There have been copious studies related to the effects of marketing mix towards brand equity instead of brand loyalty. It is the intention of the researcher to identify the effects of marketing mix on brand loyalty in the Malaysian hypermarkets sector. The researcher will adopt the study conducted by [37] in relation to its five independent variables (5 IVs) which are price, store image, advertising spending, distribution intensity and price promotion as examining the relationship between 5 IVs and Malaysian hypermarkets' brand loyalty. A total of 300 questionnaire surveys have been distributed to customers at 3 hypermarkets around Klang Valley in Malaysia. Lastly, the researcher uses a descriptive and explanatory study by means of descriptive and inferential analysis. In conclusion, price, store image, distribution intensity and price promotion are found to exert a significant positive influence towards Malaysian hypermarkets' brand loyalty.*

**Keywords:** *Marketing Mix, Malaysian Hypermarkets, Brand Loyalty.*

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### **I. Introduction**

The Malaysian retail industry has grown exponentially over the past decades. [1] Indicated that the major source of competitive advantage for retailers is on enhancing and retaining customer loyalty. Strategies adopted to recognize customer loyalty in the multifaceted and complex nature of customer choices and preference by focusing on the role of customer's decision-making [2]. [3] Highlighted that price, store image, distribution intensity, advertising spending and price promotion (the 5 IVs) in the retail industry would to a great degree influence customers' decision-making and in turn brand loyalty.

A total of 3 hypermarkets were chosen in the study around Klang Valley regardless of foreign owned or local hypermarkets. They are Carrefour, Tesco and Giant who have a large customer base in Malaysia. For this study, customers are defined as the people who are willing to purchase grocery in hypermarkets. In the year 2010, Malaysia's population peaked to around 28 million indicating a nation gearing towards developed status among the Southeast Asia countries [4]. A report by the Malaysia Exporter Guide Annual, 2010 specified that around 45 percent to 60 percent of household customers preferred to shop at hypermarkets raising awareness of brand consciousness and demand in quality of products purchased hence the increase in hypermarkets in Malaysia. This study aims to investigate and focus on the 5 IVs in marketing mix that can influence customer's choices [5]. Furthermore, hypermarkets mainly differentiates themselves with pricing policy, level of service offered, product assortment and customer demographic profiling to woo in the customers.

With the increased rivalry in the retail industry, Malaysian hypermarkets' management is looking earnestly at ways to improve customer loyalty and how it affects the marketing mix. Over the years, a lot of research has gone into testing the correlation between the marketing mix and brand loyalty. Although brand loyalty is one of the important components of brand loyalty's dimensions, clearly there is lacking of evidence to prove the effect of marketing mix to brand loyalty directly. Studies by [3], [6] and [7] assessed on the facade of brand loyalty rather than investigating profoundly on brand loyalty. There is no clear distinction of which marketing mix's element that significantly influences the brand loyalty of hypermarkets in Malaysia. Thus the Malaysian hypermarkets are unable to implement a robust marketing strategy that will ensure brand loyalty among customers in the retail industry.

### **II. Literature Review**

#### **2.1 Brand Loyalty**

[8] developed a conceptual framework of brand loyalty that revealed the overall range of brand loyalty is based on a hierarchal effect model with respect to affective, behavioral intention, cognitive and action dimensions. In 1999, [8] gave a definition to brand loyalty as a “deeply held assurance to rebuy or repatronize a favoured product or service habitually in the future, thereby causing repetitive same-brand purchasing, despite situational influences and marketing efforts lured at customers to switch buying behavior”. His connotation

revealed the changes in strategies adopted by customers in purchasing decision while customer loyalty still remains firm and repeat buying in the future.

Brand loyalty is considered to be an asset, which is a part of the concept brand equity. The major asset categories of brand equity are brand name awareness, brand loyalty, perceived quality and brand associations. All these asset categories add value to the product. Brand awareness refers to the strength of a brand's presence in the consumer's mind and is measured according to the different ways in which consumers remember a brand [9].

[10] definition emphasizes somewhat different aspects in defining loyalty as the willingness of someone to make a personal sacrifice or other investment for the strengthening of a relationship. One of the newest definitions of brand loyalty comes from [11] who describes it as “theory and guidance leadership and positive behavior including, repurchase, support and offer to purchase which may control a new potential customer”. Furthermore, the American Marketing Association defines brand loyalty as “the situation in which a consumer generally buys the same manufacturer originated product or service repeatedly over time rather than buying from multiple suppliers within the category” or “the degree to which a consumer consistently purchases the same brand within a product class” [12].

The longevity of a customer's relationship influences a company's profitability in a positive way [13]. Because of this, general business wisdom suggests that a company should focus some proportion of its marketing efforts on the development, maintenance or enhancement of customer loyalty [14]. According to former studies, it can cost as much as 6 times more to win a new customer than it does to keep an existing one [15], so increasing retention can help reduce acquisition costs. Depending on the particular industry, it is possible to increase profit by up to 60 percent after reducing potential migration by 5 percent [10]. Thus, it's easy to see that the increase and retention of loyal customers has become a key factor for long-term success of the companies. The costs of attracting and establishing current customers have already been realized and because of their experience they can be served more efficiently [13].

## **2.2 Price**

[6] examined two competing manufacturers' pricing policies as a function of brand loyalty. They define a stronger and a weaker brand in terms of strength of brand loyalty and examine how the degree of brand loyalty determines the optimal frequency and depth of price promotions. Their analysis indicates that the weaker brand promotes more often than the stronger brand (this is shown to hold empirically as well) and offers smaller price discount when it is sufficiently weaker, but offers greater discount when it is only moderately weaker, than the stronger brand. Generally, different retailers are using different price strategies for achieving their respective goals. Price also implies the cost of product or service usually expressed in monetary terms. Nevertheless, regarding what type of product or service that will sell, sudden changes of price will have a direct effect to the customers or clients and profitability of the business.

## **2.3 Store Image**

Store image was defined as the sum of customers' perceptions towards the stores through his/her experience with the store [16]. [17] Highlighted managing customers' brand loyalty and preventing customer from switching stores was significant for corporate retailers to develop effective retail strategy. [18] Scrutinized the significance of shopping mall image as a vital factor of consumer switching decisions [19]. [20] deliberated the effect of functional, entertainment and socializing factors on shopping mall's image that are based on benefits that consumers perceive for a shopping mall. [4] stated that it is a matter to identify that mall image can be administered, promoted and enhanced [5]. [19] illustrated that mall image and satisfaction with the mall is affected by consumer's opinion of a large product range while [21] identified the product quality as a significant feature of mall image. As such, the acknowledged store image acts as a competitive advantage for Malaysian hypermarkets. Therefore, researchers define store image as customers' thinking in their mind towards different attributes of primarily marketing mix implemented by Malaysian hypermarkets.

## **2.4 Advertising Spending**

[22] highlighted that the characteristics of advertising spending were signal and informational devices to customers. Thus, advertising is a media that delivering information to the customers. [23] also stated that most of the advertising spending is aimed to introduce new products or services. As such, advertising allows customers to be aware of new products or services while providing information related to the new products or services. Meanwhile, customers will judge whether the products or services are suitable for them before they decide to purchase them. [24] notes that the firm's marketing communications contribute to brand equity. That is, effective communication enables the formations of brand awareness and a positive brand image. When consumers perceive high spending on advertising, this contributes to their perception of the level of confidence that marketing managers have in the product [25]. The increase of perceived advertising spending intensity would mean that consumers are more often exposed to advertising messages aiming to create awareness and

associations. In literature, there are some studies revealing that advertising spending can be perceived as a signal of the product quality that will increase the brand equity. [25], [22] and [23] found that consumers’ quality perceptions were influenced by their perception about spending of advertisement performed for that brand.

### 2.5 Distribution Intensity

Channel intermediaries are independent businesses that assist producers, manufacturers and final users in the performance of distribution tasks. They exist because, as specialists in the performance of distribution tasks, they operate at higher levels of effectiveness and efficiency [26]; [27] than manufacturers or end-users. However, it has been argued that certain varieties of distributions fit certain categories of products. For instance, in order to enhance the products’ images and gain substantial retailer support, firms tend to distribute exclusively or selectively rather than distribute intensively to its products. Furthermore, the concept of distribution intensity has been primarily invoked by [28]. He linked the product class (convenience goods, shopping goods and specialty goods) to required density of distribution. Accordingly, analysts tend to assume that convenience goods like grocery goods are likely to be distributed intensively which are on the basis of the underlying features of the product. If the distribution intensity could be successfully implemented, the customers could buy a brand through many of the possible outlets in a trading area [27].

### 2.6 Price Promotion

Price promotions are actions which allow the consumer to purchase a product at a lower price than usual. Several studies stress the long-term risks and negative effects of these promotions [28] and [29]. The first argument that would explain why monetary promotions have a negative effect on brand image is that these actions diminish the internal reference price [28]. This lower reference price will reduce the perceived brand price, resulting in lower brand equity [28]. On the other hand, according to attribution theories, consumers try to attribute or find causes that may explain the surrounding events [30]. Some consumers make quality-price inferences [31] and when the only information about the product is the price, they are likely to associate the promoted brand with low quality [32]. In other instances, consumers make no attributions about the product but about their own behaviour. In this respect, when purchasing a product the consumer will question their behaviour, and this assessment will condition their future behavior [33]. If the promotion itself justifies the purchase, the consumer will not buy that brand again, unless it is promoted [29]. As time goes by, these inferences reduce brand differentiation since the purchase motivation is the promotion itself rather than the product [34].

## III. Proposed Theoretical Framework

### 3.1 The Marketing Mix

The model of marketing mix was initially developed by [35] and he defined the traditional marketing mix by the “four Ps” which are product, price, place and promotion.

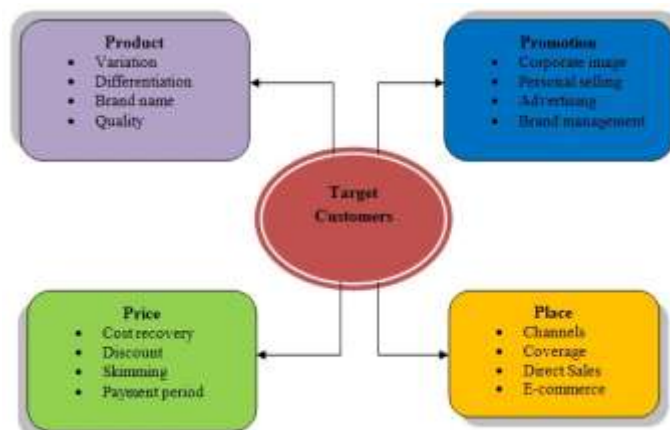


Figure 1: Marketing Mix

(Source: Armstrong & Kotler (2005), Marketing: An Introduction (7<sup>th</sup> ed.) New Jersey: Pearson Prentice Hall)

The researcher has adopted the 5 IVs from the traditional “four Ps” as a representative of marketing mix programs [3]. For this study, the researcher has further adopted the same 5 IVs for investigating the Malaysian hypermarket brand loyalty. [3] further justified that brand equity consists of numerous benefits for companies that own brands and brand equity positively correlated with brand loyalty.

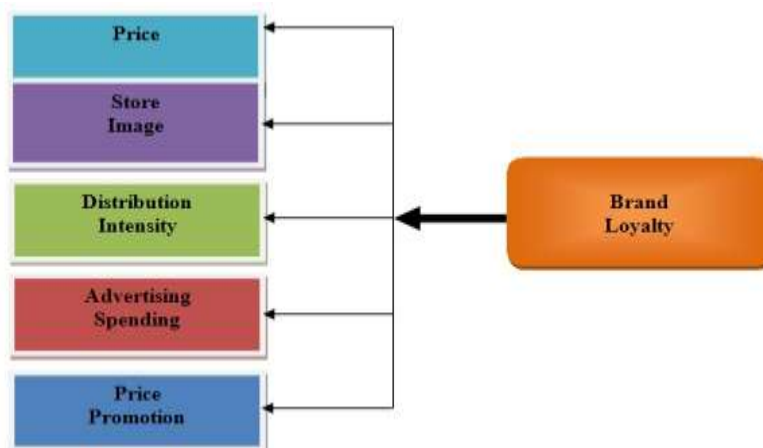


Figure 2: Research Framework (Independent Variables and Dependent Variable)

(Source: Chen, C. H. (2007). Customers' Perceptions of the Marketing Mix and the effect on Taiwan Hypermarkets' Brand Loyalty. ProQuest Dissertations & Theses A&I, UMI 3274169)

The researcher proposed to adopt the above mentioned conceptual framework to identify the marketing mix that influences customers' perception towards the Malaysian hypermarkets' brand loyalty and also to examine how important each independent marketing mix variables to brand loyalty. As mentioned there are 5 IVs which are price, storage image, distribution intensity, advertising spending and price promotion. The proposed conceptual framework is also considered a hypothesis model of the effects of 5 IVs on brand loyalty. The hypothesis will investigate the relationship between independent and dependent variables.

### 3.2 Research Objectives

The research objectives in this study can be categorized into general objective and specific objective.

#### 3.2.1 General Objectives

This section primarily describes the purpose of the research. In this study, the general objective is:

- To identify the marketing mix that influences customers perceptions toward Malaysian hypermarkets' brand loyalty.

#### 3.2.2 Specific Objectives

The specific objectives in this study are as below:

- To examine the relationship of price towards Malaysian hypermarkets' brand loyalty.
- To examine the relationship of store image towards Malaysian hypermarkets' brand loyalty.
- To examine the relationship of distribution intensity towards Malaysian hypermarkets' brand loyalty.
- To examine the relationship of advertising spending towards Malaysian hypermarkets' brand loyalty.
- To examine the relationship of price promotion towards Malaysian hypermarkets' brand loyalty.

### 3.3 Research Questions

More specifically, this study is conducted to ravel out the following questions:

- What are the marketing mixes that influencing customers perceptions towards Malaysian hypermarkets' brand loyalty?
- Is there any relationship between price and Malaysian hypermarkets' brand loyalty?
- Is there any relationship between store image and Malaysian hypermarkets' brand loyalty?
- Is there any relationship between distribution intensity and Malaysian hypermarkets' brand loyalty?
- Is there any relationship between advertising spending and Malaysian hypermarkets' brand loyalty?
- Is there any relationship between price promotion and Malaysian hypermarkets' brand loyalty?

### 3.4 Hypotheses of the Study

The hypotheses of the study are developed as below:

- H1:** There is a significant positive influence of prices towards Malaysian hypermarkets' brand loyalty.
- H2:** There is a significant positive influence of store image towards Malaysian hypermarkets' brand loyalty.
- H3:** There is a significant positive influence of distribution intensity towards Malaysian hypermarkets' brand loyalty.

- H4:** There is a significant positive influence of advertising spending towards Malaysian hypermarkets' brand loyalty.
- H5:** There is a significant positive influence of price promotion towards Malaysian hypermarkets' brand loyalty.

## **IV. Methodology**

### **4.1 Research Design**

Commonly used methods of research design are exploratory, descriptive and explanatory studies. In using descriptive research, the researcher is primarily concerned with:

- (1) What are the influencing customer perceptions toward Malaysian hypermarkets' brand loyalty?
- (2) Is there any relationship between price promotion and Malaysian hypermarkets' brand loyalty?

As descriptive studies are commonly associated with finding out the “what is” question, hence observational and survey methods are frequently used to collect descriptive data. Positivist approach was adopted in this research because this approach: (1) allowed the researcher to search for truths of the observation by empirical evidence via the hypothetico-deductive method; and (2) many researches and observations on the consumer attitude towards advertising had been conducted and the extant literature was well developed (Jankowicz, 2005). The collection of primary data approach was used as opposed to secondary data because it is considered that secondary data is unable to serve the objectives of this research.

### **4.2 Data Collection**

The questionnaire is divided into two parts. Part 1 – Section A consists of questions pertaining to demographic profile. In this section the questionnaire elaborates on the independent and dependent variables that would be tested in the survey. Questions are designed by using nominal scale and ordinal scale to collect demographic information about the target respondents' profile such as gender, age, marital status, occupation and so on. Part 2 – Section B examines the respondents' agreement and disagreement with questions related to five independent variables (5 IVs) that influence customer perception about selection of Malaysian hypermarket that contribute to brand loyalty. Section B examines how significant the associated factors will influence the brand loyalty by using 5 point Likert scale. The voluntary nature of the participation was explained verbally as well as indicated on the cover page of the survey questionnaire. Potential participants were invited to complete the anonymous survey questionnaire that would take approximately 15 minutes of the respondent's time.

## **V. Data Analysis**

A total of 300 sets of questionnaires were distributed to the potential respondents and a total of 267 questionnaires were collected. Out of this, 23 sets of the questionnaires were considered unusable because over 25 percent of the questions in Part 1 – Section A of the questionnaire were not answered [38]. It was assumed that the respondents were either unwilling to cooperate or not serious with the survey. Therefore, only 240 usable sets of collected questionnaires were used for the data analysis. Thereby, the response rate was 81.33 percent. The statistical method of Pearson Correlation is used to determine the existence of any relationships between the independent variable and dependent variable. Additionally, Regression Analysis is conducted to examine which among the five levels of independent variable is the most important to explain brand loyalty. This section will also illustrate the reliability test made to the instruments used using Cronbach Alpha. Descriptive analysis was conducted to describe the profile of respondents.

### **5.1 Sampling Size**

Sampling size was defined as the number of elements to be included in the study [39]. [40] stated that “the larger the sample size, the less potential error”. Thus for this study, the bigger sampling size is more accurate in contrast to smaller sampling size and adequate size of the sample can be used to estimate accurate actual population parameters and reduce sampling error.

### **5.2 Profile of the Respondents**

Based on the survey, the male respondents represented 41.6 percent of the total respondents while female respondents represented 58.4 percent. This is a normal phenomenon because majority of the respondents who are patrons of the selected 3 hypermarkets are female. The age distributions of the respondents were: (1) below 20 years old (9.6 percent); (2) between the age of 20-25 years old (31.2 percent); (3) between the age of 26-30 years old (26.7 percent); and lastly (4) above 30 years old (32.5 percent). In terms of the ethnic groups, the majority were Chinese (78.8 percent), followed by Malay (12.8 percent), and Indian (8.4 percent). The respondents were skewed towards Chinese ethnic group because the survey was conducted at the 3 locations whereby predominately Chinese ethnic group reside.

### 5.3 Reliability Test

According to [38], the closer the reliability coefficient gets to 1.0, the better it is, and those values over .80 are considered as good. Those values in the .70 are considered as acceptable and that reliability value less than .60 is considered to be poor [38]. According to [41], reliability is the degree to which measure are free from error and therefore yield consistent results. The reliability of a measure indicates the stability and consistency with which the instrument measures the concept and helps to assess the ‘goodness’ of a measure [42]. All the constructs were tested for the consistency reliability of the items within the constructs by using Cronbach’s alpha reliability analysis. Based on Table 5.1 below, the results indicated that the Cronbach’s alpha for all the five constructs were well above 0.70 as recommended by [38]. Cronbach’s alpha for the constructs ranged from the lowest of 0.734 (store image) to 0.884 (price). In conclusion, the results showed that the scores of the Cronbach’s alpha for all the constructs exceeded the threshold of 0.70 indicating that the measurement scales of the constructs were stable and consistent. Please see below Table 5.1.

Table 5.1: Cronbach’s Alpha Reliability Test

Construct	Alpha Coefficient	Number of Items
Price	0.884	3
Store Image	0.734	4
Distribution Intensity	0.838	3
Advertising Spending	0.758	4
Price Promotion	0.882	3
Brand Loyalty	0.734	5

### 5.4 Descriptive Analysis

Descriptive analysis in terms of measuring mean, mode standard deviation and ranges were used to describe the sample data by depicting representative respondent and showing the common patterns of responses [44]. In short, researchers can describe and detect the characteristics of respondents. According to [43] descriptive analysis represented the transforming of raw data into a form that enable researchers to understand and interpret easier in terms of rearranging, ordering and manipulating data in order to provide descriptive information. Calculating averages, frequency, range and standard deviations are commonly used to summarize the data. The mean, mode, frequency, range, standard deviation and variances were collected for the interval scale of independent variables (price, store image, advertising, promotions and distribution intensity) and dependent variable (brand loyalty).

Table 5.2 shows the overall means and standard deviations of 5 IVs and brand loyalty conducted in this study. All variables are evaluated based on a 5-point Likert scale. The result shows that the mean on price is 3.1440 and its standard deviations are 0.88453. As for the store image, the mean ranges from 3.1440 to 3.7080 and its standard deviation is between 0.78340 to 0.84861. For distribution intensity, its mean and standard deviation are between 3.6480 to 3.8520 and 0.74317 to 0.91622 respectively. The advertising spending’s mean is from 2.9160 to 3.4520 and its standard deviation is between 0.85005 to 1.08149. Similarly, price promotion’s mean is seen to be from 3.6200 to 3.7440 and its standard deviation ranges from 0.77330 to 0.80840. Finally, brand loyalty’s mean is within a scope of 3.4400 to 3.6800 and its standard deviations are between 0.84929 to 0.85869.

Besides that, the mean or the average is a measure of central tendency that offers a general picture of the data without unnecessarily inundating one with each of the observations in the data set. In addition, the standard deviation, which is another measure of dispersion for interval and ratio scale data, offers an index of the spread of a distribution or the variability in the data. The standard deviation, in conjunction with the mean, is a very useful tool because of the following statistical rules, in a normal distribution [38]. Please see Table 5.2 below for descriptive statistics on dependent and independent variables.

Table 5.2: Descriptive Statistics of the Dependent and Independent Variables

Variable	Item	Mean	Standard Deviation
Price	PR1	3.1440	0.88453
Store Image	S11	3.1440	0.78340
	S12	3.7080	0.75433
	S13	3.6440	0.84861
Distribution Intensity	D11	3.7200	0.86056
	D12	3.8520	0.74317
	D13	3.6480	0.91622
Advertising Spending	AS2	3.4520	0.85005

	AS3	3.3600	0.88177
	AS4	2.9160	1.08149
Price Promotion	PP1	3.7440	0.79561
	PP2	3.6200	0.77330
	PP3	3.6520	0.80840
Brand Loyalty	BL1	3.4400	0.85869
	BL2	3.5600	0.84929
	BL4	3.6800	0.85588
	BL5	3.4640	0.89213

## 5.5 Inferential Analysis

### 5.5.1 Pearson Correlation Coefficient

Pearson's correlation coefficient (r) is a measure of the strength of the association between the two variables. According to [38], in research studies that include several variables, beyond knowing the means and standard deviations of the dependent and independent variables, the researcher would often like to know how one variable is related to another. Theoretically, there could be a perfect positive correlation between two variables, which is represented by 1.0 (plus 1), or a perfect negative correlation which would -1.0 (minus 1). While correlation could range between -1.0 and +1.0, the researcher need to know if any correlation found between two variables is significant or not (i.e.; if it has occurred solely by chance or if there is a high probability of its actual existence). As for the information, a significance of  $p=0.05$  is the generally accepted conventional level in social sciences research. This indicates that 95 times out of 100, the researcher can be sure that there is a true or significant correlation between the two variables, and there is only a 5% chance that the relationship does not truly exist.

The correlation matrix between dependent variable and independent variables are exhibited in Table 5.3 below. The findings from this analysis are then compared against the hypotheses developed for this study.

Table 5.3: Correlation Matrix for Brand Loyalty

Variables	Price (PR)	Store Image (SI)	Distribution Intensity (DI)	Advertising Spending (AS)	Price Promotion (PP)	Brand Loyalty (BL)
<b>PR</b>	1.000					
<b>SI</b>	0.079	1.000				
<b>DI</b>	0.102	0.216**	1.000			
<b>AS</b>	0.045	0.220**	0.173**	1.000		
<b>PP</b>	0.027	0.421**	0.392**	0.318**	1.000	
<b>BL</b>	0.156*	0.422**	0.374**	0.280**	0.477**	1.000

Note: Correlation is significant at the \*0.05; \*\*0.01 levels (2-tailed)

**Hypothesis1:** There is a significant positive influence of prices towards Malaysian hypermarkets' brand loyalty.

The relationship between prices is tested against hypermarkets' brand loyalty. The result indicate that there is a significant relationship between the two variables ( $r=.156$ ,  $n=240$ ,  $p<.05$ ). The relationship between the variables is significant but the correlation is small. Hypothesis 1 is accepted.

**Hypothesis2:** There is a significant positive influence of store image towards Malaysian hypermarkets' brand loyalty.

The relationship between store image is investigated against hypermarkets' brand loyalty. The result show that there is a significant relationship between the two variables ( $r=.442$ ,  $n=240$ ,  $p<.01$ ). The relationship is significant with strong relationship. Hence, hypothesis 2 is accepted.

**Hypothesis3:** There is a significant positive influence of distribution intensity towards Malaysian hypermarkets' brand loyalty.

The relationship between distribution intensity is tested against hypermarkets' brand loyalty. The result show that there is a significant relationship between the two variables ( $r=.374$ ,  $n=240$ ,  $p<.01$ ). The relationship is significant with moderate relationship. Hence, hypothesis 3 is accepted.

**Hypothesis4:** There is a significant positive influence of advertising spending towards Malaysian hypermarkets' brand loyalty.

The relationship between advertising spending is investigated against hypermarkets' brand loyalty. The result show that there is a significant relationship between the two variables ( $r=.280$ ,  $n=240$ ,  $p<.01$ ). The relationship is insignificant with weak relationship. Hence, hypothesis 4 is rejected.

**Hypothesis5:** There is a significant positive influence of price promotion towards Malaysian hypermarkets’ brand loyalty.

The relationship between price promotions is tested against hypermarkets’ brand loyalty. The result show that there is a significant relationship between the two variables ( $r=.477$ ,  $n=240$ ,  $p<.01$ ). The relationship is significant with strong correlation. Hence, hypothesis 5 is accepted.

According to Table 5.3, the range of correlation coefficient between BL and 5 IVs is covered from 0.477 to 0.156 as PP enjoys the strongest correlation whilst the weakest correlation falls to PR. In overview, majority of the independent variables have significant positive correlations as the  $P<0.01$  with brand loyalty. [38] stated that the correlation coefficient which higher than 0.75 will exist a collinearity problem. The highest correlation coefficient in this study is 0.477 which is below the cutoff of 0.75 for collinearity problem. Thus, collinearity problem does not exist in this study.

### 5.5.2 Multiple Regression Analysis & Test of Significance

In this study, the multiple regression analysis is used as a statistical technique to analyze the linear relationship between a dependent variable and multiple independent variables [44]. This is a way to recognize whether there is significant relationship between independent variables and dependent variables or not. The model sufficiently explained the variance or coefficient of determination or the R Squared in the effect of control variables relations. According to [45], the test will be significant if the p-value is less than 0.05. The beta coefficient is used to determine which independent variables have the most influence on the dependent variable. The 5 IVs that are recognized in this study are price, store image, distribution intensity, advertising spending and price promotion. The result is illustrated in Table 5.4 below.

Table 5.4: Results of Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	0.348	0.293		1.187	0.237		
PR	0.078	0.039	0.106	2.026	0.044	0.808	1.237
SI	0.261	0.063	0.238	4.124	0.000	0.834	1.200
DI	0.194	0.058	0.189	3.335	0.001	0.887	1.128
AS	0.097	0.051	0.105	1.906	0.058	0.689	1.452
PP	0.269	0.063	0.266	4.267	0.000		
R <sup>2</sup>		0.344					
Adj. R <sup>2</sup>		0.331					
Sig. F		.000 <sup>a</sup>					
F-value		25.624					
		4					

❖ **H1: There is a significant positive influence of price towards Malaysian hypermarkets’ brand loyalty.** (Reject H0 if  $p<0.05$ )

From Table 5.4, the significant value for price is 0.044 which is less than p value of 0.05. Therefore, H1 is accepted, which indicates that price has a significant positive influence towards Malaysian hypermarkets’ brand loyalty.

❖ **H2: There is a significant positive influence of store image towards Malaysian hypermarkets’ brand loyalty.** (Reject H0 if  $p<0.05$ )

From Table 5.4, the significant value for store image is 0.000 which is less than p-value of 0.05. Therefore, H2 is accepted, which indicates that store image has a significant positive influence towards Malaysian hypermarkets’ brand loyalty.

❖ **H3: There is a significant positive influence of distribution intensity towards Malaysian hypermarkets’ brand loyalty.** (Reject H0 if  $p<0.05$ )

From Table 5.4, the significant value for distribution intensity is 0.001 which is less than p-value of 0.05. Therefore, H3 is accepted, which indicates that distribution intensity has a significant positive influence towards Malaysian hypermarkets’ brand loyalty.

❖ **H4: There is a significant positive influence of advertising spending towards Malaysian hypermarkets’ brand loyalty.** (Reject H0 if  $p<0.05$ )



From Table 5.4, the significant value for advertising spending is 0.058 which is more than p-value of 0.05. Therefore, H4 is rejected, which indicates that advertising spending has no significant positive influence towards Malaysian hypermarkets’ brand loyalty.

❖ **H5: There is a significant positive influence of price promotion towards Malaysian hypermarkets’ brand loyalty.** (Reject H0 if  $p < 0.05$ )

From Table 5.4, the significant value for price promotion is 0.000 which is less than p-value of 0.05. Therefore, H5 is accepted, which indicates that price promotion has a significant positive influence towards Malaysian hypermarkets’ brand loyalty.

In conclusion, price, store image, distribution intensity and price promotion are found to exert a significant positive influence towards Malaysian hypermarkets’ brand loyalty provided their p-values are lesser than 0.05.

### 5.5.3 Strength of Relationship

[45] suggested that there was comparatively small degree of multicollinearity if tolerance value and VIF value are above 0.10 and below 10 respectively. Thus, all the tolerance values and VIF values in Table 5.4 prove that there is no multicollinearity problem. Based on Table 5.4, PP (B = 0.269) has the strongest impact on BL which is significant at 0.05 level and followed by SI (B = 0.261), DI (B = 0.194), AS (B = 0.097) and PR (B = 0.078). The F value of 25.624 is significant at the 0.05 level. This shows that the model is fit and the F-value is large. According to the output of Table 5.4,  $R^2$  of 0.344 indicates that 34.4% of variation in BL is explained by the factors of PR, SI, DI, AS and PP. Meanwhile, 65.6% of the changes in BL are explained by other factors.

## VI. Discussion and Recommendation

The purpose of this study is to determine whether there is any a relationship between the 5 IVs and Malaysian hypermarkets’ brand loyalty. In the following discussion, results of each objective are reviewed and compared with previous literature.

### 6.1 Discussion of Major Findings

In this study, there are five hypotheses. Apart from the alternative hypothesis for advertising spending, other alternative hypotheses are supported. Meanwhile, Table 6.1 shows the summary of result related to the entire hypotheses.

Table 6.1: Summary Results of Five Hypotheses

Hypotheses	Supported (Reject Ho)	Not Supported (Do not reject Ho)
H1: There is a significant positive influence of price towards Malaysian hypermarkets’ brand loyalty.	P=0.044 ( $P < 0.05$ ) B=0.078	
H2: There is a significant positive influence of store image towards Malaysian hypermarkets’ brand loyalty.	P=0.000 ( $P < 0.05$ ) B=0.261	
H3: There is a significant positive influence of distribution intensity towards Malaysian hypermarkets’ brand loyalty.	P=0.001 ( $P < 0.05$ ) B=0.194	
H4: There is a significant positive influence of advertising spending towards Malaysian hypermarkets’ brand loyalty.		P=0.058 ( $P < 0.05$ ) B=0.097
H5: There is a significant positive influence of price promotion towards Malaysian hypermarkets’ brand loyalty.	P=0.000 ( $P < 0.05$ ) B=0.269	

\*P denoted as p-value

From the analysis, it can be summarized that **H1** is significant by reason of its p-value is less than 0.05. Hence, there is a significant positive influence of price towards Malaysian hypermarkets’ brand loyalty. The Beta of 0.078 which is the lowest value in contrast to other variables indicates price does not have much impact on the brand loyalty. Likewise, [46] indicated that price and brand loyalty have a positive relationship. Besides, price was directly correlated to loyalty [47].

[48] stated store image could only affect store loyalty via store satisfaction. According to [49], corporate image had a direct impact on customer loyalty rather than customer satisfaction. **H2** has Beta of 0.261 and p-value of 0.000 which shows that there is a significant positive influence of store image towards Malaysian hypermarkets' brand loyalty.

Table 6.1 depicts that Beta and p-value of **H3** as 0.194 and 0.001 respectively. Since the p-value is lesser than 0.05, H3 is accepted. Thus, there is a significant positive influence of distribution intensity towards Malaysian hypermarkets' brand loyalty. Customers would be more satisfied by reason of the product is available in a greater number of stores and they will be offered the product where and when they want it [8].

**H4** is not supported due to p-value of 0.058 which is greater than 0.05. This result indicated there is no significant positive influence of advertising spending towards Malaysian hypermarkets' brand loyalty. Besides, the Beta of H4 is 0.097. With respect of it, [50] stated that if the brand name is strong enough, the brand loyalty did not require much advertising spending.

Lastly, the Beta for **H5** is 0.269 which is the highest Beta value as compared with other variables. Thus, it reveals that price promotion has strong impact to brand loyalty. Besides, the p-value for H5 is 0.000 which means that price promotion has significant positive influence towards Malaysian hypermarkets' brand loyalty. [37] stated that price promotion had a positive effect on brand loyalty in a similar finding.

## 6.2 Limitation of the Study

Although Malaysian hypermarkets realized that brand loyalty is important for them for enhancing their reputations as well as increasing their competitive advantage against competing stores, there are limited journals or articles related to marketing mix associated with brand loyalty in Malaysian hypermarkets. Therefore, most of the journals were adopted from foreign countries and their findings may not be accurate or suitable to apply in Malaysia. Next, the sample size in this study may not represent the whole population due to limited financial resources and time availability. 300 samples from Klang Valley may not be large enough to represent accurately the whole Malaysian hypermarkets' customers who are over 18 years old.

## 6.3 Recommendations for Future Research

Despite some potentially important implications of this study, the findings should be viewed under some limitations. Lack of consensus and various conceptualizations and definitions in relation to brand loyalty have led to confusion in operationalization and measurement of the variables. The results of this study suggests that there may be other measurement sets or even other dimensions of brand loyalty in the service market and this is an avenue for further research. Future researchers are highly encouraged to conduct further study throughout the whole of Malaysia which includes wider area to East Malaysia. It should be conducted nationally to cover East and West Malaysia in order to have a clearer indication and thus able to clarify the customers' perceptions in Malaysia entirely and can assist to originate the best findings of the study for generalizing the overall population and developing a full and intensive research.

## VII. Conclusion

As conclusion, this study has fulfilled its objectives to examine the relationships between price, store image, distribution intensity, advertising spending and price promotion and brand loyalty of Malaysian hypermarket. Out of the five specific objectives in this study, four specific objectives have been achieved whereby the results has shown that price, store image, distribution intensity and price promotion are found to exert a significant positive influence towards Malaysian hypermarkets' brand loyalty.

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