

**YANGON UNIVERSITY OF ECONOMICS**  
**DEPARTMENT OF MANAGEMENT STUDIES**  
**MBA PROGRAMME**

**THE EFFECT OF BRAND TRUST ON BRAND LOYALTY**  
**OF LUOJIA MOTORCYCLE RIDERS**

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**EMBA II - 17**

**EMBA 18<sup>TH</sup> BATCH**

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**ACADEMIC YEAR (2019 - 2022)**

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A thesis submitted to the Board of Examiners in partial fulfillment of the requirements for  
the degree of Master of Business Administration (MBA)

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## ACCEPTANCE

This is to certify that the thesis entitled “**The Effect of Brand Trust on Brand Loyalty of Luojia Motorcycle Riders**” has been accepted by the Examination Board for awarding Master of Business Administration (MBA) degree.

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## **ABSTRACT**

This study aims to examine the influencing factors on brand trust of riders towards Luojia motorcycle and analyze the effect of brand trust on brand loyalty of Luojia motorcycle riders. According to company's sales records from July 2021 to July 2022, there are 12,700 total customers at the selected four motorcycle showrooms in Bago Township. 373 riders are considered as sample population by using Raosoft sample formula. Structured questionnaire with 5-point likert scale is used to collect primary data by personal interview, phone conversation and Google Form. Multiple regression is applied to analyze the data. According to the results, all brand characteristics significantly influence on brand trust of Luojia motorcycle riders. Among those practices, brand reputation is the most effective factor on brand trust. The results show that all company characteristics have significantly effect on brand trust of Luojia motorcycle riders while perceived motive can be regarded as the most effective factor. Regarding consumer-brand characteristics, all four characteristics have significant effect on brand trust of Luojia motorcycle riders whereas peer support can be regarded as the most effective factor on brand trust. It is suggested that Luojia should build an ongoing relationship with riders and being responsive to their needs, even long after they buy a motorcycle. Furthermore, the company should make labeling with describing the features and service warranty. It should also give VIP member cards or presents if Luojia riders bring new potential buyers. Finally, Luojia Myanmar should conduct market survey regularly to find out the brand trust levels of the consumers. By doing above measures, Luojia Myanmar can significantly improve brand trust and brand loyalty of riders towards Luojia motorcycle brand.

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## **CHAPTER (1)**

### **INTRODUCTION**

This is an era of globalization and multi-branding. In today's highly competitive environment, companies fight to share the market in order to survive in the business and secure long-term profitability. The subject of the brand is one of the essential marketing subjects nowadays. Brands have influenced customers' minds through the products and services. As the brand of a company plays a critical role in competitive environment, a strong brand image helps the company to surpass its competitors, stand out from the competition, makes customer loyal to a certain brand which helps to create a positive corporate image and reputation, and confirm the credibility of the company in the marketplace. A reliable and trustworthy brand could lead to satisfied customers, increase number of customers and their loyalty to the brands and ,which leave to achieve the final purposes of businesses, i.e., achieving the highest profitability.

Loyal customers are an essential ingredient for the company's success which depends on their staying with the company for a long time. Solomon (1994) indicated that purchase decisions based on loyalty may become simplified and even habitual in nature. Loyalty to the firm's brands represents a strategic asset which has been identified as a major source of the brands' equity. Shaughnessy (1992) described that underlying loyalty is always trust, a willingness to act without calculating immediate costs and benefits.

Trust is a feeling of security held by the consumer that the brand will meet the expectations of customer. One of the major aims of building brand trust is to achieve a sustainable competitive advantage and thereby enhancing the business performance. To win loyalty in today's markets, consumer marketers have to embrace what is becoming second nature to business marketers and focus on building and maintaining trust in the consumer-brand relationship (Lau & Lee, 1999).

According to Koizumi (2013), motorcycles are a key mode of urban transportation in many Asian developing cities. In particular, they have been known to provide flexible and inexpensive mobility for low and middle-income individuals. For many people living in Myanmar, the first form of personal transportation freedom is a motorcycle. Motorcycles are the first economic form of transportation in a developing country and demand for this mode of transportation is expected to increase as more people gradually have elevated levels of income as the economy continues to create more jobs. As of December 2021, the

number of registered motorcycles in Myanmar reached approximately 6.24 million. Bago is the closest commercial city to Yangon at about 100 km away. The new international Hanthawaddy airport, which will serve as Myanmar's new gateway to the world, has been announced as being built in Bago. The Yangon-Mandalay high speed expressway also commences in Bago.

### **1.1 Rationale of the Study**

Nowadays companies have a tight competition in offering their product, and most of them make their product nearly identical with the competitor. Competition is very tight in the automotive industry, especially two wheel vehicles. Consumers nowadays have more options than ever, and brand trust has become an important competitive differentiator. Therefore, it requires companies to continue to innovate in order to meet the tastes and consumer needs which are also constantly changing. For brands, establishing and maintaining trust with clients and customers is a critical component to the long-term success of a company. Today, brand trust is more important than ever before. Brands face new challenges and must completely re-evaluate their values and strategically plan their responses because their audiences are watching very closely, and can easily verbalize their experiences (both positive and negative) in real-time (Schmukler, 2021).

Brand trust can be considered as the promise which is made by a specific brand to fulfil the genuine expectation from their loyal customers. It's impossible to build customer loyalty without the trust on brand. In other word, brand loyalty is a result of brand promise or trust and a consistent brand can demonstrate that they understand customer's needs and wants, and able to satisfy their expectation. In short, brand trust can be positively correlated with brand loyalty. Customers who are loyal towards a brand are also less price sensitive and open to pay a higher price for a specific brand compared to other alternatives, since customers may perceive a unique value in the brand. In addition, brand loyalty results in repeat purchasing and positive word of mouth. Therefore, brand loyalty is the bottom line for companies because repeat purchasing leads to higher sales volume that helps the company grow (Ingemansson et al., 2015).

Additionally, motorcycles are a key mode of urban transportation in Myanmar and the number of registered motorcycles reached approximately 6.24 million in Myanmar (statista.com). During Covid-19 pandemic, many people consider riding a motorcycle is much safer than sitting on a crowded bus with dozens of other people. Bikes are available

at an affordable price and it is innovative products of brand in which it gives the neck to neck competition.

The understanding of drivers of brand loyalty in motorcycle industry has become more important due to the growing popularity of motorcycles in Myanmar. Motorcycles are fuel efficiency when compared to the cars. The prices of the motorcycle are affordable to all classes of people. However, there are a lot of motorcycle brands in Myanmar.

It is crucial for marketers to foster brand trust and brand loyalty in order to establish lasting relationships. There are many factors that could influence brand trust and loyalty towards a certain brand of motorcycles. Throughout the country, the sale of imported motorbikes is surging. Meanwhile, China is the main source of motorbikes, providing the majority of the 200 brands available. Hence, high competition exists in the motorcycles market in Myanmar.

Luojia brand was introduced in 2011 and the sole distributor is Eternal Green Company Limited. As one of the China motorcycle brands, Luojia brand faces strong competition in the market (i.e. Kenbo, Honda, etc). Therefore, it is important for the distributing company to understand the influencing factors that affect the brand trust and brand loyalty of Luojia motorcycle riders in Myanmar.

## **1.2 Objectives of the Study**

There are two objectives in this study as shown follow;

1. To examine the influencing factors on brand trust of riders towards Luojia motorcycle
2. To analyze the effect of brand trust on brand loyalty of Luojia motorcycle riders

## **1.3 Scope and Method of the Study**

This study mainly focuses on influencing factors on brand trust and brand loyalty of Luojia motorcycle riders in Bago. Descriptive and analytical research designs are applied in this study. Both primary and secondary data are used. For primary data, consumer survey method with structured questionnaires is used. The questionnaire is designed with 5-point likert scales questions. The study applies the two-stage random sampling method. At the first stage, four among twelve motorcycle showrooms are selected from Bago Township in Bago City by simple random sampling method. Showrooms keep customer records for warranty purposes. According to those records from July 2021 to July 2022, there are

12,700 total customers at the selected four motorcycle showrooms in Bago Township. Then, sample population is calculated by Raosoft formula that yields 373 customers through personal interview, phone conversation and Google Form. Secondary data includes reports of showrooms, information from the Eternal Green Company Limited, previous research papers and relevant data from the internet.

#### **1.4 Organization of the Study**

This study is organized into five chapters. The first chapter contains introduction part with rationale of the study, objectives of the study, scope and method of the study and organization of the study. Chapter two presents literature reviews including theories relating to brand characteristics, company characteristics, and consumer-brand characteristics in relationship with brand trust, brand loyalty and previous studies. Chapter three discusses the profile and brand characteristics of Luojia motorcycle. Chapter four contains analysis on brand trust and brand loyalty of Luojia motorcycle riders. The last chapter is a conclusion chapter in which it summarizes about findings and discussion, suggestions and needs for further research.

## **CHAPTER (2)**

### **LITERATURE REVIEW**

This chapter describes the relationship marketing theories, brand characteristics, company characteristics, and consumer-brand characteristics. It also includes brand trust and brand loyalty. In addition, this chapter presents previous studies and the conceptual framework of the study.

#### **2.1 Relationship Marketing**

Relationship marketing (RM) is known as a strategic approach to industrial and service markets, and was considered to be unsuitable in other marketing contexts (Malley & Tynan, 2000).

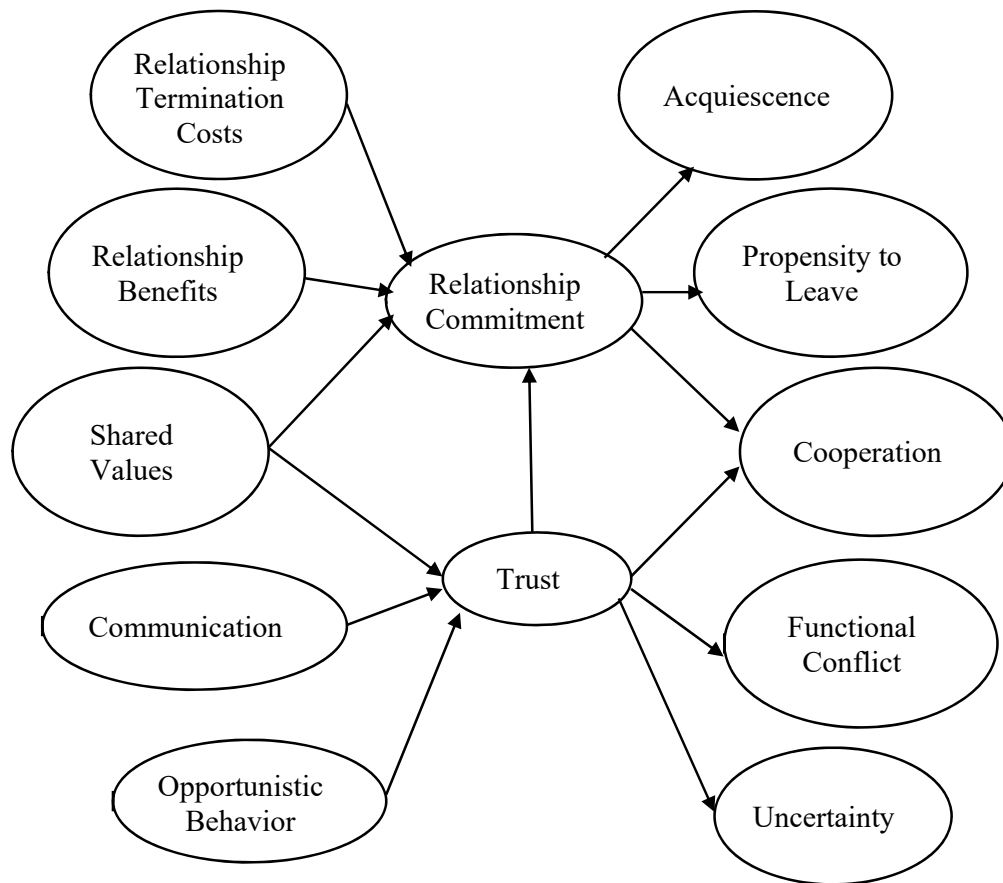
Berry (1983) stated that relationship marketing is attracting, maintaining and-in multi-service organizations enhancing customer relationships. Doyle and Roth (1992) indicated that "the goal of relationship selling is to earn the position of preferred supplier by developing trust in key accounts over a period of time. Relationship marketing is a set of interactions and networks.

According to Gronroos (1993) and Liljander and Strandvik (1995), there was a paradigm shift in services marketing. The shift was from a transaction-oriented "marketing mix" view of exchanges to a relationship marketing view.

##### **2.1.1 Commitment-Trust Theory**

Commitment-trust theory was proposed by Morgan and Hunt (1994). Morgan and Hunt (1994) defined trust as the confidence of one party exchanged with the other party's reliability and integrity. In the theory of relationship marketing, trust and commitment usually appear in a pair and are inseparable. Commitment-trust model by Morgan and Hunt (1994) is presented in Figure (2.1).

**Figure (2.1) Commitment-Trust Model**



Source: Morgan and Hunt (1994)

The commitment-trust theory of relationship marketing says that two fundamental factors, trust and commitment, must exist for a relationship to be successful. Relationship marketing involves forming bonds with customers by meeting their needs and honouring commitments (Morgan and Hunt, 1994).

### **2.1.2 Theory of Consumer–Brand Relationship**

Consumer-brand relationship (CBR) has attracted interest and relevance since late nineties of 20th Century. More and more organizations are interested in acquiring knowledge about how consumers relate to brands, why some brands are preferred to others and even loved. Thus, these and other issues associated to the bonds established between consumers and brands, which may be associated to goods, services, organizations, celebrities, destinations, cities, and even counties, have gained prominence amongst researchers and practitioners (Loureiro, 2014).



According to Fournier's (1998), brand is considered as a reflection of the spirit and soul of an organization. This proclamation proposes that brand is not representation of a company's product; it is name, logo, trademark, and symbol of firm that distinguishes it and that is where the core of brand loyalty takes its position. Brand show loyalty of end users. After continuous usage of brand, consumers feel it as part of them (Aaker, 1991). The quality of the relationship between a brand and a consumer evolves through meaningful brand and consumer actions. Their actions can enhance, dilute, or even dissipate the relationship and shape the quality of such relationship. Therefore, brand relationship quality model with six strong facets relationships are proposed: love and passion, self-connection, interdependence, commitment, intimacy, and brand partner quality.

Brand loyalty, brand satisfaction, brand trust and brand personality are branding concepts which have been investigated in association to consumer-brand relationship Oliver (1999).

### **2.1.3 Theory of Attachment**

Bowlby (1979) pioneered the theory of attachment to explain the tendencies of humans to form and maintain affective bonds with significant others (Bretherton, 1992) and it was later adopted in marketing to explain attachment of consumers to brands (Vlachos et al., 2010).

This theory presupposes that a strong affective attachment or a bond between people, or a person with a consumption object is based on the need for proximity maintenance, safe haven and secure base, with the key motivation behind such an attachment being satisfaction of the needs for security, support, consistency and comfort (Velasco, 2015).

The theory of attachment also postulates the consumer-brand interactions are dependent on the level of emotional connection as the higher the emotional connection the more the interactions as consumers will want to maintain more close proximity to the brand (Levy & Hino 2016). Thus, Thomson et al (2005) suggest emotional attachment is useful in predicting loyalty, since the stronger the attachment consumers have with a brand in terms of feelings of affection, connection and passion, the more willing they are to commit to lasting relationship and to incur a price premium in acquiring it so as to be in close proximity to it, even in instances when the brand is facing difficulties.

Vlachos et al. (2010) argued that consumer's brand attachment may be resulted from the trust toward firm, shopping enjoyment, self-expressiveness, or self-identity.

Consumers' brand attachment toward the brand is a strong predictor of behavioral loyalty and word-of-mouth.

### **2.1.3 Self-Congruity Theory**

Self-congruity theory is an area in marketing that may help brands gain a competitive advantage. The theory proposes that the congruence between a consumer's self-image and that of the consumer's brand image affect the consumer's attitude towards a brand. When evaluating a product or a brand, consumers may be guided not only by practical attributes, but also some symbolic values (Graeff, 1997).

Self-congruity theory is based on the assumption that consumers prefer brands which are congruent with their own personality traits. Kassarian (1971) found the positive relationship between self-image congruence and product preference, brand choice, consumer satisfaction, and store loyalty. According to Sirgy and Su (2000), self-congruity is defined as "the match between a brand image and an individual's self-concept". The terms "Self-image congruence", "self-congruence," "self-congruity", and "image congruence" are used interchangeably in the marketing literature. Thus, brands can leverage the effects of their brand positioning to create a competitive advantage in the minds of consumers (Keller, 1993).

## **2.2 Brand Characteristics**

The brand characteristics plays a vital role in determining whether a consumer decides to trust it. Just as individuals judge others before deciding whom to be friend, consumers also judge the brand before deciding whether to build a relationship with it. (Zucker, 1986).

Moreover, Brand Characteristics are the core values and fundamentals that showcase the true essence of the brand. They are a set of attributes that are identified as the physical, distinctive, and personality traits of the brand similar to that of an individual. It is very important for the brand to stand for something that is unique and consistent in nature and this objective drives the management and the branding and marketing department to define a set of Brand Characteristics working as one of the integral facets of the entire brand management process (Keller, 2003).

Brand constituent, brand reputation and brand competence assist for developing consumer trust in brand. Before purchasing a brand, consumers judge brand through these characteristics (Lau & Lee, 1999). The brand's properties have an important function in

shaping consumer trust. Many buyers see other buyers to evaluate brand capabilities in market and also evaluate the benefits which they can get from those brands. Buyers develop trust in brand on the foundation of the market worth of brands (Zucker, 1986), certainty (Remple Holmes & Zanna, 1985) and capability (Andaleep & Anwar, 1996).

According to Chematony and McDonald (1998), they defined a successful brand as an identifiable product, service, person, or place augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely. Its success results from being able to sustain these added values against competitors.

**(a) Brand Reputation**

Reputation is the estimation in which one is held, character in public opinion, for example the character attributed to a person, thing, or action. Reputation is the extent to which buyers believe that the selling organization is honest and concerned about its customers (Doney & Cannon, 1997). A brand's reputation refers to the opinion of others that the brand is good and reliable. Brand reputation can be developed through advertising and public relations, but it is also likely to be influenced by product quality and performance (Creed & Miles, 1996).

According to Chiles and McMackin (1996), reputation is a valued asset and sellers usually try to avoid getting a bad reputation. Reputation requires a long-term investment of resources, effort, and attention to customer relationships. In consumer marketing, the long-term reputation of the seller has been found to be important (Landon & Smith, 1997). Brand Reputation refers to the opinion of others that the brand is good and reliable. Creed and Miles (1996) found that the reputation of the party could lead to positive expectations, which resulted in the development of reciprocity between the parties. Brand reputation depends on consumer's opinion of a brand (Lau & Lee, 2000). In this case, there are two possibilities a good opinion or bad one. Brand reputation is also related with brand credibility; whether a brand is able to provide quality as its promise (Gassman et al., 2009).

Brand reputation has been defined as a perception of quality associated with the name. A key function of the brand is that it facilitates choice when intrinsic cues or attributes are difficult or impossible to employ Selnes (1993). Intrinsic cues involve the physical or technical composition of the product. A brand name has been defined as an extrinsic cue that is like an attribute related to the product but not the part of the physical product itself. A brand will thus have a perception of overall quality not necessarily based on the knowledge of detailed specifications associated with it (Aaker, 1991). The major

point is that brand reputation is not necessarily limited to the focal product or service in services and business-to-business industries, the brand appears to be more often connected to the reputation of the company. In case the brand does not have a good reputation, the consumer would be suspicious and this makes it more difficult to trust the brand (Selnes, 1993).

Reputation is considered the most valuable asset of an organization, for the following reasons: its positive effects on reducing stakeholder uncertainty about future performance; the trust it creates in the public; the expectation of being rewarded for the excellence of goods and services. According to Fombrum (1996), such an organization attracts qualified employees and external investors; so, the defence of reputation is the cause of the growing interest in corporate brands.

**(b) Brand Predictability**

A predictable brand is the one that allows the brand user to anticipate with reasonable confidence how it will perform at each usage occasion. The predictability may be due to the consistent level of product quality. Predictability comes from repeated interaction, whereby one party makes promises and delivers on them; and courtship, where one party learns more about the other (Lau & Lee, 1999). Predictability refers to one party's ability to forecast another party's behavior (Doney & Canon, 1997).

Brand predictability is the ability of a brand to get anticipated by their consumers with full trust in every consumption (Lau & Lee, 2000). Consumers need brand predictability because they will anticipate the unexpected things of a brand. A brand could be anticipated due to several things, one of it is the consistency of quality of a brand. Predictability occurs due to the continuous interaction, and in the process an agent makes a promise and tries to keep the promise. A brand creates their predictability by giving signal to their consumers and building the brand (Atkinson & Rosenthal, 2015). A brand's predictability enhances confidence because the consumer knows that nothing unexpected may happen when it is used. As such, brand predictability enhances trust in a brand because predictability builds positive expectations (Kasperson et al., 1992).

The marketers should not try making too many drastic changes in the product frequently if they want to achieve the brand predictability. If major product changes were necessary than marketers communicate this to the consumers, hence consumers know what to expect from the modified product (Lau & Lee, 1999). A brand's predictability enhances confidence because the consumer knows that nothing unexpected may happen when it is

used. Marketers develop brand predictability with the consistent communications with the consumers. Fairly similar things are told about the product to the consumers through different communications channels such as advertising media, point of purchase displays, product packaging, product pricing and sales people. If any promise is broken then the customer perceives the brand as unpredictable (Lau & Lee, 1999).

**(c) Brand Competence**

A competent brand is one that has the ability to crack a customer's problem and to meet the need (Butler, 1991). Every organization wants to establish their competence in a few key areas, and deal with their brand within these realms. Competent brand includes crucial elements for solving consumers' problem. Utilization of brand is only one way to find out brand competency (Christou, 2004).

Competence is basically approached as the ability to do a particular activity to a prescribed standard. It has several implications, firstly, if competence is concerned with doing, then it must have a context. Secondly, competence is an outcome and it describes what someone can do. Thirdly, in order to measure reliably someone's ability to do something, the standards must be clearly defined and widely accessible through which the performance is measured and fourthly, competence is a measure of what someone can do at a particular point in time. Competence is described as a relatively permanent quality of personality, which is valued by the community to which we belong. In this sense it is not simply a skill but is a virtue; a general sense of excellence and goodness (Tight, 1996).

A consumer may find out about a brand's competence through direct usage or word-of-mouth communication. Once convinced that a brand is able to solve consumer's problem, a consumer may be willing to rely to that brand. In industrial marketing, Swan et al. (1985) found that industrial sales people whom customers perceived as competent are trusted more.

**2.3 Company Characteristics**

The characteristics of the company behind a brand can also influence the degree to which consumers trust the brand. A consumer's knowledge about the company behind a brand is likely to affect the assessment of the brand. The characteristics of the company proposed to affect a consumer's trust in a brand are the consumer's trust in the company, the company's reputation, the perceived motives of the company and the perceived integrity of the company (Scheer & Steenkamp, 1995).

In the instance where the company behind a brand is not known, the brand may become 'institutionalized', and the consumer may have a mental image of the company and this mental imagery may influence the attitude and behaviour toward the brand.

**(a) Company Reputation**

Reputation is defined as the extent to which consumers view a marketer to be reliable, honest, and trustworthy and this is known to be a source of trust (Doney & Cannon, 1997). In a process-based mechanism of trust building, repeated exchanges influence future relationships (Gefen, 2000), and trust follows satisfaction with a service provider (Singh & Sirdeshmukh, 2000). Thus in any buyer-seller relationship it has been argued that satisfaction with previous outcomes has a significant impact on trust. If a consumer perceives that other people are of the opinion that the company behind a brand is known to be fair and justice, that consumer may feel more secure in acquiring and using the company's brand (Anderson & Weitz, 1992). Customer trust in a company can play a significant role in determining the customer's actions for that company. Consistent with the Theory of Planned Behavior customer trust influences customer intentions (Ajzen, 1991).

A favourable corporate reputation can greatly benefit firms in other ways, including (1) delaying rival mobility in the industry, (2) charging price premium on customers, at least in highly uncertain markets, (3) attracting higher-quality and larger amounts of investments from the stock market, (4) maintaining a high spirit among employees, (5) enjoying a cost advantage due to less contracting and monitoring costs with suppliers and lower remuneration rate among employees, and (6) supporting and enhancing new product introduction and recovery strategies in the event of a crisis (Carmeli & Tishler, 2005). Yet, a good reputation is not a cure-all. Page and Fearn (2005) suggested that while a bad reputation makes building brand equity difficult, a good reputation does not guarantee strong brands. Having strong corporate reputation has a downside, particularly when firms get into trouble. Firms with good reputation suffer more than those with poor reputation when they make mistakes, which may be due to the contrast effect from disconfirmation of high expectation (Herr, 1989).

**(b) Company Perceived Motive**

Remple et al. (1985) found that the perceived motives of an exchange partner affect trust in that partner. Doney and Cannon (1997) identified intentionality as one way in which

trust is developed in industrial buyer-seller relationships. Intentionality refers to one party's interpretation and assessment of the other party's motives. When a party is perceived to be benevolent, that party will be trusted (Mayer et al., 1995). Similarly, benevolence of motives is an important factor in a relationship. In the context of a brand, when a consumer perceives the company behind a brand to be benevolent and acting in the consumer's best interests, the consumer will trust that brand (Jones et al., 1975).

**(c) Company Integrity**

The integrity of the company behind a brand is the consumer's perception that it adheres to a set of acceptable principles, such as keeping its promises, being ethical, and being honest (Mayer et al., 1995). The degree to which a company is judged to have integrity depends on the consistency of its past actions, credible communications about it from other parties, belief that it has a strong sense of justice, and the extent to which its actions are congruent with its words. Some theorists have discussed integrity as an antecedent to trust (Sitkin & Roth, 1993). If the company behind a brand is perceived to have integrity, its brand is likely to be trusted by consumers.

**2.4 Consumer-Brand Characteristics**

A relationship is not one-way; both parties affect the relationship between them. Therefore, consumer-brand characteristics can affect a consumer's trust in a brand. These characteristics include similarity between the consumer's self-concept and the brand's image, liking for the brand, experience with the brand, satisfaction with the brand, and peer support and influence (Bendapudi & Berry, 1997).

**(a) Brand Liking**

De Houwer (2008) has stated, 'A core assumption in marketing research is that consumers tend to buy brands and products that they like'. While intuitively attractive, brand liking is an underdeveloped area of market research. Few rigorous studies of the construct exist. Hence, definitional clarity is also limited. Boutie (1994) points the way with the following: Brand liking 'seeks to build consumers' positive attitude toward a brand based on the belief that it cares about them (or addresses them) as individuals'. In part, our research attempts to validate the role of global brand liking in the consumer's global brand decision making process and hence to confirm or disconfirm its importance in leading to global brand purchase intent.

Brand liking is defined as customers' tendency towards certain brands that review their cognitive information processing towards brand stimuli. This concept highlighted the central control unit and the mental abilities of customers (Ebrahim et al., 2016). Therefore, this indicated that a purchaser's perception of brand attributes leads to preferences or attitudes, which impacts his/her intentions and brand choices (Bagozzi, 1982). The preference described a shifting phase between the inputs and outputs of the purchaser choice model. It was the link between information processing and the intention to purchase or choose (Bagozzi, 1983). Brand liking was considered as a behavioural propensity that reveals a purchaser's attitude towards a brand (Ebrahim et al., 2016).

Brand liking has been one of the customer judgment formed toward a brand. It was a state where the purchaser preferred a particular brand as they had positive feelings toward the brand. Brand liking usually happened in the alternative assessment step of customer decision making (Kotler & Keller, 2016). Brand liking is a consideration that consumers get by comparing one product with other product (Dharmayana & Rahanatha, 2017). The more preferable a brand is, the higher the probability of consumers purchasing the product from that brand (Buil et al., 2013).

**(b) Brand Experience**

Brand experience refers to a consumer's past encounters with the brand, particularly in the area of usage (Zucker, 1986). As a consumer gains more experience with a brand, the consumer understands the brand better and grows to trust it more. This experience is not restricted to positive experiences, because any experience improves the consumer's ability to predict the brand's performance (Bennet, 1996).

The customer experiences created by the businesses are critical due to the commoditization of goods and services (Pine & Gilmore, 1998). Customer experience has been utilized in order to offer improved and mass customized products and delivering a genuine customer value (Prahalad & Ramaswamy, 2004). According to Holbrook and Hirschman (1982), consumer experiences include hedonic attributes such as fun, fantasies and feelings. Schmitt and Rogers (2008) have also provided a holistic view of consumer perspective consisting of both emotional as well as rational routes. Pine and Gilmore (1999) have defined experience as a consumer activity or engagement with a company which is memorable and pleasing. Consumption experience is defined as the ideal basis for brand differentiation (Schmitt, 1999). Product experiences can be either direct with a physical



contact or indirect through an advertisement (Kempf & Smith, 1998). But direct experience is more effective in comparison to an advertisement (Wright & Lynch, 1995).

Experiences also occur during consumer's interaction with a product, when they search for a particular product, during examination and evaluation of a product (Hoch, 2002). Holbrook (1999) suggested that consumption experiences are vital in creation of consumer value. Consumption experience consists of the creation of internal sensations and thoughts and thus constitutes the experience content (Hirschman, 1984). According to Schmitt (1999), experiences are of five types, 'sense' (sensing), 'think' (intellectual), 'feel' (emotions), 'act' (physical experience) and 'relate' (social identity experience).

Thus, it creates a sense of belongingness and social identity for consumers. Schmitt (1999) thought that marketers need to create an enhancing and integrated experience involving all the above dimensions. Experience is an important element to understand consumer behaviour as explained by (Addis & Holbrook, 2001).

Brand experiences as defined by Brakus et al. (2009) are 'subjective, internal consumer responses, sensations, feelings, cognitions and behavioural responses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications and environments'. The stimuli which appear as a component of brand's identity and design can be in the form of a name, signage and logo; as a part of marketing communications and packaging it can be brochures, websites, advertisements; and the environment where it is sold or marketed such as websites, events and stores (Brakus et al., 2009).

Thus, according to Brakus et al. (2009), brand experience occurs when consumers come into contact with brands or are exposed to them. They also postulated that there are differences in experiences when measured by valence, strength and intensity. This means some experiences can be positive, some are stronger than others and some can be negative. While some of the brand experiences occur intentionally and thus, last longer than others. And some happen abruptly and are often short lived. Even when some of the consumers do not have any personal bond with a brand or are uninterested in a brand, experiences can still happen. Over a certain period of time, emotional consumer-brand relationships are cemented and experiences remain in consumer's memory which can influence consumer loyalty and satisfaction (Oliver, 1997).

**(c) Peer Support**

Peer Support is social influence like family, close friends and community which influence consumers to take a stand on the brand (Bearden & Rose, 1990). According to Toivonen (2016), Peer support influences brand trust since peer support will lead to positive attitude (trust in) towards the brand. A person's behavior is highly important to influence others (Lau & Lee, 1999). Good communication in marketing is very important since it will influence others (Peer Support). Consumers will trust a brand that others or other parties have chosen and used or have information of (Lau & Lee, 1999).

Bearden et al. (1989) argued that an important determinant of an individual's behavior is other individual's influence, implying that social influence is an important determinant of consumer behavior. This is reflected in models of consumer decision-making that incorporate social norms and interpersonal considerations as antecedents of behavioral intentions (Miniard & Cohen, 1983). Furthermore, the use of interpersonal influence scenarios in marketing communications also highlights the importance of peer support (Reingen et al., 1984). Consumers may purchase products to conform with peer groups, in response to concerns of what others think of them, in reaction to others' product choice and usage (Bearden & Rose, 1990), or because others have provided credible information regarding a product's value (Cohen & Golden, 1972).

Doney and Cannon (1997) suggested that transference is one way in which trust is developed. Transference is the extension of trust in a party based on a third party's definition of its trustworthiness. Through transference, the trust which an individual's significant others (friends, relatives or aspiration group members) accord to a brand will be 'transferred' from them to other consumers. Therefore, consumers are likely to trust brands which their significant others express trust in. In doing so, they indirectly obtain approval and peer support for their subsequent actions.

**(d) Brand Personality**

Self-concept denotes the totality of an individual's thoughts and feelings with reference to himself or herself as an object (Hong & Zinkhan, 1995). The origins of self-concept theory can be traced from the theory of Cooley (1902) where he has defined self-concept as how individuals see themselves. A popular analogy used in the marketing literature is that brands are like people. A brand, thus, can have an image or personality. Brand image is the set of associations linked to a brand that consumers hold in memory. A brand's image gives it its perceived 'personality' (Smothers, 1993).

A brand's personality can be described as the set of human characteristics associated with a given brand (Aaker, 1997). It includes demographic characteristics (for example, gender, age, and socioeconomic class) as well as classic human personality traits (for example, warmth, concern, and sentimentality). Brand personality, like human personality, is distinctive and enduring. Consumers often interact with brands as if they were people, especially when the brands are attached to high involvement products like clothes or cars (Aaker, 1996).

Dion et al. (1995) showed that perceived similarities in personalities between the buyer and salesperson in industrial buying relationships influence the buyer's trust in the salesperson. Bennet (1996) argued that by conforming to a customer's opinions, values and standards (i.e., becoming similar to the customer), a supplier can earn the customer's trust. A consumer may examine a brand and judge if it is 'similar' to himself or herself. If a brand's physical attributes or personality are judged to be similar to the consumer's self-image.

Brands can be viewed as being a part of the consumers and an extension to their personality (Belk, 1988), wherein the purchase decision is governed by how well the brand communicates the consumer's personality. Consumers purchase products that are congruent to their self-concept and enhance their self-image (Britt, 1966). The idea of incorporating the self-concept in building the image of the brand is relevant to marketers as it helps consumers identify more with the brand (Mowen & Minor, 2000).

## **2.5 Brand Trust**

Chaudhuri and Holbrook (2001) defined brand trust as the willingness of the average consumer to rely on the ability of the brand to perform its stated function. Delgado et al. (2002) operationalized brand trust as a state of feeling secure while interacting with a brand based on the perception that the brand will remain reliable and responsible to satisfy the customer. According to Dalziel et al. (2011), brand trust is assessed from the perspectives of the reasons for reliance on the brand as capacity and intentions to fulfil its promises to consumers.

Brand trust arises after consumers' evaluation of companies' offerings. If companies provide beliefs of safety, honesty and reliability about their brands to consumers, brand trust will be generated subsequently (Doney & Cannon, 1997). It can be interpreted that brand trust is created and developed by direct experiences of consumer via brands. Brand trust is viewed as a long process which can be occurred by thought and

consideration of consumer experiences about store while brand affect is consisted of impulsive feelings which can be formed, spontaneously (Chaudhuri & Holbrook, 2001). Therefore, brand trust can be discussed as a cognitive component which may induce emotional response, namely brand affect (Casalo et al., 2007).

Doney and Cannon (1997) emphasized that brand trust is the degree to which customers believe that a brand can provide the required value. They believe that brand trust plays an important role in long-term customer relationships and that brand trust can reduce the uncertainty customers feel about a product when finding it difficult to make a purchase decision.

Chaudhuri and Holbrook (2001) defined brand trust as the customer's belief that a brand has the ability to perform its claimed functions. Ballester and Aleman (2001) classified brand trust into reliability and intention, arguing that brand trust comprises an awareness of the brand's trustworthiness and an expectation that the brand will fulfil its obligations and responsibilities. They also point out that the brand is not only a product but also an important partner in the relationship between customers and brands. On this basis, this study defines brand trust as the customer's awareness of the brand's kindness and integrity. In the business context, the communal relationship involves people's emotions that go beyond self-interest, while an expressive brand relationship is based on the contact referred to in the social exchange theory; the benign interaction within an expressive brand relationship can determine consumers' trust in the brand (Coelho et al., 2018).

## **2.6 Brand Loyalty**

Brand loyalty can be simply defined as customers' choosing the same brand, recommending the brand to others, not complaining too much about price increases and product failure. Brand loyalty makes customers buying the brand without hesitation (Rust & Oliver, 2000). Guest (1964) defined brand loyalty as an attitude behavior and a measured degree of preference consistency and purchasing behavior. Aaker (1991) stated that brand loyalty is a measure of the attachment that a customer has to a brand. It reflects how likely a customer will be to switch to another brand, especially when that brand makes a change, either in price or in product features. As brand loyalty increases, the vulnerability of the customer base to competitive action is reduced. Loyalty is a deeply held commitment to rebut or re-patronize a preferred product/service consistently in the future, theory causing repetitive same-brand or same brand-set purchasing, despite situational influences and

marketing efforts having the potential to cause switching behavior" (Chaudhuri & Holbrook, 2001).

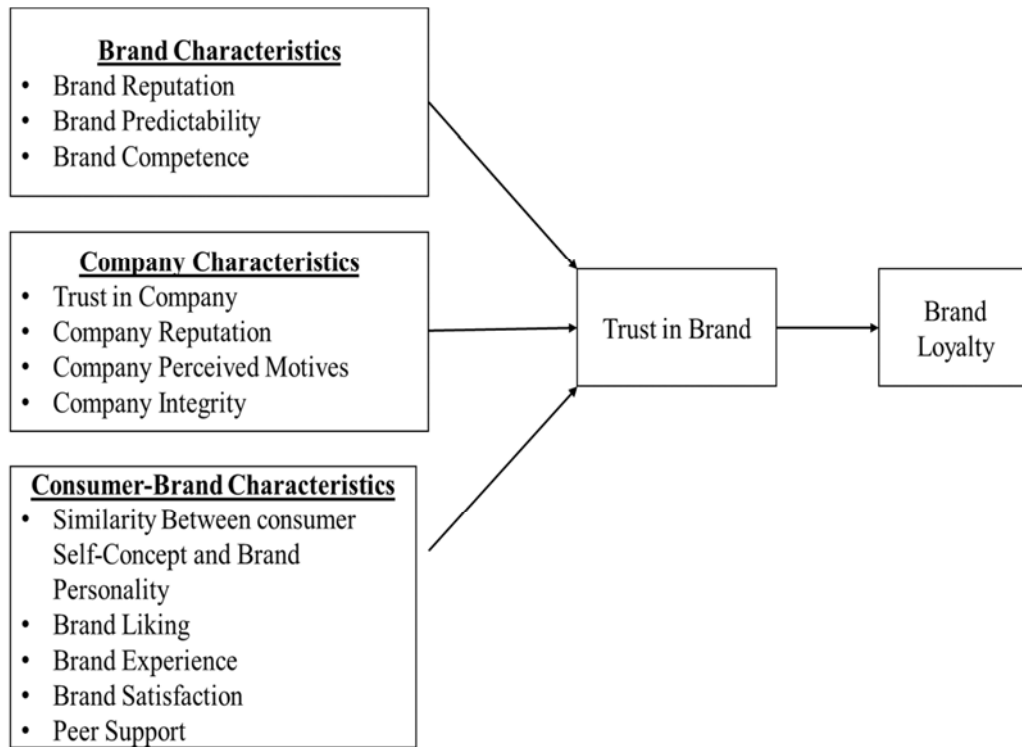
It is the fact that customers having brand loyalty are not affected by the marketing efforts of other brands and continue to buy their brands (Tucker, 1964). Besides, it creates customer groups that are not affected by competitors' marketing efforts (Ballester & Aleman, 2001). Loyal customers can support the brand's communication processes automatically, recommend the brands to others by being brand advocates (Dick & Basu, 1994).

According to Schiffman and Kanuk (2009), said that a brand loyalty is the consumer preferences consistently to make a purchase on the same brand and a specific product or a specific service category. Brand loyalty is a strong commitment to subscribe or purchase a consistent brand in the future. Rangkuti (2009) explains that brand loyalty can be measured through: (A) behavior measures, a direct way to determine the loyalty, especially for habitual behavior; (B) measuring switch cost, measurement of these variables can be identified by customers in a brand loyalty; (C) measuring satisfaction, measurement of satisfaction or dissatisfaction of customers of a brand is the most important indicator of brand loyalty; (D) measuring brand liking, preference for the brand, trust, feelings of respect with a brand evokes a feeling of warmth and closeness to the customer; (E) measuring commitment, one of the key indicators is the number of interaction and customer commitments associated by the product. Brand loyalty can be measured through positive word of mouth, satisfaction of customer, brand trust, sensitivity of price etc. A degree in which consumer consistently purchases the brand available in the product category. The loyalty to the specific brand of consumer will remain unchanged if the brand is as long available (Rizwan et al., 2013).

## **2.7 Previous Studies**

There are many international papers that studied the influencing factors on brand trust and brand loyalty. Lau and Lee (1999) studied consumers' trust in a brand and the link to brand loyalty. This study proposes that trust in a brand is important and is a key factor in the development of brand loyalty. The conceptual framework of Lau and Lee (1999) is shown in Figure (2.2).

**Figure (2.2) Conceptual Framework of Lau and Lee**

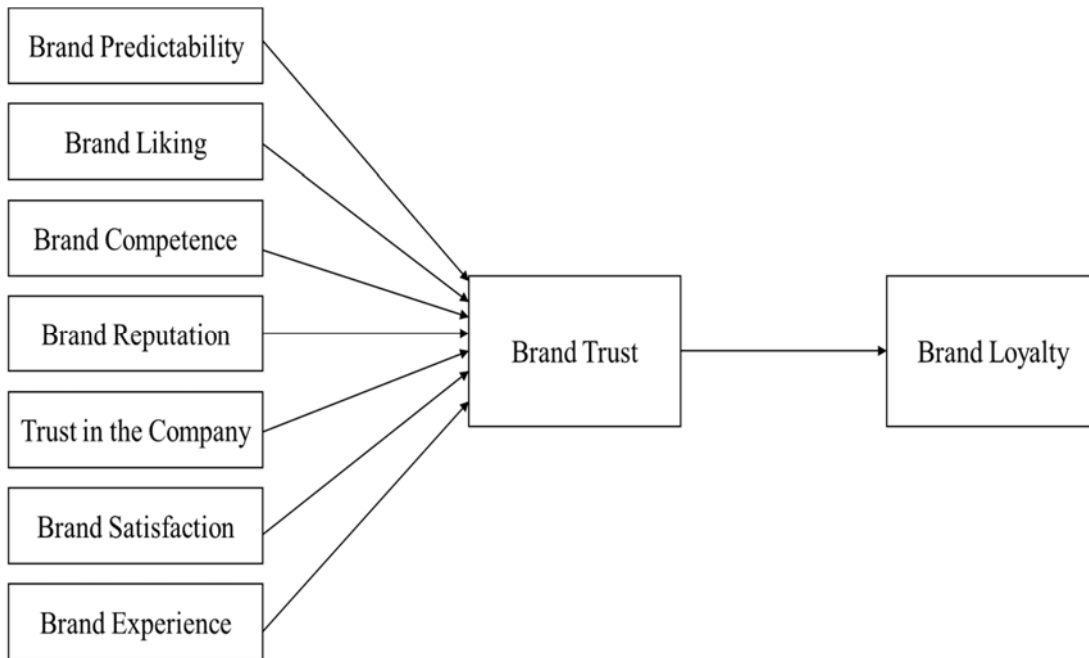


Source: Lau & Lee (1999)

Factors hypothesized to influence trust in a brand include a number of brand characteristics, company characteristics and consumer-brand characteristics. Respondents representing abroad spectrum of Singapore consumers were surveyed. There were 263 completed questionnaires. The findings revealed that brand characteristics are relatively more important in their effects on a consumer’s trust in a brand. The results also showed that trust in a brand is positively related to brand loyalty.

Setyawan et. al (2015) conducted the study titled Brand Trust and Brand Loyalty, An Empirical Study in Indonesia Consumers. Their research analysed the effects of brand reputation, brand predictability, brand satisfaction, brand liking, brand experience, trust in the company and brand competence to brand loyalty, with trust in a brand as a mediating variable. This research used non-random sampling methods (convenience sampling) in order to gain data by collecting 134 questionnaires. The conceptual framework of Setyawan et. al (2015) is shown in Figure (2.3).

**Figure (2.3) Conceptual Framework of Setyawan et. al**



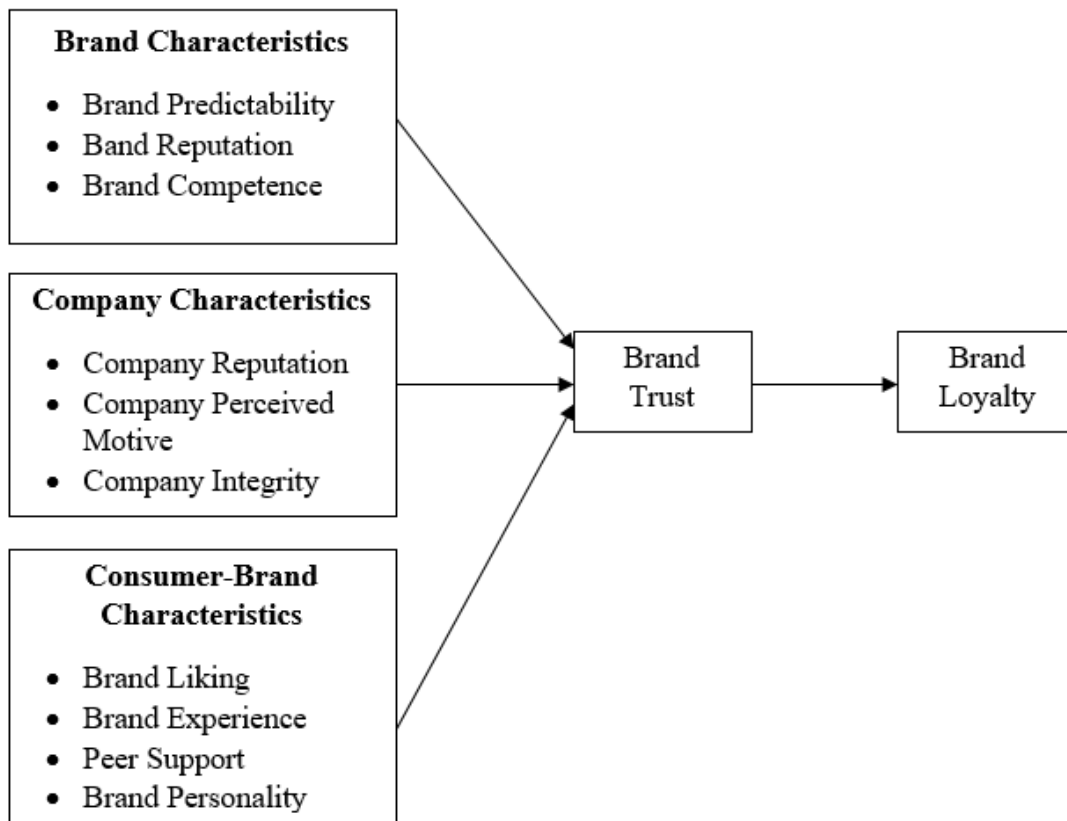
Source: Setyawan et. al (2015)

The result showed that brand trust becomes mediating variable in the relationship between, trust in the company and brand satisfaction with brand loyalty while Brand reputation, brand predictability brand competence, brand liking and brand experience do not have significant effect on brand trust and brand loyalty. The result also showed that brand competence and brand satisfaction have significant effect on brand loyalty.

## **2.8 Conceptual Framework of the Study**

The conceptual framework of the study is developed based on the theoretical concepts and finding of previous studies. The conceptual framework of the study is presented in Figure (2.4).

**Figure (2.4) Conceptual Framework of the Study**



Source: Own Compilation (2022) based on Lau & Lee (1999) and Setyawan et. al (2015)

As indicated in Figure (2.4), this study focuses influencing factors that include brand characteristics, company characteristics, and consumer-brand characteristics. Brand characteristic is measured with brand predictability, brand reputation, and brand competence. Company characteristic includes company reputation, company perceived motives and company integrity. The relationship between brand and customer is a unique one that can have positive outcomes for both parties. Customers develop relationships with brands and think of them as partners. Consumer - brand characteristics which are analysed in the paper include brand liking, brand experience, peer support and brand personality. It focuses which factors influence on brand trust. Moreover, this study also analyses whether brand trust affects on brand loyalty. This study is thoroughly designed to find out the influencing factors of brand trust on brand loyalty of LuoJia motorcycle riders.



## **CHAPTER (3)**

### **PROFILE AND BRAND CHARACTERISTICS OF LUOJIA MOTORCYCLE**

This chapter presents the background and marketing practices of LuoJia motorcycle brand. In addition, it also describes the profile of the LuoJia motorcycle riders based on survey results.

#### **3.1 Background of LuoJia Motorcycle**

In 1969, LuoJia was established in national defense industry. In 1983, it turned to manufacture motorcycles, and became one of the first 19 motorcycle manufacturers appointed by the State. In 1992, LuoJia cooperated with Chia Tai Group, set up a joint-venture company, Luoyang Northern Motorcycle Co., Ltd., manufacture motorcycles. In 1995, LuoJia set up professional subsidiary factory to produce three wheel motorcycles, and develop different kinds of production models. LuoJia Motorcycle has established good reputation in the world. The slogan of the LuoJia Motorcycle is “Ride with Quality....Ride with Pride”. The mission is to strengthen the enterprise and enrich the people while vision is to become a market leader by innovation and development.

Eternal Green Company Limited, sole distributor of LuoJia Motorcycle in Myanmar, was founded in 2011. It is located at M-10, M-13, Thriyadanar, Yangon, Myanmar (Burma), Yangon Region. It has three official showrooms in Yangon and Mandalay. To cover the geographical cover, it has 12 region representatives across the country.

##### **3.1.1 Product Categories of LuoJia Motorcycle**

The company has the advantage and experience in research and produce LuoJia engine more than 30 years. LuoJia Motorcycle company independently research and manufacture 90cc engine, 100cc engine, 110cc engine, C100 engine, tricycle, scooter engine, wave 110 engine, CG125, GS1250 engine and 200cc engine. Such as four stroke horizontal engine, vertical motorcycle engine, single cylinder horizontal 100cc engine, 110cc cub engine. It has maintained the leading domestic level in quality, technology. LuoJia Motorcycle engine spread all over the country, exported more than 80 countries and regions such as Europe, America, the Middle East, Southeast Asia and Africa.

Luojia Company focuses on the quality control all the time. And it strengthens the after sales service continually. The company strictly produces the motorcycles according to the ISO 9001:2000 quality management system and the state China Compulsory Certification (CCC).

In Myanmar, five LuoJia motorcycle models are distributed by Eternal Green Company Limited. Table (3.1) presents the models of LuoJia motorcycle distributed in Myanmar market.

**Table (3.1) LuoJia Motorcycle Models Distributed in Myanmar Market**

Technical Parameter	Motorcycle Models				
	LJ 110-7	LJ 110-9	LJ 110-22	LJ 125-9	LJ 125-23
Dimensions (L x W x H) (mm)	1890 x 690 x 1080	1861 x 690 x 1042	1910 x 715 x 1067	1930 x 700 x 1050	1920 x 710 x 1087
Wheelbase (mm)	1210	1200	1250	1230	1250
Ground clearance (mm)	125	125	145	135	140
Seat Height (mm)	760	760	760	760	760
Engine Type	1-cylinder 4-stroke air-cooled	1-cylinder 4-stroke air-cooled	1-cylinder 4-stroke air-cooled	1-cylinder 4-stroke air-cooled	1-cylinder 4-stroke air-cooled
Displacement (ml)	107	107	107	107	124
Fuel capacity (L)	3.5	3.5	3.8	4	3.8
Max power (KW/rpm)	5.0/7500	5.0/7500	5.0/7500	5.0/7500	5.4/7500
Max torque (N.n/rpm)	7.2/5500	7.2/5500	7.2/5500	7.2/5500	8.5/5500
Max design speed (km/h)	80	80	80	85	80
Tire size (F)	2.25-17	2.25-17/ 2.50-17	2.25-17/ 2.50-17	2.25-17/ 2.50-17	2.25-17/ 2.50-17
Tire size (R)	2.50-17	2.50-17/ 2.75-17	2.50-17/ 2.75-17	2.50-17/ 2.75-17	2.50-17/ 2.75-17

Source: Eternal Green Company Limited (2022)

In accordance with the Table (3.1), Eternal Green Company Limited sells the five models of LuoJia motorcycles that are relevant to Myanmar weather, roads conditions and riders. Powerful 110cc bike series are great for commuting, as the saddle is very comfortable, and the bigger tires give a fantastic grip that matches the driver's preference. The automatic centrifugal clutch improves the fuel efficiency; these new technologies improve the quality of rider's daily life. It is the bestselling model in Lao and Myanmar.

### **3.1.2 Spare Parts**

Exclusively experienced autoclave technology, water cutting machine, dust-free painting room, which make parts nice look, stronger and more flexible. LuoJia produces the motorcycle spare parts such as motorcycle seat, motorcycle frame, motorcycle wheel, motorcycle plastic parts, swing arm, motorcycle fuel tank, LuoJia can make the spare parts according to customer's special requirement. LuoJia is a spare parts supplier for Honda, Suzuki and Peugeot. LuoJia can make different kinds of motorcycle accessories, including tricycle parts, scooter parts and engine parts. In addition, LuoJia commits to maintain the availability of every spare part for working efficiency and satisfaction of customers.

### **3.1.3 Service Policy**

LuoJia brand is committed to providing the highest level of customer service, competitive pricing, speedy delivery and a comprehensive, cutting-edge product offering. The ultimate goal of LuoJia motorcycle is rider's satisfaction. No matter where riders are, riders are guaranteed of LuoJia's warm reception, trustworthy and efficient professional services and persistent care. LuoJia offer a six months or 3000km warranty on motor and frame about the motorcycle. Buyers are just required basic repair skills such as using general tools, replacing nuts and bolts, filters, light bulbs, fluids, etc.

With more than 40 years of experience in the motorcycle field, LuoJia has given equal attention to the importance of after-sales service, warranty and spare parts availability. A full warranty system and timely access to spare parts through an innovative online ordering system, along with comprehensive service and spare parts manuals ensure that all necessary support will be available when needed.

## **3.2 Brand Building Activities of LuoJia Motorcycle**

LuoJia company keeps an eye on the latest industry trends, and it has noticed that brand building is essential for a perfect business growth. It consists of brand predictability, brand reputation, and brand competence.

### **3.2.1 Brand Predictability**

A brand that keeps a close watch on buying patterns of customers gets a fair idea about next steps of their favourite brands. LuoJia utilises the numerous "digital footprints" left by customers to help brands stay a step ahead of their customers. LuoJia then develops new products with innovative features by foreseeing needs and wants of the riders. In

addition, Luojia shows the demo version of future new motorcycles at every event. To get the more insight needs and wants of the customers, Luojia takes the survey at events and promotions.

Moreover, Luojia always promotes its products on the social media by giving presents to share its posts. Company has profiles on all major social platforms like Facebook, WeChat, Twitter, Instagram, LinkedIn, Google+ and Tumblr, etc., It helps Luojia brand with good online presence by interacting with the audience on a more personalized level. Hence, people get awareness of Luojia products and they are eager focusing the features of the brand.

### **3.2.2 Brand Reputation**

Luojia trademarks are identified as "China's 500 Most Valuable Brands", "Famous Trademark of China", "National Key Protection Trademark". The company's products were awarded many times as the honorary titles of "Trustable Products of Chinese Consumers ", "China-Made High Quality Products ", "Most Competitive National Brand" and "National Users Satisfaction Product". Luojia brand is the top brand in global regional markets, such as Myanmar (Burma), Togo, Benin, Algeria and Brazil. Some country in Southeast Asia, West & North Africa, and South America.

Luojia motorcycles is known for innovative and quality bikes. The company has adopted several promotional activities to create and maintain a positive brand image in the consumer market. In order to impress its customers, the company has been offering prompt and best possible customer services. When purchasing through the instalment system, riders can also purchase through the interest-free instalment system set by the showroom. Every year, riders will be able to benefit from the free engine oil exchange, motorcycle inspection, and lucky draw gift programs. Luojia Myanmar has been successful in the market assessment concerning government policies, demand conditions and competition, as well as in the company's communication efforts regarding advertising, sales promotion, trade shows and PR activities. The company gives helmet and T-shirt when customers buy the motorcycles. At showroom anniversary, the company offers engine oil change for other non-Luojia riders without taking any service charges so that other riders can see the Luojia motorcycles at the showrooms. The company makes Luojia advertising billboard at the street corners in 12 regions where representatives exist. Moreover, the company arranges promotion events where interested people can do the test run so that people can get the awareness of the new Luojia models. Eternal Green Co., Ltd also gives sponsorship for

motorcycle shops' signboard and vinyl so that people will be familiar to LuoJia brand as they see the LuoJia brand almost everywhere.

In 2019, Eternal Green Co., Ltd donated a total of 50,000,000 Kyats to the Mandalay City Municipal Development Committee as a way to contribute to the prevention of the Corona Virus Disease (Covid-19). The donation products included hospital masks, anti-virus glasses, and hospital gloves etc. Eternal Green Co., Ltd tries to gain a positive public image. By this way, it can greatly improve its name recognition and brand awareness of the general public towards the products and services of the company.

### **3.2.3 Brand Competence**

LuoJia has offered its customers the best possible product in market laced with innovative features and ultra-modern technology. The new models include a new exhaust design that can protect against heat. As the exhausts are painted in black color, they can withstand temperatures up to 650 degrees, and the exhaust life is longer, and the covers are made of Acrylonitrile butadiene styrene (ABS) material. The exhaust and other parts of the motorcycle are made with international high quality standards. The surface is shiny and painted with a natural salt spray test level 7. The front and rear shock bars also use the best international quality, so the handle is more stable and makes riding safer. The use of bronze brake pads makes it safe to use the brakes and will reduce the noise level even in bad weather. The batteries of LuoJia motorcycle brands are more durable than others.

LuoJia offers a diversified product portfolio and has maintained prices of its motorcycles depending on its various features. It has adopted a value-based pricing system and has thus kept prices of all its products accordingly. Compared to the products of its competitors, it seems that LuoJia motorcycles has adopted a premium pricing policy for its premium products. This has proved to be a success for the brand because its clients realise that the company is offering something new and different and they are willing to pay extra for this privilege. Moreover, showrooms offer people to buy the motorcycle online and have it delivered right to their home as people do not want to go out during Covid-19 pandemic.

### **3.3 Reliability Test**

Reliability is another name for consistency. In this study, structure questionnaire includes questions with 5-point liker scale. The result of the reliability test is presented in Table (3.2).

**Table (3.2) Reliability Test**

<b>Sr. No.</b>	<b>Variable</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>
1	Brand Reputation	4	.883
2	Brand Predictability	4	.885
3	Brand Competence	4	.895
4	Company Reputation	4	.909
5	Company Perceived Motives	4	.841
6	Company Integrity	4	.948
7	Brand Liking	4	.915
8	Brand Experience	4	.947
9.	Peer Support	4	.904
10.	Brand Personality	4	.954
11.	Brand Trust	10	.877
12.	Brand Loyalty	10	.937

Source: Survey Data (2022)

To test the reliability test, Cronbach's alpha is applied. Cronbach's alpha measures reliability, or internal consistency. A Cronbach's alpha of 0.70 or more is considered to be satisfactory. The minimum acceptable value for Cronbach's alpha is 0.70. Below this value the internal consistency of the common range is low. According to Table (3.2), Cronbach's alpha values for all variables are greater than 0.7. Therefore, there is a good reliability and the findings are valid for this study.

### **3.4 Profile of the Respondent**

To achieve the objectives of the study, structured questionnaires are collected from 373 Luojia riders in Bago township. Structured questionnaire includes demographic data such as gender, age, occupation, and salary. Demographic data are important to identify the market segments of the customer. Profile of the respondents are shown in Table (3.3).

**Table (3.3) Profile of Respondent**

Sr. No.	Particular	Frequency	Percentage
	<b>Total</b>	<b>373</b>	<b>100</b>
1	<b>Gender</b>		
	Male	251	67.29
	Female	122	32.71
2	<b>Age (Years)</b>		
	<18	19	5.09
	18 – 20	38	10.19
	21 – 25	38	10.19
	26 – 30	191	51.21
	31 – 35	74	19.84
	>35	13	3.49
3	<b>Occupation</b>		
	Company Staff	264	70.78
	Business Owner	67	17.96
	Government Staff	19	5.09
	Student	23	6.17
4	<b>Salary</b>		
	150,001 ~ 300,000	8	2.14
	300,001 ~ 500,000	66	17.69
	500,001 ~ 700,000	201	53.89
	700,001~ 1,000,000	42	11.26
	Above 1,000,000	56	15.01

Source: Survey Data (2022)

As indicated in Table (3.3), among 373 respondents, majority of the Luojia motorcycle riders are males as many women are afraid of riding motorcycles and men used to transport women. It is found that majority of the riders are from 26 to 30 years old and the second largest group includes people from 31 to 35 years old because they do commute to work on motorcycles. These people either enjoy riding or have no other form of transport to their offices. In addition, travelling by motorcycle reduces traffic congestion and save travel time. Those Luojia motorcycle riders are company staff or business owners. Majority of the respondents earn from 500,001 to 700,000 MMK while second largest group of respondents earn from 300,001 to 500,000 MMK.

## **CHAPTER (4)**

### **ANALYSIS ON BRAND TRUST AND BRAND LOYALTY OF LUOJIA MOTORCYCLE RIDERS**

This chapter is composed of three sections. The first section presents influencing factors (brand characteristic, company characteristic, and consumer-brand characteristic) by mean score and standard deviation. Then, second section includes the analysis of influencing factors on brand trust. Finally, third section presents the analysis of brand trust on brand loyalty of Luojia motorcycle riders.

#### **4.1 Brand Characteristics of Luojia Motorcycle Riders**

Brand characteristics are attributes that make up the personality of a brand or company. These characteristics are important because they attract an audience with similar characteristics and values. In this study, brand characteristics is measured with brand reputation, brand predictability, and brand competence.

To get the primary data, structured questionnaire with 5-point likert scale is used. Findings are interpreted as “1 = Strongly Disagree”, “2 = Disagree”, “3 = Neutral”, “4 = Agree”, and “5 = Strongly Agree” in finding out the degree of influencing factor on brand loyalty of Luojia Motorcycle. In respect to the classification of likert (1993), the responses are interpreted as follows: the mean values 1.00 – 1.80 is categorized as strongly disagree, 1.81 – 2.60 is classified as disagree, and 2.61 – 3.40 is considered as neither agree nor disagree, 3.41 – 4.20 is regarded as agree, 4.21 – 5.00 is accounted for strongly agree for the perceptions of riders on the brand trust and brand loyalty of Luojia Motorcycle.

This study focuses three brand characteristics such as brand reputation, brand predictability and brand competence. The overall mean score for each brand characteristic is shown in Table (4.1). The mean scores and standard deviation of brand characteristics are presented in Appendix-B1.

As stated in Table (4.1), most Luojia motorcycle riders can recall the brand reputation, predictability, and competence of the Luojia Motorcycle. It is found that riders have recognized the brand characteristics of the Luojia Motorcycle as the overall mean value is more than 3.00.



**Table (4.1) Brand Characteristics**

<b>Sr. No.</b>	<b>Brand Characteristics</b>	<b>Mean Score</b>
1.	Brand Reputation	3.60
2.	Brand Predictability	3.16
3.	Brand Competence	3.71
	<b>Overall Mean</b>	<b>3.49</b>

Source: Survey Data (2022)

**(a) Brand Reputation**

Brand reputation is nurtured from customers' responses and experience with a product or service that they chose. The findings regarding brand reputation of Luojia motorcycles are presented in Appendix-B1. Most respondents hear the positive comments for Luojia brand since they usually look at the user reviews at online and ask the suggestions from close friends. Majority of the respondents agree that Luojia motorcycles are user friendly because Eternal Green Company sells the five models of Luojia motorcycles relevant to Myanmar weather, roads conditions and riders. In addition, the saddle of cycle is very comfortable, and the bigger tires give a fantastic grip that matches the driver's preference and improves user friendly. It is found that Luojia brand has good reputation on its performance. Its automatic centrifugal clutch improves the fuel efficiency. Luojia motorcycles use new technologies to improve the quality of daily life of riders. According to the overall mean score, Luojia brand has moderate level of brand reputation.

**(b) Brand Predictability**

Generally, a consumer predicts about the performance of the brand by studying the characteristics of the brand. The findings regarding brand predictability of Luojia motorcycles are presented in Appendix-B1. Most respondents predict Luojia motorcycles to be reliable as they study many good things and reviews about Luojia. Hence, they can always anticipate correctly about the brand as they have enough knowledge about the characteristics of the brand. In addition, it is found that Luojia brand performs consistently as expected as motorcycles can run under different weathers such as heavy rain or floods etc.

Most respondents do not expect that Luojia performance will be quite variable according to the models since respondents do not have knowledge about other models of

Luojia motorcycles. According to the overall mean score, respondents can moderately predict the performance of their desired Luojia motorcycle models.

**(c) Brand Competence**

Consumers considers that a brand must have the ability and skills to meet consumers' expectations. The findings regarding brand competence of Luojia motorcycles are presented in Appendix-B1. According to the survey data, most respondents state that Luojia is more cost effective than other brands for the long run since Luojia cycles are durable and less maintenance. Respondents acknowledge that among motorcycle brands, Luojia brand shows good performance as Luojia motorcycles are matched with the weather conditions and needs of riders. They believe that Luojia motorcycles better perform than other brands at that price range. According to the overall mean score, respondents agree that Luojia brand achieves moderate level of brand competence.

**4.2 Company Characteristics of Luojia Motorcycle Riders**

Company characteristic behind a brand can also affect the level of consumer confidence in the brand. Consumer knowledge about the company behind the brand of a product is a pre-understanding of the consumer to the brand of a product. These characteristics include the reputation of a company, the company perceived motives, and integrity of a company.

This study focuses three company characteristics such as company reputation, company perceived motives and company integrity. The overall mean score for each company characteristic is shown in Table (4.2). The mean scores and standard deviation of company characteristics are presented in Appendix-B2.

**Table (4.2) Company Characteristics**

<b>Sr. No.</b>	<b>Company Characteristics</b>	<b>Mean Score</b>
1.	Company Reputation	3.86
2.	Company Perceived Motives	3.92
3.	Company Integrity	3.95
	<b>Overall Mean</b>	<b>3.91</b>

Source: Survey Data (2022)

As shown in Table (4.2), most Luojia motorcycle riders have good perception towards company reputation, company perceived motives, and company integrity since all

the mean score values are more than 3.00. According to the overall mean score, riders have positive perception towards company characteristics.

**(a) Company Reputation**

Reputation of a company is a public perception of the company and how it operates. A positive company reputation is important because it can help business grow. The findings regarding company reputation of LuoJia motorcycles are presented in Appendix-B2. According to findings, most respondents state that they hear the positive comments about Eternal Green Co., Ltd since the company always cares customers. It is found that when dealing with customers, company makes fair deals. In addition, many respondents agree that they get the faster service delivery since company has enough spare parts that can be delivered in one day. They also state that company has a reputation for quality products since LuoJia has offered best quality products with innovative features and ultra-modern technology. According to the overall mean score, most respondents moderately trust company reputation.

**(b) Company Perceived Motives**

Customers usually look at the company motives towards customers. The findings regarding company perceived motives of Eternal Green Co., Ltd are presented in Appendix-B2. According to findings, most respondents perceive that the company cares about needs of riders. Company offers a full warranty system and timely access to spare parts through an innovative online ordering system. They acknowledge that the company concerned about the welfare of customer because company arranges interest-free instalment system at the showrooms. Respondents believe the after-sales-service of the company because company provides prompt and best possible customer services. According to the overall mean score, respondents believe that the customer cares the needs and welfare of customers.

**(c) Company Integrity**

Having integrity in business means operating organization consistently in accordance with a strong set of moral values and while following applicable ethical guidelines. Rider's perception towards the company integrity is shown in Appendix-B2. Regarding company integrity, most respondents agree that the company is acting ethically because company always keep its words when dealing with customers. In addition, no

matter where riders are, riders are guaranteed of LuoJia’s warm reception, trustworthy and efficient professional services and persistent care. Hence, company achieves good reputation for trustworthiness. Moreover, respondents perceive that the company is honest since they actually get interest-free instalment. According to the overall mean score, riders agree that the company has integrity when dealing with customers.

### 4.3 Consumer-Brand Characteristics of LuoJia Motorcycle Riders

Consumer - brand characteristic is interplay of two groups. First, the characteristics of the consumer can affect choice of brand. Customers used to look characteristics brands that are matched to their individual characteristics. These characteristics include brand liking, brand experience, peer support, and brand personality.

This study focuses four consumer - brand characteristics such as brand liking, brand experience, peer support, and brand personality. The overall mean score for each company characteristic is shown in Table (4.3). The mean scores and standard deviation of consumer-brand characteristics are presented in Appendix-B3.

**Table (4.3) Consumer-Brand Characteristics**

<b>Sr. No.</b>	<b>Consumer-Brand Characteristics</b>	<b>Mean Score</b>
1.	Brand Liking	4.03
2.	Brand Experience	3.98
3.	Peer Support	4.11
4.	Brand Personality	4.06
	<b>Overall Mean</b>	<b>4.05</b>

Source: Survey Data (2022)

As illustrated in Table (4.3), most LuoJia motorcycle riders have brand liking, brand experience, and strong peer support towards LuoJia motorcycle brand because the mean score values are more than 3.00. In addition, most riders acknowledge the brand personality of the LuoJia motorcycle brand. According to the overall mean score, riders have positive perception towards consumer - brand characteristics.

#### (a) Brand Liking

Brand liking indicates the degree to which a consumer is inclined to use a particular brand's product instead of a competitor's. The findings regarding brand liking of the respondents are presented in Appendix-B3. According to findings, the finding shows that

respondents prefer Luojia brand to any other brand of motorcycles as Luojia brand is committed to providing the highest level of customer service and quality products. Most respondents state that they take into account the brand in making purchase decision. They are not interested in trying other motorcycle brands since Luojia motorcycles is known for innovative and quality bikes. According to the overall mean score, respondents have brand liking for Luojia brand.

**(b) Brand Experience**

Brand experience is how the user feels when engaging or interacting with a brand. Brand experience of the Luojia motorcycle rider is shown in Appendix-B3. According to findings, customers are relaxed when they ride Luojia motorcycle since Luojia brand is durable and can run under heavy rain and flood. Therefore, respondents acknowledge that Luojia motorcycles are the solutions for transportation problems. Moreover, respondents state that they can relate to other people through this brand since the company regularly does the promotions such as test run so that interested people can share their knowledge. It is found that Luojia motorcycles becomes the part of daily life for respondents. According to the overall mean score, respondents have a good brand experience when they use Luojia motorcycles.

**(c) Peer Support**

People used to take the suggestions and recommendations from their peers when they make purchase decisions. The findings regarding peer support when selecting the motorcycle brand are presented in Appendix-B3. According to findings, most of the respondents get recommendations from friends to buy Luojia motorcycle since it is durable and relevant to roads and weather conditions of Myanmar. Respondents used to go shopping or showrooms with peers as they get suggestions and ideas from peer. They usually discuss about motor motorcycle brand with peers to find out which brand and company are good. According to overall mean score, most people usually take peer support when they buy motorcycles.

**(d) Brand Personality**

Brand personality is the set of human characteristics that the company attributes to that brand. The findings regarding brand's personality of Luojia motorcycle brand are presented in Appendix-B3. According to findings, most respondents agree that Luojia

motorcycle reflects the personality of riders. Luojia is a gentle motorbike designed and built to suit ladies but also good for gentlemen who are gentle riders. Respondents express that other people like them also ride Luojia motorcycles. Most riders are working at the company and business owners hence they used to wear good clothes and value time. Luojia brand is durable and riders can rely on it under different weather conditions. Luojia motorcycles are also equipped with a large mud guard, and sets a center opening. According to the overall mean score, respondents agree that Luojia motorcycle brand matches their personality.

#### 4.4 Brand Trust of Luojia Motorcycle Riders

Brand trust is a branding effect that describes the relationship between a brand and its customers. The findings regarding brand trust towards Luojia motorcycle brand are presented Table (4.4).

**Table (4.4) Brand Trust**

<b>Sr. No.</b>	<b>Brand Trust</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Trusting Luojia motorcycle brand	3.28	0.45
2.	Feeling safe when I ride Luojia motorcycles	3.73	0.71
3.	Luojia motorcycle brand never disappointing rider	3.65	0.64
4.	Expecting Luojia to deliver on its promise	4.03	0.20
5.	Trusting honesty and sincerity of company in addressing concerns of rider	3.97	0.18
6.	Able to rely on company for maintenance	4.05	0.25
7.	This company going to compensate rider if there is any defect	3.65	0.64
8.	Trusting for the availability of getting the spare parts	4.01	0.24
9.	Able to easily exchange the latest model by giving old model	3.97	0.18
10.	Believing that Luojia motorcycle runs well under heavy rains and flood on street.	4.04	0.27
	<b>Overall Mean</b>	<b>3.84</b>	

Source: Survey Data (2022)

According to findings, most respondents believe that they can rely on the company for maintenance since the company provides a six months or 3000km warranty on motor and frame. In addition, company arranges enough spare parts at the showrooms so that customers do not need to wait for a long time. Respondents believe that Luojia motorcycle

can run under heavy rain and flood on street since the imported models are selections for the Myanmar’s weathers and roads conditions. Therefore, riders believe that Luojia can perform according to its promise. According to the overall mean score, respondents have trust towards Luojia motorcycle brand.

#### 4.5 Brand Loyalty of Luojia Motorcycle Riders

Brand loyalty is when people strongly favor a particular brand over all the others. It refers to the rider’s special attachment to a certain product. The findings regarding brand loyalty towards Luojia motorcycle brand are presented in Table (4.5).

**Table (4.5) Brand Loyalty**

<b>Sr. No.</b>	<b>Brand Loyalty</b>	<b>Mean Score</b>	<b>Std. Dev</b>
1.	Considering Luojia brand first	3.26	0.85
2.	Not considering other brands even offering lower price	3.44	0.66
3.	Going to recommend friends to use Luojia motorcycles	4.02	0.29
4.	Almost all previous purchases having been Luojia brand	3.77	0.54
5.	Not choosing other brands even Luojia is not available at the store	3.61	0.71
6.	Going to recommend family members to buy Luojia brand.	3.46	0.61
7.	Going to buy Luojia brand even the price goes up.	3.95	0.23
8.	Always saying positive things about Luojia brand	4.04	0.27
9.	Paying attention to only new products and features of Luojia brand	3.99	0.36
10.	A loyal customer of Luojia brand	3.65	0.64
	<b>Overall Mean</b>	<b>3.72</b>	

Source: Survey Data (2022)

As can be seen from the Table (4.5), most respondents used to say about positive things about Luojia brand as they like the performance of the Luojia motorcycles. As they are satisfied with the brand, they recommend the friends to try Luojia motorcycles. Respondents also do not consider other brands offering lower prices. They dedicate to buy Luojia brand if the price goes up as they are emotionally attached to the brand and always pay attention to new products and features of Luojia brand. According to the overall mean score, most respondents have brand loyalty towards Luojia brand.

#### 4.6 Analysis of Influencing Factors on Brand Trust

In this section, the influencing factors (brand characteristic, company characteristic, and consumer-brand characteristic) on brand trust are analyzed by applying regression analysis.

##### 4.6.1 Influencing Brand Characteristic on Brand Trust

This section analyzes the effect of brand characteristics on brand trust by multiple regression. Brand characteristics such as brand reputation, brand predictability, and brand competence are independent variables while brand trust is a dependent variable. Table (4.6) presents the result of regression analysis.

**Table (4.6) Influencing Brand Characteristics on Brand Trust**

Variable	Unstandardized Coefficients		$\beta$	t	Sig	VIF
	B	Std. Error				
(Constant)	2.066	.051		40.732	.000	
Brand Reputation	.364***	.025	.782	14.507	.000	6.883
Brand Predictability	.344***	.030	.531	11.366	.000	9.153
Brand Competence	.167***	.023	.377	7.335	.000	8.342
R Square	.883					
Adjusted R Square	.882					
F Value	928.211***					

Source: Survey Data (2022)

Notes: \*\*\*Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level.

As indicated in Table (4.6), since the value of adjusted R square is 0.882, it can be concluded that this specified model can explain 88.2 % of variation of brand trust which is predicted by brand characteristics. As overall significance of the model, F value is highly significant at 1 percent level, this model can be said valid. Since all the VIF values are less than 10, it shows that there is no multi-collinearity problem in this case. According to the regression result, all three brand characteristics are strongly significant with brand trust.

The coefficient of brand reputation has the expected positive sign and is strongly significant at 1 percent level. It indicates that the increase in brand reputation leads to more brand trust towards Luojia brand. As riders believe that Luojia brand is a reliable brand



regarding performance, they trust the brand and Luojia motorcycles become part of their daily life.

The coefficient of brand predictability has the expected positive sign and is strongly significant at 1 percent level. It presents that the increase in brand predictability leads to more brand trust towards Luojia brand. Most respondents can correctly predict the performance of the Luojia motorcycles since they heard good reviews of brand. As Luojia motorcycles perform according to the prediction of the riders, customer feel a lot of trust towards the brand.

The coefficient of brand competence has the expected positive sign and is strongly significant at 1 percent level. It indicates that the increase in brand competence leads to more brand trust towards Luojia brand. Luojia motorcycle brand is cost effective at the long run since it is durable and company offers warranty for six months. In addition, Luojia motorcycle performance is better than other brands and consumes less fuel. Therefore, riders like brand competence of Luojia motorcycles and trust the brand.

Since the standardized coefficient (Beta) of brand reputation has the largest value (0.782) among three explanatory variables, brand reputation can be recognized as the most effective factor to increase brand trust. Due to the reputation of the brand, customer trust Luojia motorcycles.

#### **4.6.2 Influencing Company Characteristics on Brand Trust**

This section analyzes the effect of company characteristic on brand trust by multiple regression. Company characteristics such as company reputation, perceived company motives, and company integrity are independent variables while brand trust is a dependent variable. Table (4.7) presents the result of regression analysis.

As shown in Table (4.7), since the value of adjusted R square is 0.980, it can be concluded that this specified model can explain 98.0 % of variation of brand trust which is predicted by company characteristics. As overall significance of the model, F value is highly significant at 1 percent level, this model can be said valid. Since all the VIF values are less than 10, it shows that there is no multi-collinearity problem in this case. According to the regression result, all three company characteristics significantly influence on brand trust.

**Table (4.7) Influencing Company Characteristics on Brand Trust**

Variable	Unstandardized Coefficients		$\beta$	t	Sig	VIF
	B	Std. Error				
(Constant)	.107	.037		2.913	.004	
Company Reputation	.073***	.013	.129	5.469	.000	7.160
Company Perceived Motive	.834***	.013	.743	62.812	.000	2.573
Company Integrity	.188***	.009	.435	20.047	.000	8.651
R Square	.980					
Adjusted R Square	.980					
F Value	294.250***					

Source: Survey Data (2022)

Notes: \*\*\*Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level.

The coefficient of company reputation has the expected positive sign and is strongly significant at 1 percent level. It indicates that the increase in company reputation leads to more brand trust towards Luojia brand. Riders usually look at the company reputation before they buy the motorcycles. Riders care spare parts availability, fair deal, warranty, and fast service delivery of the company. As company has a reputation for quality products and fair deals, riders trust the Luojia brand.

The coefficient of company perceived motive has the expected positive sign and is strongly significant at 1 percent level. It presents that the increase in company perceived motive leads to more brand trust towards Luojia brand. Eternal Green Co., Ltd always considers riders first and support for the benefits of riders. As riders get the fast service from company and can rely on sales service of company, riders trust the company.

The coefficient of company integrity has the expected positive sign and is strongly significant at 1 percent level. It indicates that the increase in company integrity leads to more brand trust towards Luojia brand. Eternal Green Co., Ltd always acts ethically and achieves good reputation for trustworthiness. Therefore, the more the integrity of the company, the more the trust of the riders will be attained.

Since the standardized coefficient (Beta) of company perceived motive has the largest value (0.743) among three explanatory variables, the company perceived motive can be regarded as the most effective factor to increase brand trust. It can be such that if the

company pays more attention to needs of the riders, trust of riders can be significantly improved as they are well taken care of.

#### 4.6.3 Influencing Consumer-Brand Characteristics on Brand Trust

This section analyzes the effect of consumer-brand characteristics on brand trust by multiple regression. Company characteristics such as brand liking, brand experience, peer support, and brand personality are independent variables while brand trust is a dependent variable. Table (4.8) presents the result of regression analysis.

**Table (4.8) Influencing Consumer-Brand Characteristics on Brand Trust**

Variable	Unstandardized Coefficients		$\beta$	t	Sig	VIF
	B	Std. Error				
(Constant)	2.159	.075		28.872	.000	
Brand Liking	.188***	.044	.442	4.234	.000	7.395
Brand Experience	.075**	.030	.169	2.470	.014	8.382
Peer Support	.432***	.047	.892	9.218	.000	7.660
Brand Personality	.090*	.048	.256	1.868	.063	7.656
R Square	.794					
Adjusted R Square	.792					
F Value	355.320***					

Source: Survey Data (2022)

Notes: \*\*\*Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level.

As presented in Table (4.8), since the value of adjusted R square is 0.792, it can be concluded that this specified model can explain 79.2 % of variation of brand trust which is predicted by consumer-brand characteristics. As overall significance of the model, F value is highly significant at 1 percent level, this model can be said valid. All the VIF values are less than 10. It shows that there is no multi-collinearity problem in this case. According to the regression result, all consumer-brand characteristics significantly influence on brand trust.

The coefficient of brand liking factor has the expected positive sign and is strongly significant at 1 percent level. It indicates that the increase in brand liking leads to more brand trust towards Luojia brand. Riders admit that brand is vital in selecting the Luojia

motorcycle. They prefer Luojia brand to other motorcycle brands and are not interested in trying motorcycles from other brands. Hence, Luojia motorcycles riders trust the selected brand.

The coefficient of brand experience has the expected positive sign and is significant at 5 percent level. It presents that the increase in brand experience leads to more brand trust towards Luojia brand. Respondents stated that they have a good brand experience since they feel relaxed when riding Luojia motorcycles. Therefore, riders trust Luojia brand that provides solution to travelling problems.

The coefficient of peer support factor has the expected positive sign and is strongly significant at 1 percent level. It indicates that the increase in company integrity leads to more brand trust towards Luojia brand. Riders usually take the ideas and suggestions of peers for selecting the motorcycle brand. If the peers give more recommendations to Luojia brand, trust of riders will be significantly improved.

The coefficient of brand personality has the expected positive sign and is significant at 10 percent level. It indicates that the increase in brand personality leads to more brand trust towards Luojia brand. Luojia is a gentle motorbike designed and built to suit ladies but also good for gentlemen who are gentle riders. If brand personality of Luojia motorcycle is improved, the more trust of the riders will be attained.

Since the standardized coefficient (Beta) of peer support has the largest value (0.892) among four explanatory variables, the peer support can be recognized as the most effective factor to increase brand trust. It concluded that if the riders receive the support or recommendations of the peers, trust of riders can be significantly improved.

#### **4.6.4 Influencing Factor on Brand Trust**

This section analyzes the effect of influencing factors on brand trust by multiple regression. Influencing factors such as brand characteristics, company characteristics and consumer-brand characteristics are independent variables while brand trust is a dependent variable. Table (4.9) presents the result of regression analysis.

As described in Table (4.9), since the value of adjusted R square is 0.870, it can be concluded that this specified model can explain 87.0 % of variation of brand trust which is predicted by influencing factors. As overall significance of the model, F value is highly significant at 1 percent level, this model can be said valid. All the VIF values are less than

10. It shows that there is no multi-collinearity problem in this case. According to the regression result, all three factors significantly influence on brand trust.

**Table (4.9) Influencing Factor on Brand Trust**

Variable	Unstandardized Coefficients		$\beta$	t	Sig	VIF
	B	Std. Error				
(Constant)	1.557	.071		21.779	.000	
Brand Characteristics	.348***	.063	.671	5.484	.000	4.937
Company Characteristics	.560***	.056	.883	9.994	.000	2.400
Consumer-Brand Characteristics	.277***	.037	.645	7.424	.000	2.642
R Square	.871					
Adjusted R Square	.870					
F Value	833.796***					

Source: Survey Data (2022)

Notes: \*\*\*Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level.

The coefficient of brand characteristics has the expected positive sign and is strongly significant at 1 percent level. It indicates that the increase in brand characteristics leads to more brand trust towards Luojia brand. Riders care brand reputation, brand competency and brand predictability. As Luojia brand is well known for its performance, durability and cost effective at a long run, riders trust Luojia brand.

The coefficient of company characteristics factor has the expected positive sign and is strongly significant at 1 percent level. It indicates that the increase in company characteristics leads to more brand trust towards Luojia brand. Company reputation, company perceived motives, and company integrity are important to get rider's trust. Since Eternal Green Co., Ltd makes fair deals with customers and shows its integrity about the service, riders accept that the company is trustful.

The coefficient of consumer-brand characteristics has the expected positive sign and is strongly significant at 1 percent level. It presents that the increase in consumer-brand characteristics leads to more brand trust towards Luojia brand. Brand liking, brand experience, peer support, and brand personality are important factors for riders. As Luojia brand exhibits good performance and quality match the needs of riders, riders trust Luojia motorcycles that become part of daily life of riders.

Since the standardized coefficient (Beta) of company characteristics has the largest value (0.883) among three explanatory variables, the company characteristics can be noted

as the most effective factor to increase brand trust. It can be inferred that if the company offers more benefits and after-sales service ethically, trust of riders will be significantly improved.

#### 4.7 Analysis of the Effect of Brand Trust on Brand Loyalty

This section analyzes the effect of brand trust on brand loyalty by multiple regression. In this part, brand trust is an independent variable while brand loyalty is a dependent variable. Table (4.10) presents the result of regression analysis.

**Table (4.10) Effect of Brand Trust on Brand Loyalty**

Variable	Unstandardized Coefficients		$\beta$	t	Sig
	B	Std. Error			
(Constant)	1.847	.085		21.763	.000
Brand Trust	1.450***	.022	.960	65.793	.000
R Square	.921				
Adjusted R Square	.920				
F Value	141.590***				

Source: Survey Data (2022)

Notes: \*\*\*Significant at 1% level, \*\*Significant at 5% level, \*Significant at 10% level.

As shown in Table (4.10), since the value of adjusted R square is 0.920, it can be concluded that this specified model can explain 92.0 % of variation of brand loyalty which is predicted by brand trust. As overall significance of the model, F value is highly significant at 1 percent level, this model can be said valid.

The coefficient of brand trust variable has the expected positive sign and is strongly significant at 1 percent level. It presents that the increase in brand trust leads to more brand loyalty towards LuoJia brand. Respondents can rely on company for maintenance and fast service. Hence, respondents trust LuoJia motorcycles and are willing to buy LuoJia motorcycles even at the high price whenever they need motorcycles. It can be concluded that brand trust has a positive significant effect on brand loyalty.

## **CHAPTER (5)**

### **CONCLUSION**

This chapter presents the findings and discussions, suggestions and recommendations and needs for further research. Based on the findings, this study suggests and makes recommendations to improve brand trust and brand loyalty of Luojia motorcycle riders.

#### **5.1 Findings and Discussion**

This study aims to examine the influencing factors on brand trust of riders towards Luojia motorcycle and analyze the effect of brand trust on brand loyalty of Luojia motorcycle riders. Structured questionnaire with 5-point likert scale is used to collect primary data from 373 Luojia motorcycle riders. Multiple regression is applied to analyze the data.

For the first objective, the effect of influencing factors (brand characteristics, company characteristics, and consumer-brand characteristics) on brand trust are analyzed. Among three brand characteristics, all brand characteristics have the significant effect on brand trust of Luojia motorcycle riders. It is found that brand reputation is the most effective factor to increase brand trust. As riders hear positive comments for Luojia brand and the motorcycles are user friendly, riders consider Luojia as the reliable brand. Therefore, Luojia motorcycle riders trust Luojia brand.

Among three company characteristics, all company characteristics have the significant effect on brand trust of Luojia motorcycle riders. The study reveals that perceived motive can be regarded as the most effective factor to increase brand trust since company pays attention to the needs and welfare of the riders. Hence, Luojia motorcycle riders can rely on company and trust Luojia brand.

Regarding consumer-brand characteristics, all four characteristics have the significant effect on brand trust of Luojia motorcycle riders. Among those characteristics, peer support can be regarded as the most effective factor to increase brand trust. If the riders receive the support or more recommendations of the peers, trust of riders will be significantly improved.

Regarding influencing factors (brand characteristics, company characteristics, and consumer-brand characteristics), all three factors have the significant effect on brand trust. Among those factors, the company characteristics can be noted as the most effective factor

to increase brand trust. If the company offers more benefits and after-sales service, trust of riders will be significantly improved. As Luojia Company has been offering prompt customer services, riders trust Luojia motorcycle brand.

For the second objective, brand trust has positive effect on brand loyalty. The increase in brand trust leads to more brand loyalty towards Luojia brand. Riders can rely on company for maintenance and fast service. In addition, they believe that Luojia motorcycle runs well under heavy rains and flood on street. Hence, riders trust Luojia motorcycles and are willing to buy Luojia motorcycles even at the high price whenever they need motorcycles.

## **5.2 Suggestions and Recommendations**

In order to raise the brand trust and brand loyalty of the riders, Luojia should pay more attention to determinant influencing factors on brand trust of the Luojia motorcycles riders. According to the findings, Luojia should adjust its brand building activities to achieve more brand trust and brand loyalty of riders.

Company characteristics is the most effective factor to increase brand trust among influencing factors. Hence, Luojia Myanmar should pay first priority to this factor. Luojia should build an ongoing relationship with riders by listening and being responsive to their needs, even long after they buy a motorcycle. Company should arrange service centers and outdoor service teams for rider's convenience. Moreover, it should setup online and offline channels to create an engaged community of riders so that the company will understand rider's needs and can easily leverage value-added services such as insurance. Company should promote its reputations by selling high quality products. In addition, company should always keep its promise and make fair deals with customers. Then, riders will have trust Luojia Company as they are cared.

Brand characteristics is the second most effective factor to increase brand trust among influencing factors. Hence, Luojia Myanmar should also focus this factor to get more brand trust from riders. Luojia Myanmar should make labeling with describing the features and service warranty. In addition, the company should offer its products and service accordingly so that riders will feel that Luojia brand is reliable. It should also deliver durability quality for all models. The company should often do road shows where riders come and do test rides so that they will compare their current motorcycle and Luojia motorcycle brand. Then, riders will be more aware of quality of Luojia motorcycle brand and perceive Luojia as trusted brand.



The last factor, consumer-brand characteristic, has the significant effect on brand trust. Luojia Myanmar should give VIP member cards or presents if Luojia riders bring new potential buyers. In addition, the company should setup Luojia rider group where riders can share knowledge about their models and interested people can also view the user reviews. Luojia should also promote its brand with celebrities, famous riders, and mechanics so that riders can easily associate and recall the brand. Hence, riders will have more trust the brand as their Trustworthy people are using Luojia.

Finally, Luojia Myanmar should conduct market survey regularly to find out the brand trust levels of the consumers. Then, the company should revise its marketing practices according to the perceptions of the consumers. As a result, it can produce the products and offer quality service that will match the needs and wants of the riders. By doing these suggestions, Luojia can raise the trust and loyalty of riders significantly.

### **5.3 Needs for Further Research**

This study mainly focuses on Luojia motorcycle and does not cover other motorcycle brands in the market. This study is conducted using questionnaire survey on Luojia motorcycle riders in Bago township. The investigation would be strong and accurate by enlarging the sample size and be more comprehensive by including Luojia motorcycle riders in other geographical areas. Moreover, the study can be extended by conducting comparative study on the influencing factors on brand trust and brand loyalty of Luojia motorcycle and other motorcycle brands. Furthermore, the study can be worthwhile by exploring customer attitudes towards different attributes of Luojia motorcycle. By doing so, the business can set up the appropriate marketing strategy to improve the brand trust and brand loyalty of the riders in motorcycle industry in Myanmar.

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## APPENDIX-A

### Structured Questionnaire

#### PART I: Demographics

**1. Gender**

Male  Female

**2. Age**

<18  18 – 20  21 – 25  
 26 – 30  31 – 35  >35

**3. Occupation**

Company Staff  Business Owner  Government Staff  
 Student  Others.....

**4. Salary**

150,001 ~ 300,000  300,001 ~ 500,000  
 500,001 ~ 700,000  700,001 ~ 1,000,000

**PART II: Brand Characteristics, Company Characteristics and Consumer-Brand Characteristics, Brand Trust and Brand Loyalty**

**How much degree do you agree for the following factors relating to Luojia Motorcycle Brand?**

**Scale definition:**     **1** - Strongly Disagree           **2** – Disagree           **3** - Neutral  
   **4** - Agree                                   **5** - Strongly Agree

Sr. No.	Brand Characteristics	Degree				
		1	2	3	4	5
	<b>Brand Reputation</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Luojia motorcycle is reputed to perform well.					
2.	Luojia brand is good and reliable.					
3.	I have heard positive comments for Luojia brand.					
4.	Luojia brand is user friendly.					
	<b>Brand Predictability</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Luojia brand is reliable as expected.					
2.	I can always anticipate correctly how this brand will perform.					
3.	Luojia brand performs consistently.					
4.	Luojia performance tends to be quite variable according to the models.					
	<b>Brand Competence</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Luojia is the best one for this category of products.					
2.	Luojia accomplishes its task better than other brands.					
3.	Luojia brand meets my needs better than other brands.					
4.	Luojia is more cost effective than other brands.					
	<b>Company Characteristics</b>	<b>Degree</b>				
	<b>Company Reputation</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Eternal Green Co., Ltd. (Luojia) has fairness in dealing with its customers.					
2.	Eternal Green Co., Ltd. (Luojia) offers fast service whenever customers need.					
3.	I have heard positive comments about Eternal Green Co., Ltd (Luojia).					
4.	Eternal Green Co., Ltd. (Luojia) has a reputation for quality products.					

<b>Sr. No.</b>	<b>Company Perceived Motives</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	This company cares about benefits of customers.					
2.	This company pay attention to customer's welfare.					
3.	I can rely on this company after sales service.					
4.	This company takes an interest towards my needs.					
	<b>Company Integrity</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	The company's actions are persistent with its words.					
2.	The company is honest in its dealings with its customers.					
3.	The company is ethical.					
4.	The <i>company has good reputation for trustworthiness.</i>					
	<b>Consumer-Brand Characteristics</b>	<b>Degree</b>				
	<b>Brand Liking</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	I like LuoJia brand more than any other brand of motorcycle.					
2.	LuoJia brand meets my requirements better than other brands.					
3.	I am not interested in trying motorcycles from other brands.					
4.	Brand is very important to define my choice of LuoJia brand.					
	<b>Brand Experience</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	I feel relaxed using LuoJia brand.					
2.	This brand is part of my daily life.					
3.	I have used this brand many times before.					
4.	This brand provide solution to travelling problems.					
	<b>Peer Support</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	My friends recommend that I buy this brand.					
2.	I used to take the suggestions from colleagues.					
3.	My colleagues would support my decision to buy this brand.					
4.	My companions would be happy if they knew that I buy this brand.					
	<b>Brand Personality</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Using my selected brand of motorcycle is consistent with how I see myself.					
2.	People similar to me use my selected brand of motorcycle.					
3.	Using my selected brand of motorcycle most of the time reflects who I am.					
4.	This brand is consistent with how I would like to be.					

<b>Sr. No.</b>	<b>Brand Trust</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	I trust LuoJia motorcycle brand.					
2.	I feel safe when I ride LuoJia motorcycle.					
3.	LuoJia motorcycle brand never lets me down.					
4.	I expect LuoJia to deliver on its promise.					
5.	This company is honest and sincere in addressing my concerns.					
6.	I could rely on this company for maintenance.					
7.	This company would compensate me in some way for the problem with the product.					
8.	I trust that I could easily get the spare parts.					
9.	I could easily exchange the latest model by giving old model.					
10.	I believe that LuoJia motorcycle runs well under heavy rains and flood on street.					
	<b>Brand Loyalty</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	Whenever I need to buy motorcycle, I consider LuoJia brand first.					
2.	Even if other brand of motorcycles is on less price, I will not buy it.					
3.	I will recommend my friends to use LuoJia motorcycles.					
4.	In the past, almost all of my purchases have been this brand.					
5.	If this motorcycle brand were not available at the store, I will not choose other brands.					
6.	I will recommend my family members to buy LuoJia brand.					
7.	I will buy LuoJia brand even if the price goes up.					
8.	I always say positive things about the LuoJia brand to other people.					
9.	I only pay my attention to new products and features of LuoJia brand.					
10.	I consider myself to be a loyal customer of LuoJia brand.					

## APPENDIX-B

### Appendix-B1: Mean Scores and Standard Deviation of Brand Characteristics

Sr. No.	Brand Characteristics	Mean Score	Std. Dev.
	<b>Brand Reputation</b>	<b>3.60</b>	
1.	Good performance reputation	3.49	0.59
2.	Reliable brand	3.29	0.46
3.	Hearing positive comments for LuoJia brand.	3.84	0.52
4.	User friendly	3.78	0.53
	<b>Brand Predictability</b>	<b>3.16</b>	
1.	Predicting LuoJia as a reliable brand	3.39	0.80
2.	Always able to anticipate the brand performance correctly	3.31	0.84
3.	Current motorcycle performing consistently	3.15	0.39
4.	Loujia performance tends to be quite variable	2.81	0.80
	<b>Brand Competence</b>	<b>3.71</b>	
1.	Among motorcycle category, LuoJia brand showing good performance	4.27	0.75
2.	LuoJia performing better than other brands	3.08	0.87
3.	LuoJia brand meeting needs of rider better than other brands	3.21	0.41
4.	Cost effective brand than others	4.28	0.91

Source: Survey Data (2022)

**Appendix-B2: Mean Scores and Standard Deviation of Company Characteristics**

<b>Sr. No.</b>	<b>Company Characteristics</b>	<b>Mean Score</b>	<b>Std. Dev.</b>
	<b>Company Reputation</b>	<b>3.86</b>	
1.	Fairness in dealing with its customers	4.14	0.59
2.	Fast service delivered by company	3.40	0.54
3.	Hearing positive comments about Eternal Green Co., Ltd (LUOJIA).	4.21	0.66
4.	A reputation for quality products.	3.69	0.53
	<b>Company Perceived Motives</b>	<b>3.92</b>	
1.	Company caring about benefits of customers	3.65	0.64
2.	This company concerned about customer's welfare.	4.01	0.24
3.	Able to rely on this company after sales service.	3.97	0.18
4.	This company caring about needs of rider	4.04	0.27
	<b>Company Integrity</b>	<b>3.95</b>	
1.	The company's actions showing consistency with its words	3.87	0.74
2.	The company dealing with customers honestly	3.74	0.85
3.	The company acting ethically	4.21	0.53
4.	A company achieving good reputation for trustworthiness.	3.98	0.76

Source: Survey Data (2022)



### Appendix-B3: Mean Scores and Standard Deviation of Consumer-Brand Characteristics

Sr. No.	Consumer-Brand Characteristics	Mean Score	Std. Dev.
	<b>Brand Liking</b>	<b>4.03</b>	
1.	Preferring LuoJia brand to any other brand of motorcycle	4.31	0.72
2.	LuoJia brand meeting requirements better than other brands	3.77	0.42
3.	Not interested in trying motorcycles from other brands	3.81	1.05
4.	Brand involved in choosing LuoJia motorcycle	4.23	0.77
	<b>Brand Experience</b>	<b>3.98</b>	
1.	Feeling relaxed when using LuoJia brand	4.18	0.75
2.	LuoJia brand becoming part of daily life	3.74	0.83
3.	Able to relate to other people through this brand	3.97	0.61
4.	LuoJia brand providing solution to travelling problems	4.03	0.64
	<b>Peer Support</b>	<b>4.11</b>	
1.	Recommendation of friend to buy LuoJia motorcycle	4.40	0.78
2.	Used to take the suggestions from Peer	3.72	0.68
3.	Usually discussing about motorcycle brand with peer	4.10	0.77
4.	Enjoy shopping with peers	4.23	0.47
	<b>Brand Personality</b>	<b>4.06</b>	
1.	Using selected brand of motorcycle is consistent with how I see myself	3.82	0.81
2.	People similar to me use my selected brand of motorcycle	4.23	0.84
3.	Selected brand of motorcycle reflects rider	4.34	0.89
4.	Brand consistent with the rider	3.84	1.02

Source: Survey Data (2022)

## APPENDIX C

### Analysis on Influencing Brand Characteristics on Brand Trust

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.940 <sup>a</sup>	.883	.882	.10068
a. Predictors: (Constant), Brand Competence Mean, Brand Reputation Mean, Brand Predictability Mean				

ANOVA <sup>a</sup>						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	28.226	3	9.409	928.211	.000 <sup>b</sup>
	Residual	3.740	369	.010		
	Total	31.966	372			
a. Dependent Variable: Brand Trust Mean						
b. Predictors: (Constant), Brand Competence Mean, Brand Reputation Mean, Brand Predictability Mean						

Coefficients <sup>a</sup>								
Model	Unstandardized Coefficients	Standardized Coefficients		t	Sig.	Collinearity Statistics		
		B	Std. Error			Beta	Tolerance	VIF
1	(Constant)	2.066	.051		40.732	.000	2.066	
	Brand Reputation Mean	.364	.025	.782	14.507	.000	.364	6.883
	Brand Predictability Mean	.344	.030	.531	11.366	.000	.344	9.153
	Brand Competence Mean	.167	.023	.377	7.335	.000	.167	8.342
a. Dependent Variable: Brand Trust Mean								

### Analysis on Influencing Company Characteristics on Brand Trust

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.990 <sup>a</sup>	.980	.980	.04170
a. Predictors: (Constant), Company Integrity Mean, Perceived Company Motive Mean, Company Reputation Mean				

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.437	5	2.887	294.250	.000 <sup>b</sup>
	Residual	1.246	127	.010		
	Total	15.684	132			
a. Dependent Variable: Brand Trust Mean						
b. Predictors: (Constant), Company Integrity Mean, Perceived Company Motive Mean, Company Reputation Mean						

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.107	.037		2.913	.004		
	Company Reputation Mean	.073	.013	.129	5.469	.000	.098	7.160
	Perceived Company Motive Mean	.834	.013	.743	62.812	.000	.389	2.573
	Company Integrity Mean	.188	.009	.435	20.047	.000	.116	8.651
a. Dependent Variable: Brand Trust Mean								

### Analysis on Influencing Consumer-Brand Characteristics on Brand Trust

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891 <sup>a</sup>	.794	.792	.13366
a. Predictors: (Constant), Brand Personality Mean, Brand Experience Mean, Peer Support Mean, Brand Liking Mean				

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.392	4	6.348	355.320	.000 <sup>b</sup>
	Residual	6.574	368	.018		
	Total	31.966	372			
a. Dependent Variable: Brand Trust Mean						
b. Predictors: (Constant), Brand Personality Mean, Brand Experience Mean, Peer Support Mean, Brand Liking Mean						

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.159	.075		28.872	.000		
	Brand Liking Mean	.188	.044	.442	4.234	.000	.051	7.395
	Brand Experience Mean	.075	.030	.169	2.470	.014	.119	8.382
	Peer Support Mean	.432	.047	.892	9.218	.000	.060	7.660
	Brand Personality Mean	.090	.048	.256	1.868	.063	.030	7.656
a. Dependent Variable: Brand Trust Mean								

### Analysis on Influencing Factor on Brand Trust

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.934 <sup>a</sup>	.871	.870	.10553
a. Predictors: (Constant), Consumer-Brand Characteristics Mean, Company Characteristics Mean, Brand Characteristics Mean				

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.857	3	9.286	833.796	.000 <sup>b</sup>
	Residual	4.109	369	.011		
	Total	31.966	372			
a. Dependent Variable: Brand Trust Mean						
b. Predictors: (Constant), Consumer-Brand Characteristics Mean, Company Characteristics Mean, Brand Characteristics Mean						

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.557	.071		21.779	.000		
	Brand Characteristics Mean	.348	.063	.671	5.484	.000	.023	4.937
	Company Characteristics Mean	.560	.056	.883	9.994	.000	.045	2.400
	Consumer-Brand Characteristics Mean	.277	.037	.645	7.424	.000	.046	2.642
a. Dependent Variable: Brand Trust Mean								

### Analysis on the Effect of Brand Trust on Brand Loyalty

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.960 <sup>a</sup>	.921	.920	.12461
a. Predictors: (Constant), Brand Trust Mean				

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.298	5	2.660	141.590	.000 <sup>b</sup>
	Residual	2.386	127	.019		
	Total	15.684	132			
a. Dependent Variable: Brand Loyalty Mean						
b. Predictors: (Constant), Brand Trust Mean						

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.847	.085		21.763	.000
	Brand Trust Mean	1.450	.022	.960	65.793	.000
a. Dependent Variable: Brand Loyalty Mean						