A THEORETICAL BRAND EQUITY MODEL FOR MARKETING IN THE PRESENCE OF ENVIRONMENTAL TURBULENCE

Kausar Ikhlaq¹ and Saqlain Raza²

ABSTRACT
This research finds out the impact of Customer Perception, Satisfaction, and Loyalty on Brand Equity with Environmental Turbulence as moderator. The questionnaire was completed by a total of 253 continental restaurant customers. Data were gathered from continental restaurant consumers related to Karachi, Pakistan and examined through statistical methods (SPSS and Partial Least Square). Results reveal a significant positive relationship between customer loyalty and brand equity. There is no significant positive relationship between customer perception, customer satisfaction, and brand equity. Also, environmental turbulence has a significant moderating effect on the relationship between customer perception and brand equity; and customer loyalty and brand equity. There was no significant moderating effect of environmental turbulence on the relationship between customer satisfaction and brand equity. This research would be helpful for the managers, marketers, students, and teachers in understanding the brand equity being impacted by various factors in the environment of Pakistan. This research can be generalized to Asian countries to further elaborate on the impact. The outcomes are helpful to the organizations and companies for emphasizing every element of brand enactment and, specifically, the three (customer perception, customer loyalty, and customer satisfaction) to get the best out of it.

Keywords: Brand Equity; Customer Perception; Customer Loyalty; Customer Satisfaction; Environmental Turbulence.

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INTRODUCTION

Consumers are more likely to believe everyone but the marketers, as they tend to rely on word-of-mouth publicity of the brands more than the actual one (Kang, 2018). It has been proven by many studies, time and again, that nothing matters to people more than people. Marketers may more easily identify deviations (consumer preferences) that require their concern by disintegrating the Customer-based brand equity (CBBE) measurements that forecast greater or less loyal patrons (Cambra-Fierro, Melero-Polo, & Javier Sese, 2015). According to Baldauf (2003), label value positively leads to the improvement of consumer value. Label’s value is a source of authority, self-belief, and happiness.

Evaluating customer-based brand equity viewpoints in an alternative manner might be a good idea for future studies. The customer-based brand equity strategy is based on the idea that a brand's strength is derived according to what people have understood, sensed, witnessed, and overheard about it throughout the period. And it is a product's strength; based on whatever buyers believe about it. In establishing a consumer behavioral perspective about a label, Keller (2003) stressed the significance of comprehending the multidimensional nature and aspects of a label or brand equity. Employing an overly limited view might indicate a lack of depth, which is essential for providing integrative theoretical insights and development services. Brand equity is a multifaceted notion that includes customer loyalty, brand recognition, overall quality, brand connotations, and other proprietary assets.

Brand Equity is determined by the value that a label gives to its users (Xinxiang et al., 2016). When it comes to picking a brand, consumers are looking for a perceptive balance between the commodity's pricing and functionality (Lassar et al., 1995). Prior research has demonstrated that awareness of a label, its image, its associational behavior, and percept of relative quality; all have a significant impact on percept of worthiness or its value when examining the correlation amongst the components of brand equity (Wang et al., 2015). The deeper a consumer's value perception, the more likely they will replicate the same conduct. Because a consumer's impression of worth is an authentic mandate, it plays a vital role in forecasting the commitment and patterns of consumers (Yoo et al., 2000). Another important aspect is customer loyalty. Whenever a customer develops substantial, favorable sentiments for a particular product, customer loyalty refers to their inclination to repeat their purchase of favorite goods or facilities (Pham et al., 2016). Elevated consumer brand loyalty is attributed to a higher proclivity to generate buzz for everyone else and a lower proclivity to purchase competing products (Mittal & Kamakura, 2001). Consumer retention or loyalty, according to
Dick and Basu (1994), customer loyalty encompasses not just buyback behavior but also strong emotional responses such as connection to organizations, goods, and offerings.

While addressing the link between various customer-related factors with brand equity, literature has provided evidence of these relations in the light of environmental turbulence. There have been several lines of inquiry into including environmental uncertainty in radical innovations. This line of inquiry addresses the moderate influence of environmental disturbance from a probabilistic viewpoint (Eggers, Kraus, & Covin, 2014). Although many researchers have employed the contingent aspect of environmental turbulence, there still is some lacking in finding the role of environmental factors from a dynamic viewpoint, as in several earlier research (Huang et al., 2018; Wang et al., 2015). The three major types of dynamic capabilities can be described as (1) connected to designing of products, innovative goods domain, and innovative business strategies, and studies have looked at technical capability (Camison & Villar-Lopez, 2014) and innovativeness (Omar et al., 2018), (2) knowledge management, facilitated by employing newest information technology to improve connectivity, market data collection, evaluation, and distribution, and collaboration inside and across strategic stakeholders (Brown, 2019) and (3) the creation, maintenance, and management of exterior partnerships.

As research and statistics were undertaken about the epidemic and its subsequent effects, especially regarding service or product promotion, a phase of the unparalleled global crash is strongly anticipated (HBR, 2020), which may cause brand equity change. Brand management is an essential part of marketing, and for every marketer, it is of utmost importance as they want the brand value to go up to the next level consistently to its peak. Various brands commonly face, have faced, and are facing a decline in their life cycles. It is necessary to re-invent the model with some creative add-ons as the consumers have shifted their shopping patterns during and after COVID19. Thus, the present study examines and adds to existing brand value literature by giving substantial alterations to the idea of brand equity over the past few years. It appears that more profound knowledge of brand equity in varied industries and areas across Pakistan is required, including in cases where operational purchases and choices prevail; brand equity plays a pivotal role in minimizing riskiness for innovative product uptake (Cuneo, Lopez, & Jesus Yague, 2012). The present study fills the discussed gap by examining the impact of three customer-related factors: perception, loyalty, and satisfaction, on brand equity with a moderating role of environmental turbulence. This paper is a guide for marketers, teachers, and students in the management of brands in a creative manner.
The post-COVID world has presented marketing companies and scholars with a difficult option to work on and continually improve the framework to keep up with competing for corporate promotional techniques. There have been various efforts to investigate the factors affecting brand equity in the past. However, the elements that impact it in the face of environmental turbulence have not been examined in the context of Pakistani culture to the best of the researcher's knowledge. Thus, this paper will serve as a guide for marketers, practitioners, and policymakers interested in understanding how companies may positively manage their brands. Some suggestions are offered for new research scholars conducting more studies in this area based on the findings, applicability, and limits. As a result, we carried out a study that might be applied to other developing nations, such as Pakistan.

**LITERATURE REVIEW**

*Aaker and Brand Equity*

One of the most extensive brand equity models was developed by Aaker (1992), which comprises five separate components which are the drivers of value creation. Brand loyalty, premium brand recognition, brand trust quality, product involvement, the inherent quality, and other unique brand components, such as patent applications, rights, and multichannel agreements, are examples of these investments.

*Loyalty*

A study in 2005 (E-student retention) explained how customer loyalty produces value by lowering marketing expenses and amplifying trade, based on Aaker's approach. Loyal consumers expect the label to be readily accessible and encourage others to do so by recommending it. Sustaining current consumers is far less expensive than acquiring new ones. Even when switching costs are modest, clients have a high level of inertia. Rivals have a hard time communicating with pleased private label customers even though they have minimal desire to learn about possibilities. As a result, rivals may be hesitant to invest efforts in attracting pleased and devoted consumers, but even if they do, it will take some time. According to Aaker (1996), depending on brand loyalty is typically an effective strategy to manage equity. Also, a strong brand enhances the likelihood of brand choice and contributes to re-purchase intention.

*Awareness*

Awareness is a crucial aspect of a brand that is sometimes underestimated (Aaker, 1992). The capacity of a prospective buyer to recognize or retain that perhaps a label belongs to a specific
type of product is referred to as its awareness (Aaker, 1996). At the stage of recognizing, awareness may offer the product a feeling of connection as well as a signal of quality, dedication, and recognition. In contrast, the recalling stage influences selection by determining which labels are viewed and picked. Brand recognition is critical for many businesses, and it is the foundation of successful identities (Aaker, 1996). For most analytical frameworks of the brand, familiarity plays a significant role. Even though people are more inclined to buy brands they are acquainted with, the brand image creates a high degree of purchasing, boosting the firm’s financial performance as well as revenues (Baldauf et al., 2003).

**Quality**

Perceived quality adds value for the consumer; a cause to buy distinguishes the brand, boosts channel member interest, lays the groundwork for product lines extension, and justifies a premium price, according to Aaker (1992). To put it in other words, quality refers to a customer’s assessment of an item’s attribute performance (Umair, 2018). Product value is considered a separate factor from a trademark. It is now a primary corporate focus for most companies, and it may serve as inspiration for initiatives aimed at boosting its Value. Presumed quality is a significant and widely acknowledged key component (Aaker, 1992).

**Associations**

The most widely understood part of brand equity is product associations or image. In reality, it’s anything that a shopper associates with a name. Product qualities, benefits, usage, subscribers, living patterns, commodity classifications, rivals, and regions are all examples of brand association. Shoppers may use relationships to assist them in digesting or extracting information, differentiate and extend their offerings, and give them a cause to purchase and produce good sensations. Consumers utilize product attributes to organize, analyze, and extract data in their minds, which aids in buying it ultimately (Aaker, 1991, 1992). It is critical to grasp the essential characteristics of brand identity, which is brand personality, to develop a sustainable competitive advantage in the market (Heine et al., 2018). A line extension is more likely to become relevant in the market when there is a sign of consumer association.

**Assets of the Brand**

Aaker (1996) described intellectual property like copyrights, licenses, and channel partnerships that can create a substantial competitive advantage. A trademark signifies a company’s brand value distinctive from competition who might use a similar theme, emblem, or packaging to confuse the buyers. If the patent property is powerful to the buying decision process, it can
preclude competitive pressure. Lastly, a label might dominate a channel of distribution passively since patrons expect the product to be accessible.

**Customer-Based Brand Equity**

In 1993, Keller established the concept of "customer-based brand equity (CBBE)," which discusses the different reactions to the brand's struggle from buyers who might have varying levels of brand knowledge. In other words, the foundation and pillars of brand equity are brand awareness as well as the image.

Brand equity, according to Keller et al. (2011), is a distinguishing impact coming from a label's understanding in connection to consumer behavior to business strategy. As a result, the efficacy of a label should indeed be evaluated from the consumer's perspective. Strengthening customer-based brand equity entails expanding the label's mind share among consumers, not just in the marketplace (Aaker 1996; Keller et al., 2011). The idea of brand equity may be defined in various practices and appreciation of the insubstantial structures that build it up (Rossolatos, 2014). The framework proposed by Aaker and Keller that might be changed to meet the specifics of the investigations is used in the majority of brand equity research.

According to Aaker, brand equity comprises awareness of a brand, its associational features, its relative quality, and customer retention. Brand equity, according to Lassar et al. (1995), is an aspect of public identity, valuation, trustworthiness, adherence to a brand alliance, awareness of the brand, and relative service quality. These were all acknowledged components of brand equity (Cob-Walgren et al., 1995). As the foundation of brand equity, Kirmani and Zeithaml (1993) advocated relative percept quality, percept value, attitude towards the brand, and image of the brand. The significant components of brand equity, according to Yoo et al. (2000), are customer loyalty, overall product quality, and powerful brand association or awareness. Brand equity was defined by Huang et al. (2018) as a combination of brand informatics, including its awareness, appearance/connotation, and customer reaction (significance of brand, behavioral intent). Ding and Tseng (2015) defined Brand equity in the service industry related to food as its association or awareness and relative percept quality. In contrast, Moreira et al. (2017) described it as awareness or association, loyalty, and percept of quality. As a result, these components of customer-based brand equity may be summarized as awareness of the product, image or association, percept of quality, worth, and customer retention, according to the researcher.
Consumers Perception
The percept of worthiness or value is an assimilated degree of the buyer's insight of the overheads and paybacks ascending after its usage or involvement with any service or commodity. Brand equity is determined by the value that a label gives to its users (Xinxiang et al., 2016). Until it comes to picking a label, consumers are looking for a perceptive balance between the commodity's pricing and functionality (Lassar et al. 1995). Consumer behavior is influenced by price–advantage value, which is a relatively high idea that incorporates desire, mindset, trustworthiness, viewpoint, and more. It is thought to have been a reliable determinant behavior (Gallarza & Saura 2006). Multiple types of research have demonstrated that awareness of a label, its image, its associational behavior, and percept of relative quality; all have a significant impact on percept of worthiness or its value when examining the correlation amongst the components of Brand Equity (Wang et al., 2015). He moreover stated that awareness of a specific label is a crucial causal variable to a percept of its worthiness, as seen by the findings of the study, which show indicate awareness of the brand of a food servicing company substantially increases percept of its food practical value. According to Wang et al. (2015), an airline's trademark mindfulness and its association and popularity have a favorable impact on its value perception. According to Ghodeswar (2008), the impression of a well-formed swift classy restaurant has a beneficial influence on overall value perception. Pham et al. (2016) discovered that a swift service-providing restaurant's quality perception is a significant preconditioned predictor that boosts its value perception.

Customer Retention or Loyalty
Whenever a customer develops substantial, favorable sentiments for a particular product, customer loyalty refers to their inclination to repeat their purchase of favorite goods or facility/ies (Worku, 2019). Buyers' recurrent buying behavior was also used to identify loyalty, according to the study (Worku., 2019). As a result, consumer loyal behavior is the most researched consumer attitudinal aspect. Several studies have confirmed the correlation between social value and consumer loyalty to a brand. A consumer's impression of worth is an authentic mandate; it performs a vital role in forecasting commitment, as well as behavioral patterns of consumers (Yoo et al., 2020).

In the setting of a services business, it was discovered that there is a link between commitment and users' subjective rational and psychological worth. Consumers would recognize the worth of utility in context to a grocery store or a fast food place that allows visitors to get the services or products as per their desire. The likelihood of these coming again and buying back this
should grow. Furthermore, if a grocery store or restaurant allows guests to enjoy themselves while shopping, they will cherish their intrinsic worth, which will also encourage repetitive visits plus sales (Yoo et al., 2000).

**Satisfaction related to Brand**

According to Iazzi Antonio (2018), value perception of a consumer is "a percentage or exchange of overall advantages acquired to overall compromises," or "the consumers' percept or judgments of the usability of a commodity or facility based on evaluations of what has been gained and what has been surrendered." In the hospitality sector, the link amongst percept of value/worthiness and the satisfaction of consumers has been studied extensively. These two notions, along with perceived service quality, are referred to as the three "breakers of theoretical exploration" in promoting the service collected works. Numerous research initiatives investigating these themes have postulated resource models, with the most generally postulated sequence being the link between the relative quality of service, the percept of value, and contentment. Several scientists regard worthiness to become the world's most comprehensive crucial determining factor in this scenario. This deduction is also applied to general tourist and hotel management services (González-Mansilla et al., 2019).

**Environmental Turbulence and Its Impact on Organizations in terms of Brand Equity**

Technological and market turmoil are both responsible for environmental transformation (Yang et al., 2019). Technical volatility pertains to the unpredictable and quick level of innovation technically; such a development that renders a company's current technological expertise outdated.

**Market Turbulence:** Sensibly adapting to changes in the environment and persistently updating information systems are the greatest ways to maintain a comparative edge under volatile environmental circumstances (Yang et al., 2019). Turbulent marketplaces necessitate a firm's ability to adapt more swiftly to unanticipated change and have a variety of alternate paths for meeting latent client wants to remain competitive. Since the corporation might rely on obtaining a new technique to suit consumers' evolving wants in a notoriously risky economic environment, the value of technical expertise in increasing profitability must not be overlooked, which helps it to have a competitive advantage over other firms in the market (Yang et al., 2019).

**Technical Turbulence:** Existing technical expertise becomes outdated in a volatile technological company setting, necessitating the development of new ones (Ahmed, 2019). In
a volatile technical scenario, a company will prefer to adopt more external technical expertise since its present technical expertise and goods will quickly turn redundant (Yang et al., 2019). Corporations that lack technology expertise should start learning technical information as soon as possible and integrate it with current technical expertise. Mutating advancement has the advantage of indicating that perhaps a substantial level of knowledge may involve more distinct technology domains that give more integrated prospects (Ahmed, 2019).

There have been several lines of research, including environmental uncertainty into radical innovations. This line of inquiry addresses the moderate influence of environmental disturbance from a probabilistic viewpoint (Yang et al., 2019). The latter side takes a process-oriented approach, looking at environmental uncertainty as a referent. Although many researchers employ the contingent aspect, a current set of analyses reveals that technical volatility and intensity of competition may not be primary modifiers in the technology development related to the product (Ahmed, 2019). We investigate the role of environmental factors from a dynamic viewpoint, as in several earlier research (Yang et al., 2019). The economic scenario influences a company's operating conduct, which in turn can influence return, as per the structural system perspective. We look at research that looked at additional external elements in addition to technical and market volatility and intensity of competition. Consumer tastes are changing, the world is transforming quickly, and there is a lot of competition, which creates an uncertain and combative scenario. Generally speaking, a volatile situation makes a company more conscious of the importance of being outwardly focused, inventive, and aggressive. On the other hand, small-scale enterprises may see changes in the exterior environment as a danger rather than an option owing to resource constraints. Organizations have responded to the external environment in different ways depending on overall strategy formulation, even within a similar sector. The study has several conceptualizations of environmental disturbance. According to Jaworski and Kohli (1993), it has three components: market turmoil, technology instability, and intensity of competition. These three components are the most commonly studied components of an organization's surrounding environment or exterior (González-Benito et al., 2013). The rate at which consumers' priorities shift is known as market instability (Jaworski & Kohli, 1993).

**Competitive Intensity**

Sustainability strategies that consolidate, create, and restructure the productive capacity to adapt to changes in the business environment, promote knowledge management, and assist it in molding the surroundings to the corporation's benefit are referred to as strategic flexibility.
To gain an unfair advantage and achieve superior financial performance, stagnant capabilities should be turned into intellectual capital (Yang et al., 2019). The relevance of capacities has been recognized in studies on exterior cooperation and alliances, but particular competencies essential for adequate cooperation have yet to be identified. For example, Yang et al. (2019) defined cooperation capability as having past knowledge and having a dedicated cooperation function within the organization. The three major types of dynamic skills reported in the investigations are as follows. The first is connected to designing products, innovative goods domain, and innovative business strategies, and studies have looked at technical capability and innovativeness. The second is knowledge management, which is often facilitated by employing the newest information technology to improve connectivity, market data collection, evaluation, distribution, and collaboration inside and across strategic stakeholders. The third area covers creating, maintaining, and managing exterior partnerships. Affiliation aptitude, leadership ability, relational, and cooperation potential have been studied in this area.

Technological innovation, function, supply chain management, distribution, relationship management with consumers, and supplier relationships are among the primary intra-and-inter-business processes connected to multi collaboration that these three types of skills generally represent. Abilities that facilitate exterior collaboration should be capable of promoting innovative ideas throughout other numerous alliance partners, lessen employee dissatisfaction via recurrent and constructive feedback, and devise regulatory frameworks for team performance and sharing of risks.

The organizational procedures for doing creative activities linked to offers, production, administration, and promotion to promote sufficient value for the consumers are referred to as innovativeness (Ahmed, 2019). Combining ethnic, financial, technical, physical, and other elements, as well as innovating aptitude, improves the firm's potential to withstand, integrate, modify, and utilize external assets for better earnings growth (Yang et al., 2019). Organizations focus on new technological aspects to collect data, find market possibilities, interact with foreign stakeholders, and expedite corporate operations since information is the backbone of cooperation and interaction. The firm's strategies for developing and managing its matrix of relations with multiple stakeholders for higher value generation are referred to as relationship capacity. It represents the firm's capacity to find the best associates, begin and nurture connections and establish an administration system for enhanced collaboration and meaningful connections (Ahmed, 2019).
Based on this authentic literature, we, in our study, have taken *environmental turbulence* (the moderator) as a factor and examined whether it is or is not impactful on the brand equity and its related constructs. It is not always entrepreneurship and change in the marketplace or rivalry, but rather a broad shift in an industrial system, government decisions, or even the global shutdown endured in recent years.

**CONCEPTUAL FRAMEWORK**

We have developed a conceptual framework based on Keller's model of Brand Equity while adding the moderator as environmental turbulence to examine the significant positive impact on the brand equity of the customer perception, customer loyalty, and customer satisfaction. The reason for including brand awareness and image as dimensions of customer-based brand equity arises from the important roles in determining the differential response that makes up brand equity. Consumers who have significant awareness about the brand, and its positive image, believe the make is of good quality and are committed to the product have substantial brand equity. The following figure represents the conceptual model for our research study:

![Conceptual Framework](image)

*Figure 1. Conceptual Framework*

**RESEARCH HYPOTHESES**

H1: There is a significant positive relationship between *customer perception* and *brand equity*.

H2: There is a significant positive relationship between *customer loyalty* and *brand equity*.

H3: There is a significant positive relationship between *customer satisfaction* and *brand equity*. 
H4: There is a significant moderating effect of environmental turbulence on the relationship between customer perception and brand equity.

H5: There is a significant moderating effect of environmental turbulence on the relationship between customer loyalty and brand equity.

H6: There is a significant moderating effect of environmental turbulence on the relationship between customer satisfaction and brand equity.

METHODOLOGY

The methodology (quantitative technique) which has been followed in this study is confirmatory. We have adopted a five-point Likert scale to measure the scalable variable and further analyze its impact on Brand Equity in the course of environmental turbulence. From the population of continental restaurant consumers of Karachi (unknown), a sample of 253 was analyzed for the study. The respondent’s approach was more than the desired sample size, but due to the pandemic scenario and survey forms being online filled, only several 253 respondents responded timely and accurately. Convenienced sampling was used for this study. A structured questionnaire was designed to indicate our study variables and respondents’ demographic information. The study variables were measured using validated scales derived from previous literature. All items were rated on a 5-point Likert-type scale with 1 = strongly disagree” and “5 = strongly agree”. Independent variables of the study included Customer Perception, Customer Satisfaction, and Customer Loyalty. Environmental Turbulence is the moderating variable of this study. The dimensions of environmental turbulence used for this study are technological, market turbulence, and the competitive intensity of the market. Brand Equity is the dependent variable of this study. Data has been vigilantly collected online, and further, it has been checked for errors and outliers. We used measures from previous studies and adapted them based on theory and surveyed them through an online platform. To ensure content validity, the questionnaire was pre-tested; and minor revisions were made based on the feedback. The pilot study was conducted before running all the data analyses to check the feasibility of assessment, randomization, and retention. Data were analyzed statistically by using SPSS and PLS Analysis.

Respondents’ Demographics

We categorized the age of the participants and assigned ranges to the same. Most of the participants were from the age bracket 36-40 (65%), some were from the age bracket 26-30 (20.2%), and a few were from the 31-35 age bracket (14.2%). The gender chart of the
participants/respondents infers that 183 males and 70 females had participated in the survey. The descriptive education chart shows that the participants were primarily masters (73.1%), bachelors (25.3%), and very few of them were diploma holders (1.6%). Most of the participants were employed (70%), and some were self-employed (30%). Most of the participants had the income range of 125001-150000 (51.4%), then from 75001-100000 (34%), a few from 50000-75000 (14.2%), and only one respondent had an income range of 100001-125000 (0.4 %).

Measurement of the Variables
A five-point Likert scale ranging from strongly disagree to strongly agree has been used for all variables. The scales used for this study are:

Brand awareness and Brand Image are the dependent variables of this study which are dimensions of Brand Equity.

a) **Brand Awareness**: For measuring brand awareness, Kim and Hyun (2011) have provided a scale that included two items to measure brand awareness.

b) **Brand Image**: The brand image scale was also provided by Kim and Hyun (2011) with four items to measure the construct.

2) **Environmental Turbulence**: The variable has three dimensions which were examined in this study as moderating variables.

a) **Competitive Intensity**: The scale was adopted from Zhang and Duan (2010) with three items to measure the moderating variable of this study.

b) **Market Turbulence**: The scale was adopted from Zhang and Duan (2010) with four items to measure the moderating variable of this study.

c) **Technological Turbulence**: The scale was adopted from Zhang and Duan (2010) with three items to measure the moderating variable of this study.

3) **Customer Loyalty**: The scale was adopted from Narayandas (1996) with four items to measure the independent variable of this study.

4) **Customer Perception**: The scale was adopted from Narayandas (1996) with five items to measure the independent variable of this study.

5) **Customer Satisfaction**: The scale was adopted from Narayandas (1996) with four items to measure the independent variable of this study.
Below presented are the 1st and the 2nd order models, which were empirically examined during the research. The models are self-explanatory.

**Figure 2.** First Order Research Model

**Figure 3.** Second-Order Research Model
RESULTS

Assessment of Measurement Model

Cronbach’s alpha has been used to assess the core reliability of items. Moreover, it undertakes that all items of a construct are switchable and do not reflect the fluctuating factor loadings of each item. Henceforth, composite reliability (CR) and indicator reliability (IR) measured through outer loadings were used to analyze the measurement model reliability. The loadings for each item should be above 0.7 for satisfactory indicator reliability (Sarstedt et al., 2014). In the following table, the outer loading for all the items is above 0.7; for example, BA1 is 0.888; also, this value is more than 0.7, which is acceptable (Hair et al., 2016). Moreover, the composite reliability is more than 0.7 and above, which is standard too. AVE value lesser than 0.5 reveals that there is a higher probability of errors within the items, and to overcome that, there must be a limit or standard which is to be determined (Hair et al., 2016). Results show that the minimum benchmarks required are all within the satisfactory limits of this study.

Discriminant validity is another method for evaluating items of a construct that are discrete from any other construct in the model, implying that there should be little association between items of various constructs. Each construct's items assess a different theoretical topic. The Fornell–Larcker Criterion and the Heterotrait–Monotrait Ratio of Correlations are two common methods for determining discriminant validity (HTMT). By comparing the square root of the AVE values to the construct's correlations, which should be greater than the construct's highest correlation with other constructs in the model, the Fornell–Larcker criterion is found. (Fornell & Larcker, 1981). This means that a construct's indicators have greater variation than those of any other construct in the model. Table 3 shows the highlighted diagonal line representing the greatest value of each construct's AVE square root in proportion to its association with other constructs, showing that the results meet the Fornell–Larcker criterion. The HTMT criteria are another option. As a conservative estimate, HTMT should be less than 0.85, and 0.90 is a widely recognized but slightly lighter estimate. (Hair et al., 2016).

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<tr>
<th>Construct</th>
<th>Factor Loadings</th>
<th>Composite Reliability</th>
<th>AVE</th>
<th>Cronbach Alpha</th>
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<td>0.886</td>
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<td>BA1</td>
<td>0.888</td>
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<td>BA2</td>
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<td>Brand Image</td>
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<td><strong>Brand Awareness</strong></td>
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<td><strong>Brand Image</strong></td>
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**Table 2. Heterotrait-Monotrait Ratio (HTMT)**

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<td><strong>Brand Image</strong></td>
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<tr>
<td><strong>Competitive Intensity</strong></td>
<td>0.310</td>
<td>0.159</td>
<td></td>
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</tr>
<tr>
<td><strong>Customer Loyalty</strong></td>
<td>0.294</td>
<td>0.563</td>
<td>0.086</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td><strong>Customer Perception</strong></td>
<td>0.336</td>
<td>0.353</td>
<td>0.459</td>
<td>0.317</td>
<td></td>
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<tr>
<td><strong>Customer Satisfaction</strong></td>
<td>0.074</td>
<td>0.114</td>
<td>0.061</td>
<td>0.119</td>
<td>0.266</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market Turbulence</strong></td>
<td>0.327</td>
<td>0.265</td>
<td>0.967</td>
<td>0.187</td>
<td>0.485</td>
<td>0.081</td>
<td>1.059</td>
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</tr>
<tr>
<td><strong>Techno Turbulence</strong></td>
<td>0.553</td>
<td>0.403</td>
<td>0.782</td>
<td>0.302</td>
<td>0.631</td>
<td>0.064</td>
<td>0.970</td>
<td>0.863</td>
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Table 3. Discriminant Validity (Fornell-Larcker Criterion)

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<td>Brand Awareness</td>
<td>0.891</td>
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<tr>
<td>Brand Image</td>
<td>0.350</td>
<td>0.958</td>
<td>0.834</td>
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<tr>
<td>Competitive Intensity</td>
<td>0.248</td>
<td>0.194</td>
<td>0.139</td>
<td>0.887</td>
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<tr>
<td>Customer Loyalty</td>
<td>0.223</td>
<td>0.461</td>
<td>0.462</td>
<td>0.072</td>
<td>0.775</td>
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<tr>
<td>Customer Perception</td>
<td>0.254</td>
<td>0.336</td>
<td>0.304</td>
<td>0.377</td>
<td>0.253</td>
<td>0.749</td>
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<tr>
<td>Customer Satisfaction</td>
<td>-0.027</td>
<td>0.087</td>
<td>0.112</td>
<td>0.017</td>
<td>0.079</td>
<td>0.213</td>
<td>0.830</td>
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<td>Market Turbulence</td>
<td>0.265</td>
<td>0.274</td>
<td>0.227</td>
<td>0.841</td>
<td>0.154</td>
<td>0.395</td>
<td>0.045</td>
<td>0.841</td>
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<tr>
<td>Techno Turbulence</td>
<td>0.447</td>
<td>0.436</td>
<td>0.351</td>
<td>0.683</td>
<td>0.249</td>
<td>0.518</td>
<td>0.050</td>
<td>0.750</td>
<td>0.895</td>
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</table>

Table 4. Hypotheses Testing for the Theoretical Model of Brand Equity in Presence of Environmental Turbulence

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation (STDEV)</th>
<th>T Statistics</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>CUSTOMER LOYALTY -&gt; BRAND EQUITY</td>
<td>0.346</td>
<td>0.340</td>
<td>0.069</td>
<td>5.018</td>
<td>0.000</td>
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<tr>
<td>CUSTOMER PERCEPTION -&gt; BRAND EQUITY</td>
<td>0.120</td>
<td>0.126</td>
<td>0.083</td>
<td>1.445</td>
<td>0.149</td>
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<tr>
<td>CUSTOMER SAT -&gt; BRAND EQUITY</td>
<td>0.036</td>
<td>0.032</td>
<td>0.051</td>
<td>0.716</td>
<td>0.474</td>
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<tr>
<td>Moderating Effect (CL) -&gt; BRAND EQUITY</td>
<td>0.132</td>
<td>0.138</td>
<td>0.063</td>
<td>2.090</td>
<td>0.037</td>
</tr>
<tr>
<td>Moderating Effect (CP) -&gt; BRAND EQUITY</td>
<td>0.166</td>
<td>0.160</td>
<td>0.057</td>
<td>2.894</td>
<td>0.004</td>
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<tr>
<td>Moderating Effect (CS) -&gt; BRAND EQUITY</td>
<td>0.015</td>
<td>0.011</td>
<td>0.075</td>
<td>0.198</td>
<td>0.843</td>
</tr>
</tbody>
</table>

Assessment of Structural Model

Table 4 shows the relationships between independent, dependent, and moderating variables. The p-value is standard which should be lesser than 0.05 to get the hypothesis supported. It can be seen in Table 4 that some of the values are greater than 0.05 which makes some of the hypotheses not being supported statistically. The hypotheses H2, H4, and H5 were supported while H1, H3, and H6 were not supported as the p-value was greater than 0.05, which shows that there was no significant effect of Customer perception and customer satisfaction on brand equity. Also, there was no moderating effect of the environmental turbulence on the relationship between customer satisfaction and brand equity.
Graph 1

Graph 2

Graph 3
DISCUSSION

The significant effect(s) of independent variables are customer loyalty, customer perception, and customer satisfaction on brand equity (dependent variable) and its dimensions of brand awareness and brand image in presence of moderator the environmental turbulence (and its dimensions that are competitive intensity, market turbulence, and technological turbulence) can be seen in the graphs 1,2 and 3 respectively.

The effect of customer perception on brand equity is varied when it comes to testing it in presence of environmental turbulence. As the customer perception is higher about the brand the equity is also higher and even when the perception is positive about the brand the equity is also positive. However, when the perception of the brand is negative the equity is significantly negatively impacted by it. Advertisements with emotional appeal have been typically used by marketers and advertisers for enhancing the impact of brand awareness and commitment (Frow & Payne, 2007). Nonetheless, to have a competitive edge over other brands, researchers propose that these brands have to be more persistent, have a stronger recall, and must possess a unique selling proposition (USP) so that affirmative sentiments and outlooks can be created for the product (Brakus, Schmitt, & Zarantonello, 2009). Empathy is usually defined as the capability to follow and respond to another's thoughts and feelings (Hall & Schwartz, 2018). Employees with high levels of empathy, according to several researchers, can more quickly detect and meet client wants and wishes (Homburg et al., 2009) and are more beneficial in terms of managerial support; hence are most likely to give effective results in terms of emotional commitment of the consumers. Customers are more likely to develop an affective commitment if employees can transfer favorable sensations and emotions to them (Mende & Bolton, 2011) condition is only the empathetic employees of an organization that would lead to effective commitment (Wieseke, Geigenmuller, & Kraus, 2012). This can be relatable to the services sector where the employee and customer communicate occasionally for the fulfillment of the transactions. There are arguments of researchers that while an empathic attitude is focused by the employees of an organization, its customers would be more committed to the brand (2018). Services can be more personalized for the consumers which would further provide customer satisfaction (Jones & Shandiz, 2015).

Customer loyalty impacts significantly on the brand equity according to the results of this study and as shown in graph 2. As the loyalty increases the repeat purchase behavior of the customer also increases hence positively impacting the brand equity in long run. There has been much research work conducted on customer loyalty, but for more than the last twenty years, much
research work on the two outlooks of customer loyalty is in focus: behavioral loyalty and attitudinal loyalty. Behavioral loyalty is mostly related to the occurrence of repetitive purchasing. Attitudinal loyalty may be related to the emotional obligation that a consumer shows in the buying act, such as objectives to buy and objectives to vouch for without essentially buying (Gerashi & Fakhreddin, 2021).

Lastly, graph 3 shows that there is no significant moderating effect of environmental turbulence on the relationship between customer satisfaction and brand equity. As shown in the graph there is a decline in the dependent variable which is brand equity at each stage. Without satisfied customers, it is quite impossible to be profitable for any business. But not only getting the satisfied consumers will get you going (Rivera et al., 2019). Yeung et al. (2002) cross-examined 5 years data of from 100 organizations and concluded that there is a direct relationship between consumer satisfaction and productivity. "Delighted" customers are also another callout for totally satisfied consumers (Rivera et al., 2019). Based on the results and discussion above we state that:

H2: There is a significant positive relationship between customer loyalty and brand equity. (Supported)

H4: There is a significant moderating effect of environmental turbulence on the relationship between customer perception and brand equity. (Supported)

H5: There is a significant moderating effect of environmental turbulence on the relationship between customer loyalty and brand equity. (Supported)

Whereas,

H1: There is a significant positive relationship between customer perception and brand equity. (Not supported)

H3: There is a significant positive relationship between customer satisfaction and brand equity. (Not Supported)

H6: There is a significant moderating effect of environmental turbulence on the relationship between customer satisfaction and brand equity. (Not Supported)

**RESEARCH GAP**

There is an originality value of this study that 1) there is no significant positive relationship between customer perception and brand equity, 2) there is no significant positive relationship
between customer satisfaction and brand equity, 3) the moderating effect of environmental turbulence has no impact on relation of customer satisfaction and brand equity; which serves an opportunity for more of such research involving mediation effect of other constructs or similar ones for varied results. In this study, we used a conceptual model with environmental turbulence having a moderation effect. There was no mediating variable in this study, however, in some earlier studies, customer satisfaction has been taken as a mediating variable too.

This research addresses the gap between customer perception, loyalty, and satisfaction with brand equity in course of environmental turbulence in the Pakistani Continental restaurant industry. This methodology was tested in East Asia, where Asians made up the majority of the survey respondents. As a result, future brand-building research might be carried out in other countries such as Europe, America, and Australia, utilizing a similar sample approach to include a proportionate number of people of multicultural backgrounds. It would limit the field of investigation to a certain extent, too.

Moreover, this research includes time limitations since it was completed within a necessary timeframe of one semester (which was authorized for this specific study). The study's resources were similarly constrained because we conducted the survey online and analyzed the results.

**MANAGERIAL IMPLICATIONS/ RECOMMENDATIONS**

Given the incorporation of the different functions of actual customer experiences in generating service brand equity, the results of this study are extremely significant for services marketing practitioners. Managers should focus on value maximization and approaches to achieve good service brand meaning. Delivering fun, pleasurable, and trustworthy treatment will improve the perception of the value of services since value arises and materializes via consumer experience (Rivera et al., 2019). When consumption encounters (advantages) are greater (i.e., joyful, pleasurable) than the time investment, cognitive and emotional effort, and price, a greater amount of brand value emerges (sacrifices). According to Makassy and Meng (2020), an institution's ability to manage consumer experience quickly and productively is connected to its stability.

As a result, customer relationship managers should carefully develop each direct user experience aspect to grow each point of contact. If an airline wants to provide a friendly and dependable service, for example, the essence of that facility must be reflected in each experience along with the service-consuming roadmap. The degree of service delivered to the consumer should be in sync with marketing messaging. Also, an airline brand's propositional
value should not be overstated. As a result, a smart strategy would be to "deliver what we promise." Because perception of value and brand significance play such a large role in the choice for experienced consumers, brand knowledge has minimal influence on the overall differentiating reaction. Because strong brand recognition amongst experienced ones will assist recall earlier experiences and enable identifying the product, it cannot be overlooked in the creation of good service brand equity. As a result, by providing interesting facilities that leave a lasting impression, delighted customers are more likely to tell their friends and family about the service brand. Furthermore, the service company's brand name, logo, color, slogan, distinctive picture, and so on must be exhibited regularly and constantly.

**CONCLUSION**

The outcomes of this study are helpful to the organizations and companies for emphasis on every single element of brand enactment and specifically the three (customer perception, customer loyalty, customer satisfaction) to get the best out of it. This research addresses the gap in customer perception, loyalty, and satisfaction with brand equity in course of environmental turbulence concerning the Pakistani Continental restaurant industry. This research is conducted in Pakistan and has feedback from a specified culture and society only, hence limiting it to Indo-Pak cultural norms and values. Apart from that Pakistan is a developing country and there is a lot of difference in the Brand Equity and Brand Management way more than the developed countries.

However, it would be helpful for the managers, marketers, students, and teachers in understanding the brand equity being impacted by various factors in the environment of Pakistan. It can be generalized to the Asian countries to further elaborate on the impact.
REFERENCES


Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics.


