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Brand Avoidance Behaviour and Moderating Role of Brand Recovery on Social Networks in Islamabad's Passenger Car Market

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Brand Avoidance Behaviour and Moderating Role of Brand Rcovery on Social Networks in Islamabad’s Passenger Car Market

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A thesis submitted

In fulfillment of the requirements for the degree of Doctor of Philosophy

(Marketing)

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DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of University Malaysia Sarawak. It is original and is the result of my work, unless otherwise indicated or acknowledged as referenced work. The thesis has not been accepted for any degree and is not concurrently submitted in candidature for any other degree.

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ABSTRACT

In Pakistan, the automobile industry has faced several challenges due to drastic changes in customers' preference and technological innovations. The purchase of imported cars instead of locally manufactured cars is the consequence of the brand avoidance of consumers towards local brands due to perceived risk and animosity. The main objective of this research is to examine the impact of brand avoidance behaviour on Pakistan's automobile industry. Majority of the research on the topic of brand avoidance is usually qualitative, analysing only singular brand avoidance reason, whereas this study employs a quantitative method to analyse brand avoidance, including different brand-related stimuli such as undesired self-congruence, negative social influence, perceived animosity, perceived risk, organizational disidentification, boycotting, brand forgiveness, etc. Although past researches have examined the effect of different brand-related stimuli on brand avoidance, only limited research has investigated the role of brand recovery on social networks as a moderator between brand avoidance and brand forgiveness. This research was planned to fill this gap by investigating the effect of the said moderating variable between brand avoidance and brand forgiveness. The most significant contribution of this research is the introduction of brand recovery on social networks as moderator between brand avoidance and brand forgiveness to reduce existing gaps on perspective and theory related to brand avoidance. Moreover, the majority of past studies on brand avoidance were conducted in western countries and very few have focused on emerging markets such as Pakistan. This research was designed by using quantitative methods in which the data is collected in quantifiable manner to analyse the brand avoidance behaviour among the customers of the Pakistani automobile industry. The sample consists of 800 passenger car users in Islamabad. A questionnaire was developed through a series of steps consisting of measurement scales for each item measuring nine key constructs. For the purpose of data analysis, statistical tools such as SPSS analysis and partial least squares structural equation modelling were used. The results obtained were: there is a positive influence of consumer’s perceived animosity on brand avoidance behaviour in the automobile sector of Pakistan, as well as their perceived risk on brand avoidance behaviour in the automobile sector of Pakistan. The results also indicated that organisational disidentification favourably affects the brand avoidance behaviour of consumers in the automobile sector of Pakistan**.** Lastly, the research has also concluded that social networks play a vital role in maintaining brands’ perceived value among consumers.

Keywords: Anti-consumption, brand avoidance**,** organizational disidentification, brand recovery on social networks, brand forgiveness.

Gelagat Mengelak Jenama dan Peranan Penyederhanaan Pemulihan Jenama pada Rangkaian Sosial dalam Pasaran Kereta Penumpang Islamabad

ABSTRAK

Di Pakistan, industri automobil telah menghadapi beberapa cabaran berikutan perubahan drastik dalam keutamaan pelanggan dan inovasi teknologi. Pembelian kereta import adalah akibat daripada pengelakan jenama pengguna terhadap jenama tempatan kerana risiko dan perseteruan. Objektif utama kajian adalah untuk mengkaji kesan gelagar mengelak jenama dalam konteks industri automobil Pakistan. Sebahagian besar kajian lepas mengenai pengelakan jenama biasanya bersifat kualitatif, hanya menganalisis sebab pengelakan jenama tunggal, manakala kajian ini menggunakan kaedah kuantitatif untuk menganalisis pengelakan jenama, termasuk rangsangan berkaitan jenama yang berbeza seperti keselarasan diri yang tidak diingini, pengaruh sosial negatif, perseteruan yang dirasakan, persepsi risiko, penyahcaman organisasi, pemulauan, pengampunan jenama dan sebagainya. Walaupun kajian lepas telah mengkaji kesan rangsangan berkaitan jenama yang berbeza terhadap pengelakan jenama, namun hanya sebahagian kecil kajian lepas menumpukan mengkaji peranan pemulihan jenama pada rangkaian sosial sebagai penyederhana antara mengelak jenama dan pengampunan jenama. Justeru, kajian ini dirancang untuk mengisi jurang ini dengan menyiasat kesan pembolehubah penyederhana tersebut antara pengelakan jenama dan pengampunan jenama. Sumbangan penting kajian ini adalah pengenalan pemulihan jenama di rangkaian sosial sebagai penyederhana antara pengelakan jenama dan pengampunan jenama untuk mengurangkan jurang yang sedia ada antara perspektif dan teori yang berkaitan. Selain itu, kebanyakkan kajian lepas mengenai pengelakan jenama tertumpu di negara barat dan sangat sedikit yang memberi tumpuan kepada pasaran membangun seperti Pakistan. Kajian ini direka bentuk dengan *menggunakan kaedah kuantitatif di mana data dikumpul dalam cara yang boleh diukur untuk menganalisis tingkah laku pengelakkan jenama dalam kalangan pelanggan industri automobil Pakistan. Sampel terdiri daripada 800 pengguna kereta penumpang di Islamabad. Satu soal selidik telah dibangunkan yang terdiri daripada skala pengukuran bagi setiap item yang mengukur sembilan pembolehubah utama. Untuk tujuan analisis data, alat statistik seperti analisis SPSS dan pemodelan persamaan struktur kuasa dua terkecil separa telah digunakan. Keputusan yang diperoleh ialah: terdapat pengaruh positif persepsi permusuhan pengguna terhadap tingkah laku mengelak jenama dalam sektor automobil Pakistan, serta tanggapan risiko mereka terhadap tingkah laku mengelak jenama dalam sektor automobil Pakistan. Keputusan juga menunjukkan bahawa penyahcaman organisasi memberi kesan positif kepada tingkah laku mengelak jenama pengguna dalam sektor automobil Pakistan. Akhir sekali, kajian juga telah membuat kesimpulan bahawa rangkaian sosial memainkan peranan penting dalam mengekalkan nilai persepsi jenama dalam kalangan pengguna.*

Kata kunci: *Anti-penggunaan, pengelakan jenama, penyahcaman organisasi, pemulihan jenama pada rangkaian sosial, pengampunan jenama.*

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LIST OF ABBREVIATIONS

AVE	Average Variance Extracted
BAB	Brand Avoidance Behavior
BFG	Brand Forgiveness
BRNS	Brand Recovery on Social Networks
BT	Boycotting
CFA	Confirmatory Factor Analysis
CMV	Common Measure Variance
HOCs	Higher-Order Components
LCVs	Light Commercial Vehicles
LOCs	Lower-Order Components
MSCI	Morgan Stanley Capital Investment
NSI	Negative Social Influence
OD	Organizational Disidentification
PA	Perceived Animosity
PLS-SEM	Partial Least Squares Structural Equation Modelling
PR	Perceived Risk
USC	Undesired Self-Congruence

CHAPTER 1

INTRODUCTION

1.1 Research Background

The automotive sector has a huge impact today since it offers opportunity for businesses and organisations to improve their work processes through digital technology De Munck (2019). The frameworks of the automotive sector have seen a significant transformation with the emergence of digital technology. Additionally, the industry is characterised by fierce competition, which has a significant impact on all production and manufacturing procedures. Automobile firms emphasize a great deal to gain advantages in order to acquire a competitive edge in the market. Positively, brand preferences have a significant impact on consumer behaviour, highlighting the significance of brand management.

According to Hegner et al. (2017), to boost sales and ensure the business' success, the automobile industry has entered a technological and innovative race. However, according to Walker (2019), the factors of brand avoidance and brand forgiveness play a crucial role in reducing and increasing a company's sales. The idea of the brand evasion alludes to keeping clients away from utilizing or buying a specific brand predominantly due to their terrible encounters or discernments Knittel (2016). Brand avoidance may be caused by a variety of factors such as product quality, customer service, ethical considerations, and societal and cultural issues. Because it has the potential to harm a company's sales and reputation, brand avoidance is also regarded as a crucial topic in the fields of marketing and branding Khan (2014).

Fransen et al. (2015) revealed that the idea of brand avoidance has changed over time since the beginning of advertising till today. Early 20th century advertising predominantly targeted the print media, and surveys and market research were employed to gauge brand recognition. However, with the introduction of radio and television, advertising expanded and got more advanced; as a result, the concept of brand avoidance grew more complex. According to Murphy et al. (2016), during 1960s and 1970s, brand avoidance was examined through researches that analysed the impacts of advertising on consumer behavior. These research studies revealed a huge impact of advertising on consumer's buying attitudes and also identified a slight link of brand avoidance factor with this process Cortez et al. (2017). At present, the concept of brand avoidance has emerged as the central component in the researches of marketing fields.

The study of Ulke-Demirel (2019) showed a link between customer satisfaction and brand avoidance in the automobile sector. The study emphasized that the level of customer satisfaction is important in the process of branding since it makes an individual loyal towards the particular brand. It makes clear that the consumers make a deliberate choice for the rejection or to keep distance from a particular brand, and this distance and avoidance of brand is completely based on their satisfaction level with the quality of their services. However, the study of Ulke-Demirel (2019) needed to catch up with the influence of contextual and cultural factors' identification on brand avoidance and the satisfactory level of customers in the automobile sector. This gap restricts the exposure of comprehensive dynamics of brand avoidance. Other factors such as brand trust, perceived value and switching costs which could give a robust understanding of complex dynamics, were also not considered in Ulke-Demirel's study, and this can be considered a gap in this study.

However, brand forgiveness is the next factor that gives the companies an advantage. The concept of brand forgiveness is comparatively new in the domain of branding and marketing. It deals with a brand's capacity to bounce back from a bad incident or circumstance and win back the patrons' respect and loyalty Fetscherin and Sampedro (2019). To put it another way, brand forgiveness refers to the procedure by which a brand may restore its reputation following an error, a crisis or a scandal. In late 1990s and early 2000s, when businesses started to realize the value of reputation management in the digital era, the idea of brand forgiveness developed Christensen (2016). As social media and online review sites have grown in popularity, unfavourable comments and reviews about a company might spread swiftly and hurt its reputation. This prompted businesses to emphasize brand forgiveness, or the capacity to bounce back from bad situations and win back customers' confidence Kaul et al. (2015).

Brand avoidance and brand forgiveness have a complicated and nuanced relationship. On the one hand, brand avoidance might make it more challenging for a business to bounce back from bad situations and win back patrons' respect and loyalty Cortez and Johnston (2017). Even if a business has made substantial efforts to boost its image and win back consumers' confidence, it may be less inclined to give it another opportunity if consumers have a poor view of it or are actively avoiding it. Brand forgiveness, on the other hand, could moderate this link.

However, there is a moderating role of brand recovery on social networks of the business. Without a physical presence, brand recovery on social networks can still be successful because it enables businesses to interact with customers, respond to their concerns, and re-establish confidence. At present, brands heavily depend on social media to engage with consumers and develop bonds with them. Social media platforms give businesses a strong platform to interact with consumers, respond to complaints and issues, and demonstrate their commitment to the customers regarding their current efforts of improvements in their goods and services Melancon and Dalakas (2018). On the other hand, in the context of brand avoidance and brand forgiveness, social networking of a business plays a very strategic role in moderating the link between the concepts of brand avoidance and brand forgiveness Kaul et al. (2015). According to Tsimonis and Dimitriadis (2014), brands that have been the subject of unfavourable incidents or impressions can utilise social media to show their dedication to enhance their goods and services, address consumer grievances and issues, and highlight their initiatives to win back their customers' trust.

The automobile industry of Pakistan provides an interesting case study of the relationship between brand avoidance and brand forgiveness. In late 1990s and early 2000s, the industry faced a significant crisis due to a lack of quality control and safety standards. This led to a series of high-profile accidents and fatalities, which damaged the reputation of the industry as a whole Haque et al. (2021). Resultantly, the great reluctance was displayed by the customers in purchasing cars from Pakistani manufacturers. Sine customers perceived local brands of automobile industry as poor in quality and entirely unsafe. Ultimately, this unfavourable perception resulted in high brand avoidance and low economic decline for the automobile industry of Pakistan. However, Pakistani automakers understood the value of reputation management and started to take action to restore the fame of their brands.

The use of social media in this situation was a crucial component of brand revival. Pakistani automakers started interacting with their customers on social media, responding to their complaints and concerns, and showcasing their efforts to enhance their goods and services. In order to strengthen their brands and win back their customers' trust, they also pushed to raise quality control and safety standards Qadir (2016). These efforts eventually started to bear fruit, and Pakistan's auto sector recovered from the crisis. The sales of automobiles manufactured in Pakistan started to rise as consumers started to see them more favourably.

1.2 Problem Statement

As per the study of Haugh et al. (2010), the automobile industry contributes to the economy of the respective country. Brand avoidance is one of the key factors that negatively impact the manufacturing in automobile industry. The customers reject the cars assembled by the respective companies and prefer other brands or imported vehicles to local ones, which causes a huge loss to the company Adusei et al. (2019).

Brand avoidance and brand forgiveness have posed serious problems for Pakistan's auto sector in recent years Haque et al. (2021). The industry has struggled to combat consumers' unfavourable perceptions of quality assurance and safety regulations, which have resulted in widespread brand avoidance. The leading brands of the Pakistani automobile industry such as Suzuki, Honda and Toyota are now losing their position in the market as the quality of their products are decreasing day by day and customers have changed their preferences and are now preferring imported cars to locally manufactured cars Naeem and

Sami (2020). In addition, the price of both imported and local cars are almost the same, but there is a huge quality difference noted between them.

However, having got awareness of the value of reputation management, the Pakistani automakers have started to take action to rebuild their brands, including using social media to interact with consumers and enhance their goods and services Qadir (2016). Despite these efforts, there is still much to learn about how brand avoidance, brand forgiveness, and the moderating effect of brand recovery on social networks relate to Pakistan's automobile sector. In particular, it is necessary to investigate how successfully brand recovery tactics work in eradicating unfavourable views and brand avoidance, as well as the elements that affect customers' brand forgiveness. In addition to this, there is also a dire need to comprehend how social media use affects brand forgiveness and recovery in this situation and to find the best practices for interacting with customers on social networks to enhance brand perception and boost sales. There are significant knowledge gaps on the components of brand avoidance, brand forgiveness, and the moderating effect of brand recovery on social networks in the context of brand recovery in Pakistan's automobile industry. Firstly, the efficiency of particular brand recovery strategies employed by Pakistani automakers on social media platforms must be examined. Knowing which tactics eliminate negative perceptions and lessen brand avoidance would be helpful for brand managers. Additionally, in the Pakistani automotive industry, it is necessary to identify the factors that affect customer brand forgiveness. To gain a deeper knowledge of brand forgiveness, it would be helpful to investigate elements such as the perceived sincerity of the brand's apology, the scope of the company's recovery efforts, and the perceived value proposition provided to customers. A fuller knowledge of brand recovery, avoidance, and forgiveness dynamics in Pakistan's auto industry would fill these theoretical gaps.

The current study is designed to address issues with brand avoidance and brand forgiveness in Pakistan's auto sector. Due to customers' widespread brand avoidance caused by poor perceptions of quality control and safety standards, the sector has recently faced considerable hurdles. Due to this, Pakistani automakers have seen a decline in sales and revenue, as well as harm to their reputations and brand equity Javed and Ali (2020). Although, Pakistani automakers have started to take significant action to restore their brands after realising the value of reputation management. This includes interacting with clients through social media to enhance products and services, which has the potential to enhance brand perception and boost sales.

On the other hand, regarding the relationship between brand avoidance, brand forgiveness, and the moderating function of brand recovery on social networks, there is still much to be investigated thoroughly to address the problems of targeted area. This study has identified best practices for brand forgiveness and recovery in Pakistan's automobile industry by delving deeper into these problems. This could help the Pakistani manufacturers to increase sales and revenue, and hence enhancing their reputation and brand equality. Moreover, this study has broader ramifications for comprehending how brand avoidance and forgiveness relate to different contexts and businesses. Therefore, the current study may contribute to future research on reputation management and brand equity in a variety of contexts by identifying the variables that lead to consumer brand avoidance and company's brand forgiveness as well as the efficacy of brand recovery tactics. On the other hand, to understand the challenges faced by the automobile industry of Pakistan due to the brand avoidance behaviour of customers, a quantitative method is used in which the data is collected in a quantifiable manner to analyse the behaviour of brand avoidance and brand forgiveness in the automobile industry of Pakistan. Moreover, this study intends to analyse the association among variables, too.

1.3 Research Questions

Based on the above problem statement, this research aims to address the following research questions:

1.3.1 Does undesired self-congruence, negative social influence, perceived animosity, perceived risk, organizational disidentification and boycotting have any significant influence on brand avoidance behaviour?

1.3.2 Does brand avoidance behaviour have any significant influence on brand forgiveness?

1.3.3 Does brand avoidance behaviour mediate the relationship between undesired self-congruence, negative social influence, perceived animosity, perceived risk, organizational disidentification, boycotting and brand forgiveness?

1.3.4 Does brand recovery on social networks moderate the relationship between brand avoidance behaviour and brand forgiveness?

1.4 Research Objectives

Based on the above problem statement, the present research aims to meet the following objectives: