



GSJ: Volume 7, Issue 11, November 2019, Online: ISSN 2320-9186  
[www.globalscientificjournal.com](http://www.globalscientificjournal.com)

## **Impact of Brand Credibility on Customer Patronage of Table Water Firms: Evidence from Nigeria**

---

**Harcourt Horsfall (PhD)**  
**Department of Marketing**  
**Rivers State University, Port Harcourt, Nigeria**  
**And**

**Mac-Kingsley Ikegwuru**  
**Department of Marketing**  
**Rivers State University, Port Harcourt, Nigeria**  
[1.harcourthorsfall@gmail.com](mailto:1.harcourthorsfall@gmail.com)

2. [bestvaluecrest@gmail.com](mailto:bestvaluecrest@gmail.com)

### **Abstract**

This study pragmatically investigated the influence of brand credibility in the configuration of customer patronage of table water firms in Rivers State of Nigeria. A causal design research and a mock-up were invented to take on board the two hypotheses of the study. The simple random technique was assumed and quantitative facts were engendered through a 5-point Likert-type scaled questionnaire. The study espoused descriptive statistics and simple regressions modus operandi to establish that brand credibility was functional in manipulating metrics of customer patronage. The results put forward that brand credibility has a very strong, significant and positive influences on store traffic flow; expertise has a strong, significant and positive influence on customer referrals. The study concludes that results of quantitative analysis depict that brand credibility programs espoused by the table water firms in Rivers State affect customer patronage. The implication for managers is that they will now strive to achieve complimentary reactions from consumers to launch and uphold credibility of their brands. The study recommends that Managers of table water firms' meeting point should anchor on those areas of brand credibility that bring into being store traffic flow and customer referrals to their firms. More inquiries on brand credibility and customer patronage in the table water firms could take account of exclusively broad dimensions interconnected to the factors that influence customer patronage in order to put forward a more perceptive, appreciative and superior synopsis of customer patronage.

**Key words:** Brand credibility, Customer patronage, Customer referrals, Store traffic flow

**Paper Type:** Research Paper.

## Introduction

Credibility is a vital distinguishing influencer of brand positioning. Credibility concerns were derived from “source credibility” writings. A case in point is Ohanian (1990) who established a source credibility scale for celebrity endorsers. When source credibility is linked to brands, it brands can serve as cryptogram or signals for product positioning (Erdem & Swait, 2004; Wernerfelt, 1988). The writings of Source credibility are acknowledged as the starting point of brand credibility and it is allied with the believability in uniqueness of a meticulous brand (product/service). Brand credibility will show a superior and more evenhanded representation of consumer decision processes. For that reason, it is not startling to make out that the consumer market has of late seen a substantial swell in the quantity of brand marketing (Wiedmann, Hennigs & Siebels, 2009; Keller, 2009). In a study by Wang and Yang (2010), the impact of brand credibility on consumer loyalty was investigated, and brand image and brand awareness was included as moderator.

Only a couple of studies, however, have queried the relationship between brand credibility and consumers' brand purchase intention (Wang & Yang, 2010). Besides, in attendance are several studies that are conducted on problems associated with this topic. Proceeding scholarly inquiries give attention habitually on tangible products. Baek, Kim and Yu (2015), investigated how brand credibility and brand prestige impact on brand purchase intention and empirically explores how the pooled apparatus of brand credibility and brand prestige become visible across manifold product categories, Malik and Ahmad (2014) examined the association between brand credibility and consumer loyalty with the meandering outcome of attitude towards brand as mediator. Ahmad, Ahmad and Nadeem, (2014) explores methods of brand loyalty through brand credibility and brand awareness, Sheeraz, Iqbal and Ahmed (2012) examined the connection of brand credibility and consumer values with purchase intentions of consumers, Spry, Pappu and Bettina (2011) investigated the impact of celebrity credibility on consumer-based equity of the endorsed brand. Swait and Erdem (2007), considered brand credibility and consumer loyalty focusing mainly on tangible products. The mainstream of previous studies focused on corporate credibility and its influence on attitude towards advertisement. Alongside, the obtainable literature does not make available any all-inclusive rationalization on the influence of brand credibility on customer

patronage. Accessible literature is deficient in the investigation of brand credibility and its convinced influence in the table water industry. This study intends to fill these gaps and contribute to the existing literature on these specific issues by presenting a high-quality investigation that evaluates brand credibility and its direct influence on customer patronage in table water firms in Rivers State of Nigeria. This study provides a first-class presence into the existing body of knowledge by investigating the influence of brand credibility on customer patronage (store traffic flow and customer referrals) in the context of the Table water Industry in Rivers State of Nigeria.

### **Statement of the Problem**

Consumers envisage many products and services contained by markets and they don't enclose convinced information about those product and services. It creates hesitation in mind of consumers. As soon as asymmetric information is obtainable in market, then signals can be made use of to be in touch with information (Spence, 1974). In such nature of situations, brand can be doled out as symbols or signals (Erdem & Swait, 2004) and signal should be credible (Tirole, 1990). The previous study of Erdem and Swait (2004) had investigated the effect of brand credibility on product utility and discovers that brand credibility can boost the prospect that consumers will take account of the brand in the consideration set.

Despite the increasing recognition of the importance of brand credibility as brand signals, very few studies have investigated how brand credibility work in customer patronage with substantial outcome, hence several companies still grapple with adverse customer patronage. Over and above, empirical research have given little emphasis on the nature of brand credibility and customer patronage, bearing in mind the recent downturn in the Nigerian economy and how it affects the table water industry.

Table water companies in the 21st century often struggle for customers in order to increase their market share. The likelihood of any of these companies to realize their avowed aims is dependent on their facility to grow products that will keep happy the needs and wants of their preferred target customers improved than their competitors. Understanding the effect of brand credibility

mechanism in the configuration of customer patronage will be very central and momentous for business managers, as it provides direction in budding brand positioning through the most apposite brand credibility strategies. Thus, this paper examines the influence of brand credibility on customer patronage of table water firms in Rivers State of Nigeria.

### **Research Objectives:**

The major objective of this study is to find out the effect of brand credibility in the configuration of customer patronage of table water firms in Rivers State of Nigeria. The specific objectives are:

- 1) To ascertain the effect of brand credibility on store traffic flow.
- 2) To determine the effect of brand credibility on customer referrals.

### **Research Questions:**

Questions investigated in this study are:

- 1) To what extent does brand credibility influence store traffic flow?
- 2) To what extent does brand credibility influence customer referral?

### **Research Hypotheses**

Hypotheses of the study are as follows:

**H<sub>01</sub>:** Brand credibility does not significantly influence store traffic flow

**H<sub>02</sub>:** Brand credibility does not significantly influence customer referrals

### **Literature Review and Hypotheses**

#### **Theoretical Foundation**

This study is anchored on Signaling Theory. Signaling theory was foremost projected by Spence (1973) to make obvious how job seekers can signal their aptitude to employers by embracing education. Rao, Qu and Ruckert(1999:259) defined signal as “an action that the seller can take to convey information credibly about unobservable product quality to the buyer” Duncan and Moriarty (1998:6) declare that “a signal is a sign that cues or influences some action or interpretation by customers, competitors, or other stakeholders, and it is very much a communication function”.

Signaling theory has been used to clarify the structure of brand credibility effects (Erdem & Swait, 1998; Erdem, Swait, & Louviere, 2002; Erdem & Swait, 2004; Erdem, Swait, & Valenzuela, 2006). Branding turn out to be a gainful way to correspond indiscernible worth (Nelson, 1974). A brand signal provides a consumer with a rapid architecture to weigh up the quality of a product or service (Dawar & Parke).

### Brand Credibility

Brand credibility means the image of the brand in the mind of the customer; it is the blend of multi distinguishing expression (Sterthal & Craig, 1982; Erdem & Swait, 2004). Source credibility literature stands as the most important supplier for the institution of brand credibility. Ohanian (1990) alludes to source credibility as concerning developing affirmative distinctiveness from sender that exploits a receiver to recognize the message sent by sender. This sender can be person, cartoon, corporation and/or brand (Wang & Yang, 2010).

The impression of brand credibility was enthused by Erdem and Swait (1998), who investigated consumer-based brand equity by imaging on signaling theory. Erdem and Swait (1998) define brand credibility as the believability of the product position information implanted in a brand, hinging on consumers' perceptions of whether the brand posses the aptitude and compliance to incessantly convey what has been pledged (Erdem & Swait, 2004). It has been well established that brand credibility is composed of two key mechanisms: trustworthiness and expertise (Erdem & Swait, 1998, 2004; Erdem, Swait, & Louviere, 2002; Erdem, Swait, & Valenzuela, 2006; Sweeney & Swait, 2008). This study defines brand credibility as the considered product situation information entrenched in a brand, hinging on consumers' discernment of whether the brand have power over the aptitude and conformity to unremittingly get across what has been guaranteed.

### Customer Patronage

Patronage is defined as the level to which a customer displays repeat purchase behaviour from a service provider, possesses an affirmative, enduring outlook and temperament concerning a service provider (Gremler & Brown, 1996). From the observation of Oliver (1999), customer patronage is defined as a profoundly held dedication to repurchase a firm's products at the cost

of a competitor's offering. Customer patronage is an amalgamation of psychological factors that impacts on purchase behaviour (Burnkrant, 1982); and these factors are well thought-out important by consumers (Moye & Giddings, 202); and used as a criteria in influencing which firm to patronize (Ogbuji, Onuoha & Abdul, 2016). Customer patronage has been measured by an assortment of authors in diverse magnitude, as well as store traffic flow (Engel, Blackwell & Miniard, 1996); willingness, word-of-mouth and repurchase (Baker et al, 2002); repeat purchase, customer retention and customer referrals (Awah, 2015); and customer satisfaction and referrals (Ogbuji et al, 2016). These dimensions of customer patronage were used by these authors to explain that the continued existence of any business is a utility of the rate of patronage. This pictures the outlook of Ogwo and Igwe (2012) that the foremost motivation for erecting a business is to engender customers. Consequently, and in corroboration with earlier studies, this study adopts store traffic flow and customer referrals as the measures of customer patronage, and scrutinizes customer patronage as the means of a respondent's evaluation for his or her firm's store traffic flow and customer referrals level.

#### Previous Empirical Studies on Brand Credibility and Customer Patronage

Baek, Kim and Yu (2015) investigate the combinatory mechanism of brand credibility and brand prestige on multiple product categories. By means of six latent constructs tested with structural equation modeling analysis, the findings show that both brand credibility and brand prestige positively influence brand purchase intention through perceived quality, information costs saved, and perceived risk under different product categories representing the high and low self-expressive nature.

Malik and Ahmad (2014) examined the relationship of brand credibility and consumer loyalty in the food sector, with attitude towards brand as mediator, and using college/ sub campuses students and staff members from banking institutions in D. G. Khan as samples. By means of descriptive statistics, factor loading, reliability analysis, correlation analysis, and regression analysis as well as model summary and ANOVA, the results demonstrated that brand credibility and consumer loyalty are the most significant factors. Furthermore attitude towards brand as mediator plays a significant role.

Ahmad, Ahmad and Nadeem, (2014) examined methods of brand loyalty through brand credibility and brand awareness. Data collection was effected by means of simple random sampling method and structured questionnaire and the findings indicated that brand loyalty has positive association with brand credibility and brand awareness.

Wang and Yang (2010) studied the impact of brand credibility on consumers' brand purchase intention in emerging economies, focusing specifically on China's automobile industry. The results suggest that brand credibility positively influences consumers' brand purchase intention. Brand image and brand awareness positively moderate the relationship between brand credibility and consumers' brand purchase intention.

Sheeraz, Iqbal and Ahmed (2012) investigated the association of brand credibility and consumer values with purchase intentions of consumers in Pakistan. Data was gathered from 102 students from different universities. A questionnaire was engaged to bring together data from respondents by way of convenient sampling. The results indicate that brand credibility and consumer values are significantly and positively associated with consumer purchase intentions.

Spry, A., Pappu, R. and T. Bettina, T. (2011) investigated the impact of celebrity credibility on consumer-based equity of the endorsed brand, under the mediating role of brand credibility and the moderating role of the type of branding. Data were collected by means of a mall-intercept approach at a shopping centre from a sample of consumers in a metropolitan Australian city. The data were analyzed using structural equation modeling and the findings show that endorser credibility has an indirect impact on brand equity when this relationship is mediated by brand credibility. This mediating relationship was moderated by type of branding. On the other hand, the "endorser credibility-brand credibility" and "endorser credibility-brand equity" relationships did not differ corresponding to the type of branding engaged.

Hanzaee and Taghipourian (2012) investigated the effect of brand credibility and prestige on consumers' purchase intention under different levels of product involvement. Using structural equation modeling, the result reveals that Personal Involvement Inventory model indicated that

brand credibility and brand prestige have positive impact on perceived value for money, perceived quality and information costs saved but a negative impact on perceived risk under low and high involvement product category. In general, compared with brand prestige, brand credibility was significantly extra successful in influencing brand purchase intention process when the product is low involvement

## Methodology

**Population of the Study:** The population of respondents covered by the scope of this study cut across 118 table water firms operating in Rivers State of Nigeria, whose genuine catalog was derived from the business directory of Rivers State Ministry of Commerce and Industry as at August, 2019. However, in the course of collecting data, the study in point of fact employed a sample of 79 table water firms and 316 respondents based on four management staff (product managers, sales managers, customer relations managers and supervisors) from each firm of interest. This minimum sample size was calculated based on TaroYaman, s formula (cited in Kee, 2000) for sample size determination for estimating proportion for a finite population.

$$n = \frac{N}{1 + N(e)^2}$$

Where n = Sample size

N = Population of the study

e = Tolerable error (5%)

$$n = \frac{118}{1 + 118(0.05)^2}$$

$$n = \frac{118}{1 + 118(0.0025)}$$

$$n = \frac{118}{1 + 0.5}$$

$$n = \frac{118}{1 + 1.5}$$

$$n = \frac{118}{1.5}$$



n = 79

**Research Instrument:** A five point likert-type questionnaire was used for data collection. The questionnaire alongside with the categories signifies questions evaluating items on brand credibility and customer patronage.

### Analysis and Results

The findings of this research are explained according to the results obtained through analysis with help of the IBM SPSS Statistics software (version 22.0).

Brand Credibility and Store Traffic Flow.

**Table 1: Coefficients of Brand Credibility and Store Traffic Flow**

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. error	Beta	T	Sig.
Constant	1.432	.140		10.206	.000
Brand credibility	.696	.036	.874	19.362	.000

a. Dependent Variable: Store traffic flow

Source: SPSS Window Output, 2019.

The results of regression analysis in Table 1 shows that brand credibility has a very strong positive and significant influence on store traffic flow, it is observed as (sig=0.000 r=0.874\*\*). Similarly the value of t = 19.362 that is above the normal level 2 and thus it indicates significant positive relative importance between predictor and criterion variables (brand credibility and store traffic flow). So null hypothesis for H2 is rejected and alternate is accepted.

Brand Credibility and Customer Referrals.

**Table 2: Coefficients of Brand Credibility and Customer Referrals**

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. error	Beta	T	Sig.
Constant	.690	.321		3.169	.000
Brand credibility	.740	.050	.810	14.871	.000

a. Dependent Variable: Customer Referrals

Source: SPSS Window Output, 2019.

According to the results of the second hypothesis in Table 2, results there is positive and significant relation between predictor variable (brand credibility and criterion variable customer referrals (sig=0.000 r=0.810\*). The P value for this hypothesis is 0.000\*\* that is less than 0.05 level of significance and hence provides sufficient grounds for researcher to accept alternate hypothesis H2. Furthermore the value of beta is positive and shows positive association between these two variables. T value is also describing the positive related importance between regressor (brand credibility) and regressand (customer referrals). So null hypothesis was rejected and alternate accepted.

**Discussion and Conclusion**

This study borders on a profound investigation of the influence brand credibility in the configuration of customer patronage, specifically in Nigeria’s Table water industry. The results reveal that store traffic flow significantly and positively configures customer patronage (store

traffic flow and customer referrals). These findings tender novel perspectives with reference to research and also put forward astute managerial implications. Prominently, this study was executed in Nigeria, up-and-coming economy. Brand credibility is found to positively and significantly influence customer patronage (store traffic flow and customer referrals). A credible brand will certainly attract higher patronage. Consumers demonstrate better patronage in the direction of brands that are exceedingly credible. This assertion supports preceding domino effect in this investigation flow, such as Baek et al (2015) whose findings show that both brand credibility and brand prestige positively influence brand purchase intention and Sheeraz et al (2012) who investigated the association of brand credibility and consumer values with purchase intentions of consumers in Pakistan and found that brand credibility and consumer values are significantly and positively associated with consumer purchase intentions. The findings of this study therefore, depict that brand credibility plays a significant role in configuring customer patronage in the table water sector of Nigeria.

This paper analyzes the effect of brand credibility on customer patronage of Table Water Firms in Rivers State of Nigeria. By means of the arguments of the signaling theory, a theoretical framework has been put up that underscore the task of brand credibility in the formation of apposite environment for table water firms to attract customer patronage. The findings of this study imply that brand credibility can be a significant predictor of customer patronage. The essence of brand credibility is clearly perceived in fashioning or adding force to a brand, which in turn triggers customer patronage. Customer patronage can also facilitate the acquisition of store traffic flow and customer referrals level by firms. Brand credibility also props up the producers and customers correlation and put together a well-built and elongated experience. The results therefore sustain the general rationale envisaged by some applicable theoretical framework, such as the signaling theory.

## **Recommendations**

Based on the analysis carried out and the findings deduced in addition to the review of related literature and the findings and responses of respondents, the following recommendations are

deemed necessary to ensure high quality brand credibility which would invariably lead to superior customer patronage in table water firms.

1. Managers of table water firms' meeting point should anchor on those areas of brand credibility that bring into being positive store traffic flow and customer referrals to endear customer patronage.
2. Besides, the study provides a good convenience regarding to brand credibility and customer patronage in the table water sector of Nigeria and these findings should help managers to design a healthier approach for a brand to augment its credibility and boost customer patronage.

### **Limitations and Future Research Directions**

The meeting point of this study is only manufacturing sector of Nigeria specifically the table water industry. Further research can be in other service sectors like laundry, restaurants etc. The research was limited to the variables of brand credibility and customer patronage. Conceptual framework can be revolutionized by considering other variables like brand awareness, brand familiarity, brand image and customer retention.

As a final point, we distinguish that there might be other factors that influence customer patronage, such as brand personality, product preference, peer pressure and social context. For that reason, future research could take account of exclusively broad dimensions interconnected to these features in order to put forward a more perceptive appreciative and a superior synopsis of customer patronage.

### **References**

Aaker, D. A. (1996a). *Building strong brands*. New York: The Free Press.

Ahmad, Ahmad & Nadeem, (2014). The study of brand credibility and brand awareness as positive predictors for brand loyalty. *Arabian Journal of Business and Management Review (Nigerian Chapter)*, 2(12), 22-28.

- Awah, C. K. (2015). *Store layout and customer patronage of supermarkets in Port Harcourt*. University of Port Harcourt, Nigeria
- Baek, T.H., Kim, J. & Yu, J.H. (2015). The differential roles of brand credibility and brand prestige in consumer brand choice. *Psychology & Marketing*, 27(7), 662–678.
- Boulding, W., & Kirmani, A. (1993). A consumer-side experimental examination of signaling theory: Do consumers perceive warranties as signals of quality? *Journal of Consumer Research*, 20(1), 111- 123.
- Dawar, N., & Parker, P. (1994). *Making sense of managing culture*. London: International Thomson Business Press.
- Duncan, T. & Moriarty, S. E. (1998). A communication-based marketing model for managing relationships. *Journal of Marketing*, 62, 1-13.
- Engel, J. F., Blackwell, R. & Miniard, P. (1996). *Consumer Behaviour*. New York: Dryden Press.
- Erdem, T. & Swait, J. (1998). Brand equity as a signaling phenomenon. *Journal of Consumer Psychology*, 7, 131–157.
- Erdem, T., & Swait, J. (2004). Brand credibility, brand consideration, and choice. *Journal of Consumer Research*. 31, 191–198.
- Erdem, T., Swait, J., & Louviere, J. (2002). The impact of brand credibility on consumer price sensitivity. *International Journal of Research in Marketing*, 19, 1–19.
- Erdem, T., Swait, J. & Valenzuela, A. (2006). Brands as signals: A cross-country validation study. *Journal of Marketing*, 70, 34–49.
- Gremler, D. D., & Brown, S.W. (1996). Service loyalty: its nature, importance, and implications. *Advancing Service Quality: A Global Perspective*, 5, 171-181.
- Hanzaee, K. H. & Taghipourian, M.J. (2012). The effects of brand credibility and prestige on consumers purchase intention in low and high product involvement. *Journal of Basic and Applied Scientific Research*, 2(2)1281-1291.
- Herbig, P. & Milewicz, J. (1995). The relationship of reputation and credibility to brand success. *Journal of Consumer Marketing*, 14(Winter), 5–10.
- Hovland, C. I., Janis, I. L., & Kelley, H. (1953). *Communications and persuasion*. New Haven, CT: Yale University Press.
- Keller, K. L. (2008). *Strategic brand management: Building, measuring and managing brand equity* (3rd ed.). Upper Saddle River, NJ: Prentice Hall. Keller, K. L., & Aaker, D. A.

- (1997). Corporate-level marketing: The impact of credibility on a company's brand extensions. *Corporate Reputation Review*, 1(4), 356– 378.
- Kirman, A. & Rao, A. R. (2000). No pain, no gain: a critical review of the literature on signaling unobservable product quality. *Journal of Marketing*, 64, 66-79.
- Lafferty, B. A., Goldsmith, R. E. & Newell, S. J. (2002). The dual credibility model: the influence of corporate and endorser credibility on attitudes and purchase intentions. *Journal of Marketing Theory and Practice*, 1-12.
- Malik, M.S. & Ahmad, N. (2014). Impact of brand credibility on consumer loyalty: A case study of fast food industry in DG Khan, Pakistan. *Arabian Journal of Business and Management Review (OMAN Chapter)*, 3 (6), 38-47.
- Moye, L. N. & Giddings, V. I. (2002). An examination of the retail approach – avoidance behavior of older apparel consumers. *Journal of Fashion Marketing and Management*, 6 (3): 259 – 276.
- Nelson, P. (1974). Advertising as information. *Journal of Political Economy*, 82(4), 729-754.
- Ogbuji, C. N., Onuoha, A. O. & Abdul, U. (2016). Spatial layout and customer patronage of cinema firms in Port Harcourt, Nigeria. *International Journal of Research in Business Studies and Management*, 3 (6): 44-50.
- Ohanian, R. (1990). Construction and validation of a scale to measure celebrity endorsers' perceived expertise, trustworthiness, and attractiveness. *Journal of Advertising*, 19(3), 39- 52.
- Oliver, R.L. (1999). Whence consumers loyalty? *Journal of Marketing*, 63(4), 33-44
- Rao, A. R. & Ruekert, R. W. (1994). Brand alliances as signals of product quality. *Sloan Management Review*, 36, 87-97.
- Rao, A. R., Qu, L., & Ruekert, R. W. (1999). Signaling unobservable product quality through a brand ally. *Journal of Marketing Research*, 36(2), 258-268.
- Seock, Y.K. (2009). Influence of retail store environmental cues on consumer patronage behavior across different retail store formats: An empirical analysis of US Hispanic consumers. *Journal of Retailing and Consumer Services*, 16(5), 329-339.