## FACTORS AFFECTING BRAND PREFERENCE OF AIRLINE INDUSTRY OF PAKISTAN: A BRAND EQUITY APPROACH

# BY SAMI BAIG 67489

A thesis submitted to the Business Studies Department, Bahria Business School, Bahria University Karachi Campus, in partial fulfillment of the requirements for MBA Degree



**SPRING, 2021** 

BUSINESS STUDIES DEPARTMENT
BAHRIA BUSINESS SCHOOL

Bahria University Karachi Campus

## **Declaration of Authentication**

I. hereby, declare that no portion of the work referred to in this thesis has been submitted in support of any application for another degree or qualification of this university or any other institution of learning.

Student's Signature:

#### Dedication

I dedicate my thesis to my family members and colleagues who encouraged and supported me throughout this research work.

## Acknowledgement

Firstly. I am so thankful to ALMIGHTY ALLAH for His countless blessings. He is the most beneficent and the most merciful. I would have not been able to complete this thesis without His agreement.

Now, I am much obliged to Dr. Adnan Butt, who as my thesis supervisor, continuously guided me with his knowledge and experience throughout the completion of this thesis.

I am also very thankful to managerial employees of companies of Airline industry in Karachi and Islamabad for their co-operation in providing data for my thesis.

My family members and colleagues supported me throughout the completion of this thesis, my sincere gratitude to all of them.

#### **Abstract**

#### Purpose:

The research aims to investigate the impact of perceived quality, price perception, brand association, and social media marketing (E-WOM) on the brand preference in the passengers of Pakistan International Airline (PIA).

#### Methodology & Design:

The quantitative approach has been applied for data collection and 159 sample responses have been gathered from the airline consumers of Pakistan. The data analysis has been performed using regression analysis technique.

#### Findings:

The results have showed that perceived quality has a positive but insignificant effect on brand preference. The price perception has a positive but insignificant effect on brand preference. The brand association has a positive and significant effect on brand preference. The electronic WOM has a positive and significant effect on brand preference. Moreover, the findings revealed that brand association had a positive and significant relationship with brand preference.

#### Limitations:

Among the limitations, the study was conducted on the airline industry of Pakistan and on a smaller scale therefore the results cannot be generalized. Further, information was gathered through online resources which lead to limited number of responses. Lastly, other factors could have been incorporated in the framework to determine the determinants of brand preference.

#### Recommendations:

Therefore managers are suggested to manager their brands portfolio. Several brands from the same industry compete in the same category. One of the difficulties is ensuring that these trademarks are sufficiently distinct from one another.

#### Keywords:

Perceived Quality, Price Perception, Brand Association, Brand Preference, Airline Industry.

### TABLE OF CONTENTS

СНАРТ	ER 11
INTROL	DUCTION1
1.1	Introduction and Background:1
1.2	Problem Statement:
1.3	Research Objectives:5
1.4	Research Questions:5
1.5	Significance of the Study:5
1.6	Scope of the Research:6
1.7	Organization of the Thesis7
CHAPTI	ER 29
LITERA	TURE REVIEW9
2.1	Consumer-Based Brand Equity (CBBE) Theory:9
2.2	Brand Preference: 12
2.3	Perceived Quality:
2.4	Price Perception: 14
2.5	Brand Association:
2.6	Social Media Marketing (E-WOM):
2.7	Empirical Reviews:
2.7.1	Relationship between perceived quality and brand preference:
2.7.2	Relationship between price perception and brand preference:
2.7.3	Relationship between brand association and brand preference:
2.7.4	Relationship between social media marketing (eWOM) and brand preference:
2.8	Summary of Literature Review:
2.9	Research Hypotheses:24
2, 9, 1	Relationship between perceived quality and brand preference24
2.9.2	Relationship between price perception and brand preference25
2.9.3	Relationship between brand association and brand preference26

2, 9.	A Relationship between social media marketing (eWOM) and brand prefer	ence27
2.10	Conceptual Framework	28
СНАРТІ	ER 3	29
Research	Methodology	29
3.1	Research Approach & Type:	29
3.2	Research Design:	30
3.3	Research Population:	30
3.4	Sample Size & Sampling Technique:	30
3.5	Research Instrument:	31
3,6	Data Collection	31
3.7	Data Analyses Method	31
CHAPTE	R 4	33
Results		33
4.1	Respondent Profile:	33
4.2	Reliability Analyses:	34
4.3	Hypothesis Testing:	34
4,3.1	H1: Perceived quality has a significant effect on brand preference	37
4.3.2	H2: Price perception has a significant effect on brand preference	37
4.3.3	H3: The brand association has a significant effect on brand preference	37
4.3.4	H4: SMM has a significant effect on brand preference	37
4.4	Hypothesis-Testing Summary	37
CHAPTE	R 5	38
	n	
5.1	Discussion	
5.1.1		
5.1.2		
5.1.3		
5.1.4		
	, , , , , , , , , , , , , , , , , , , ,	

CHAPTER 6			41
Recommendations and Conclusion		41	
6.	ı	Recommendations:	41
6.	2	Limitations of the Research:	43
6.	3	Future Research:	44
6.	4	Conclusion:	44
References		46	
APPENDIX		.56	