

DISSERTATION-PROPOSAL LCMB7035

**PROPOSED RESERCH TITLE: THE RELATIONSHIP
BETWEEN BRAND IMAGE AND BRAND LOYALTY: A CASE
STUDY OF COCA-COLA.**



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1. Introduction

1.1 Research Background

Brand image and brand loyalty are two interrelated aspects that help any business organisation to address increasing competition within the market and improve business functionalities. These two aspects also help in improving customer engagement and profitability for any business organisation effectively. These two aspects have significant impacts on consumer perceptions, engagement and long-term profitability. An organisation with a strong brand image ensures the identity and values of the organisation which helps the organisation to stand out in the competition. Customers' positive perceptions of brands make them choose the brand and its products or services over its competitors (LinkedIn, 2024a). It reflects the efficiency of the brand image to communicate the value, quality and trustworthiness of the brand. The positive perceptions reflect organisational ethos and corporate social responsibilities, which help any organisation to attract and retain socially conscious customers and enhance brand equity.

On the other side, brand loyalty is the attachment of the customers that they show towards any specific brand. Loyal customers constantly choose products or services offered by a specific brand, even in situations such as tough competition or price disruptions. Brand loyalty is reflected in the repetitive purchase of different products from the same brand which leads to a stable source of revenue and increases the customer lifetime value. Loyal customers also develop advocacy for their preferred brand and promote the brand through word-of-mouth. It plays a significant role in increasing customer engagement without any operational costs (Emerald Insight, 2020).

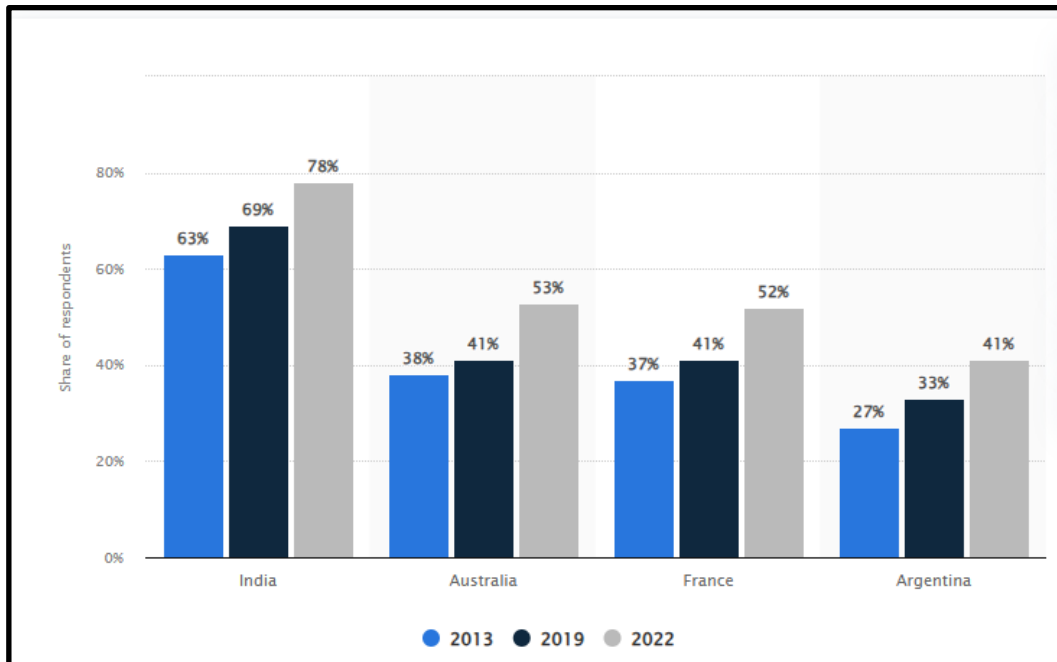


Figure 1: Impact of Brand Image in Improving Customer Perception

(Source: Statista, 2022)

There has been a global study conducted on the importance of brand image in enhancing customer perceptions, the result of which is presented in the above figure. From the figure, it can be stated that 53% of the respondents from Australia analyse brand value before buying any product or developing loyalty towards any brand (Statista, 2022). In this study, it is proposed to develop an in-depth analysis of the assessment of the effective relationship between brand image and brand loyalty. For this purpose, the researchers prefer to analyse the case study of Coca-Cola. It is a global brand offering beverages of different types to customers with different choices. This study will help in understanding the importance of developing a positive relationship between brand image and brand loyalty as well (Heliyon, 2024).

This research will be helpful in understanding the effectiveness of developing a positive relationship between brand image and brand loyalty in Coca-Cola. Coca-Cola is a global brand operating in almost every developed and developing market. The brand is known for its flagship drink, Coca-Cola along with other wide ranges of non-alcoholic beverages that include Diet Coke, Fanta, Sprite as well as bottled water, juices and teas. Its products are sold in more than 200

countries. This vast expansion of the company creates different challenges in different markets which affect the growth and sustenance of the business at different times. Through the development of this study, the company management can understand the importance of assessing customers' perceptions and improving their operational efficiency as per the customers' requirements. It also helps in enhancing the brand's presence in different markets. The brand can also work on the development of a positive relationship between brand image and brand loyalty after going through this study. The researchers will analyse a case study on Coca-Cola which will help the researchers to identify and understand the type of issues that Coca-Cola is having associated with brand image and brand loyalty. These issues are affecting customer engagement and long-term profitability for the brand as well. Through the development of this study, the management will be able to understand the importance of developing a positive relationship between brand image and brand loyalty within the organisation along with the negative impacts of the relationship.

1.3 Research Aim

This research aims to investigate the relationship between brand image and brand loyalty: a case study of Coca-Cola. It will identify the concepts of brand image and brand loyalty in Coca-Cola and analyse the importance of developing a positive relationship between brand image and brand loyalty in Coca-Cola. Additionally, this research aims to assess the negative impacts of these two aspects on the business development of the chosen company.

1.4 Research Objectives

The research objectives are:

- To identify to current brand image and brand loyalty strategy utilize in coca cola.
- To analyse opportunity and challenges of coca cola implementing branding strategies.
- To impact of brand image and brand loyalty on consumer buying behaviour.

1.5 Research Questions

The research questions are:

- What is the current brand image and brand loyalty strategy utilizing in coca cola?
- What are the opportunity and challenges of coca cola implementing branding strategies?
- How do brand image and brand loyalty impact on consumer buying behaviour?

2. Literature Review

Brand Image: Brand image is the perception of a brand in consumers' minds, formed by their associations, beliefs, and emotions toward the brand (Soleimani et al., 2023). It represents the overall impression that consumers have of a brand based on their experiences, product quality, and brand messaging (Rivaldo, Kamanda and Yusman, 2022).

Brand Loyalty: Brand loyalty is the consumers' commitment to repurchase and support a brand consistently over competitors (Tiep Le, Ngo and Aureliano-Silva, 2023). It is a very positive attitude toward a brand that leads to repeat purchasing and word-of-mouth advocacy (Budiman, 2021).

Consumer Buying Behaviour: Consumer buying behaviour refers to the process and the factors involved in purchasing, selecting, and acquiring products (Dam and Dam, 2021). It is about reasons, emotions, and decisions consumers use to evaluate and select a product or service (Agu *et al.*, 2024).

2.1 Understand the concepts of brand image and brand loyalty in business organisations

As stated earlier in the discussion, brand image and brand loyalty are two important aspects for any business organisation as they help in developing long-term relationships with customers. These aspects also help to ensure sustainable success in different market scenarios as well.

In simple words of Soleimani *et al.* (2023), brand image reflects the perceptions of the customers about any brand, its products or services. These perceptions are a collaboration of different beliefs, associations and emotions attached to a brand. Brand image can be designed by different factors such as customer experiences, product quality, advertising and brand messaging. Developing and containing a positive brand image helps business organisations to enhance their brand credibility and customer trust. These factors help in influencing purchase decisions for the customers and promote a loyal customer base (Rivaldo, Kamanda and Yusman, 2022). As an example, famous brands like Nike or Apple fosters innovation and quality within their business practices which strengthens their brand image and increases customer engagement.

In contrast, as per Tiep Le, Ngo and Aureliano-Silva, (2023), brand loyalty reflects the degree to which customers are staying consistent with a brand over its competitors. Most of the time, higher brand loyalty is a reflection of a positive brand image along with high-quality products and emotional bonds. Loyal customers are known for repetitive purchases which help in sustaining constant revenue flow. It helps in generating positive recommendations about any brand in the market which helps the brand to stand out in any competition. Brand loyalty gradually develops over time and can be enhanced by arranging different customer loyalty programs, consistent product reliability and personalised experiences. For example, Coca-Cola has been able to maintain its brand loyalty by combining iconic branding, quality and emotional attachment with the customers.

2.2 Analyse the importance of a positive relationship between brand image and brand loyalty in business organisations

Developing a positive relationship between brand image and brand loyalty is crucial for any business organisation as these two aspects directly impact customer retention, market positioning and profitability. Brand image, in simple words, reflects different perceptions of different customers about a brand's values, morals, quality and personality. As per Dam and Dam, (2021), it plays a major role in attracting and maintaining a loyal customer base for any business organisation. Brands are likely to develop a sense of trust and reliability with the emotional attachment that promotes loyalty for making customers positively attracted to the brand.

Brand loyalty, in other words, reflects the trend of repetitive purchases of the customers which helps in sustaining revenue streams. According to Budiman, (2021), it helps in reducing the need for marketing costs and constant customer acquisition costs. It helps in enhancing brand equity and reducing marketing expenses. A positive relationship between brand image and brand loyalty is highly significant in competitive markets where consumers get a chance to switch between different options and the switching cost is low.

2.3 Evaluate the negative impacts of the relationship between brand image and brand loyalty in business organisations

As stated by Le, (2023), strong brand image helps in improving brand loyalty but overreliance on the relationship between these two aspects can develop negative impacts as well. Primarily, companies that are more focused on maintaining a significant brand image sometimes ignore to focus on genuine customer needs or genuine market trends. The rigid expression towards brand image can develop a disconnection between the brand's exposure and customer expectations. This gap makes the loyal customers feel not so valued as their needs are not fulfilled properly.

Secondly, brand loyalty that is closely related to brand image can develop resistance to making changes in organisational operations which slow down innovation. According to Bernarto *et al.* (2020), companies may be frightened about upgrading products or services to match the customers' requirements. This can hamper the established image of any brand and create a gap in

their loyal customer base. This conservatism restricts the capability of any brand to adapt which results in vulnerability in the competitive market with competitors with innovative product strategies.

In addition to that, as per Agu *et al.* (2024), excessive focus on brand image can promote a transactional approach to loyalty. Customers can be loyal to the brand because of any perceived status or image association more than an actual association. This improper brand loyalty can be vulnerable and customers can easily switch to competitors if they get a similar or superior brand image. In simple words, these two approaches suggest maintaining a balanced approach between brand image and brand loyalty and understanding customer needs to maintain competitive advantages and sustainable loyalty.

Keller's Brand Equity Model

In order to maintain an effective and positive relationship between brand image and brand loyalty, business organisations may implement Keller's Brand Equity Model within their business practices for the sustainable development of their business operations. This model can be named the Customer-Based Brand Equity model which reflects a four-step structure for developing strong brand equity, depending on customers' perceptions and feelings about a brand (Linkedin, 2024b).

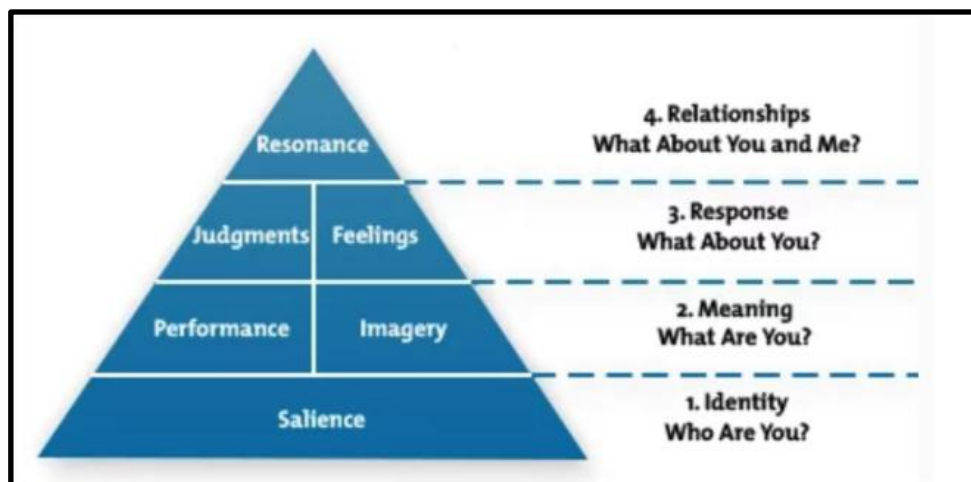


Figure 2: Concept of Keller's Brand Equity Model

(Source: Linkedin, 2024b)

According to (Çınar, 2020), at the initial stage of the model, there is brand identification which focuses on developing proper brand awareness for proper recognition and recall of any brand. The next step focuses on proper brand associations that foster functional and emotional efficiencies. These efficiencies help in shaping the perceptions of the customers for quality and relevance. In the third step, the brands assess the judgments from different customers about the equity, credibility and alignment of different needs. As stated by Cristea and Munteanu, (2022), it helps in creating preferable brand opinions and loyalty. At the final stage, customers develop a deep emotional connection with their preferred brand that leads to brand loyalty, advocacy and repetitive purchases.

Advantages of Keller's Brand Equity Model

Keller's Brand Equity Model is very evident and very structured in how it approaches the issue at hand. It identifies four stages namely awareness, associations, judgments, and resonance through which strong brand equity can be built. This model hence allows businesses to understand what the customers perceive about the businesses and the values acquired. It thus guides efforts towards target marketing and enables the customer loyalty that is most desired. Focusing more on building a deeper relationship with consumers, such a model encourages advocacy and repetitive purchases, which can yield sustained brand growth and differentiate the brand in competitive markets, as recommended by Çınar (2020).

Disadvantages of Keller's Brand Equity Model

However, the model is resource- and time-consuming to deploy effectively because it calls for a huge investment in research on the market and the management of customer relationships. The model is also linear, and it fails to capture the intricacies of consumer behaviour, given that customers' loyalty and perception change based on different external factors or market trends. Lastly, the focus of the model on long-term brand equity does not tackle the immediate business problems faced by some companies (Cristea and Munteanu, 2022).

3. Methodology

Methodology is the systematic process and techniques undertaken by researchers to carry out a study efficiently. It provides information related to the methods and strategies concerning data collection, analysis, and interpretation. It is a clear-cut framework which helps the researcher to confirm the reliability and validity of the research findings and also to fulfil its aims and objectives properly (Pandey and Pandey, 2021).

Research Approach: This study will be a mono-method, quantitative, study. This will provide an orderly and focused way to collect and analyse data. Quantitative research is data-driven, using numbers, to determine patterns and measurements between variables. Qualitative research, on the other hand, uses non-numerical data, to explore people's perceptions and experiences. This is according to Hossain and Hakobyan (2022). A mono-method approach helps achieve consistency because only one method for data collection and analysis, which is quantitative in this case, is adopted in this study.

Research Philosophy: Philosophy drawing will be pragmatism and interpretivism. Using pragmatism as one of the philosophies indicates a very practical approach: where the objective and the subjective can be used concurrently which is helpful where complex topics on business are applied in practice (Mbanaso *et al.*, 2023)). Another philosophy to be drawn on is interpretivism- this is a philosophy dealing with subjective aspects of what a customer perceives about his or her behaviour thus applicable in the realization of a brand image and loyalty, therefore, helpful in comprehensively fulfilling the research goals by giving a view from the data.

Research Approach and Strategy: This research will follow a deductive approach. The research will use hypotheses that are based on what is already known about the theories of brand image and loyalty. Deductive research is very useful for the focused exploration of existing knowledge, especially if a quantitative mono-method is used (Haque, 2022). An explanatory research approach will be taken to explain causes and effects within the case study of Coca-Cola. This would clarify how brand image and loyalty interact with each other.

Data Collection Methods: It is intended to carry out primary as well as secondary data that will be taken to authenticate the results of the findings. Primary data will be collected through an online, close-ended survey targeting customers of Coca-Cola, using Google Forms. The questionnaire will comprise 8-10 close-ended questions to be administered to 50 respondents to make it qualitative. Secondary data will be obtained from various reports and journals published by the companies along with newspapers and government files to act as a backdrop for the literature review process (Karunarathna *et al.*, 2024).

Sampling Strategy: Sampling is defined as selecting a part of the population for generalisation. The present study will use non-probability, convenience sampling to collect primary data. Convenience sampling is an appropriate method to select the participants because it is available for accessibility since the study is time-constrained (Maxwell, 2021). It will take 50 participants with diverse demographics to enable in-depth customer perception in different geographic locations.

Data Analysis Techniques: The quantitative data from the survey will be analysed using Microsoft Excel and, hence, will be utilized to gain insight graphically in the form of bar charts and pie charts, which help in understanding the relationship between brand image and brand loyalty visually as well (Rahman and Mukhtadir, 2021). Secondary data will be thematically analysed in terms of which themes recur commonly and are aligned with research objectives to derive relevance.

Ethical Issues: This research will uphold ethics through observance of the GDPR Act 2018 so that respondents' information remains confidential and the research has anonymity. This allows for the protection of their data so that they would remain anonymous and the research ensures the confidentiality of the given information (Marelli *et al.*, 2020). It shall be voluntary, so consent is not coerced. The respondents shall know why the study is necessary.

This is a case study of Coca-Cola. The study could limit the generalizability of the findings to other organizations. Convenience sampling limits the representativeness of the sample. Minor biases are introduced, or the comprehensiveness of the data may be restricted by the limited number of secondary sources that the study relies on.

4. Timeframe

Activities	Week 1-2	Week 3-4	Week 5-6	Week 7-8	Week 9-10	Week 11-12	Week 13-14	Week 15-16
1. Introduction								
2. Literature Review								
3. Research Methodology								
4. Creating the Questionnaire								
5. Data Collection								
6. Analysis of Data Collected								
7. Discussion and Interpretation of Data								
8. Conclusion and Recommendations								
9. Discussion with the Supervisor								

Table 1: Timeframe for Proposal (Source: Self-developed)

5. Conclusion

In conclusion, it can be stated that this proposal will reflect a detailed analysis of the importance of the relationship between brand image and brand loyalty. There will be a case study analysis of Coca-Cola that explains different issues associated with different gaps in brand image and loyalty for the brand. The study will reflect on the different negative impacts of brand image and brand loyalty. A brief discussion of the chosen methodologies will be stated in this study as well.

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