

UNIVERSITI TEKNOLOGI MARA

**WORD-OF-MOUTH AND BRAND
EQUITY:
THE STUDY ON MEDIATING ROLE
OF BRAND TRUST AT PUBLIC
HIGHER LEARNING INSTITUTIONS**

NORHAFIZA BINTI MAZLAN

Thesis submitted in fulfilment
of the requirements for the degree of
Master of Science

Faculty of Business and Management

August 2017

ABSTRACT

The usage of tablet PC's from the multiple brands is not a new phenomenon to the consumers. However, the marketers always find a new strategy in order to strengthen their own brands in the market place. It is because; every each of strategy that was used by marketers will affect consumers during buying decision process. Besides, the buying decision process among consumers also affected by another factor such as recommendation or in another words known as informal conversation between a consumer to another consumers about a product that had been used before. Therefore, the main objective of this study is to examine the relationship between Word-of-Mouth (WOM) with brand equity and the mediating role of brand trust. Using hierarchical multiple regression analysis and Process Procedure for SPSS by Preacher and Hayes (2008), the result show that the two dimensions of Word-of-Mouth namely Word-of-Mouth Praise (WOMP) and Word-of-Mouth Activity (WOMA) have a significant relationship with the brand equity dimensions (brand loyalty, brand awareness and perceived quality) mediated by brand trust. A total 500 final year undergraduate students (full time and part time) across the three higher learning institutions in Kedah and Perlis were participated as respondents. Data for all the study variables have been collected through self-administered questionnaires. Thus the result of this study supports the objectives of this study. Overall, the results indicate that the framework provides a good understanding of the factors that influence brand equity.

ACKNOWLEDGEMENTS

In the name of Allah S.W.T, the Most Gracious and the Most Merciful, I thank you for giving me the strength to complete this thesis. This thesis would not have been possible without the support of many people.

First of all, my sincere gratitude and appreciation goes to my supervisor, Dr. Sarina Binti Muhamad Noor and Assoc. Prof. Dr. Nik Ramli Nik Abdul Rashid for their constructive ideas, criticisms, guidance, and patience throughout the duration of preparing this thesis. It was a great experience to work under their supervision because their expertise and many constructive and insightful comments had contributed tremendously in focusing my thought and idea. I am also greatly indebted to Assoc. Prof. Dr. Normala Daud, Assoc. Prof. Dr. Amran Awang, and Assoc. Prof. Dr. Mohamad Ismail for their valuable insights, comments, idea, and suggestions in the course of improving and completing this thesis.

Finally, and most important, I would like to extend my appreciation and affection to my beloved father, Mazlan Halus. My greatest pleasure would be to share this moment with him. Due to appreciation is also extended to my mother, Rusnah Ramli who has given me her prayers, encouragement, and unfailing support for me to go through this journey. Thank you Allah S.W.T for providing me with overwhelming patience, support, love and inspiration that has greatly facilitated the completion of this challenging work.

TABLE OF CONTENTS

	Page
CONFIRMATION BY PANEL OF EXAMINERS	ii
AUTHOR'S DECLARATION	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	v
LIST OF TABLES	xi
LIST OF FIGURES	xiv
LIST OF ABBREVIATIONS	xv
CHAPTER ONE: INTRODUCTION	
1.1 Background of the Study	1
1.2 Problem Statement	3
1.3 Research Questions	5
1.4 Research Objectives	
1.4.1 Main Objective	5
1.4.2 Specific Objective	5
1.5 Scope of the Study	6
1.6 Significant of the Study	7
1.6.1 Organization	7
1.6.2 Nation	8
1.6.3 Knowledge	8
1.7 Definition of Key Terms / Key Concepts	
1.7.1 Brand Equity	9
1.7.2 Word-of-Mouth (WOM)	9
1.7.2.1 Word-of-Mouth Praise (WOMP)	9
1.7.2.2 Word-of-Mouth Activity (WOMA)	10
1.7.3 Brand Trust	10
1.8 Summary	10

CHAPTER TWO: LITERATURE REVIEW

2.0 Introduction	11
2.1 Brand Equity	12
2.1.1 Value to Customers	13
2.1.2 Value to the Firms	14
2.2 The Importance of Brand Equity	15
2.3 Brand Equity Perspectives / Approach	17
2.3.1 Financial Perspective	17
2.3.2 Customers-Based Perspective	18
2.4 Brand Equity Dimensions	19
2.4.1 Brand Equity Dimensions: Brand Loyalty	20
2.4.2 Brand Equity Dimensions: Brand Awareness	22
2.4.3 Brand Equity Dimensions: Perceived Quality	23
2.4.4 Brand Equity Dimension: Brand Association	25
2.5 Word-of-Mouth (WOM)	26
2.6 Definition of Word-of-Mouth (WOM)	27
2.7 The Development of Word-of-Mouth (WOM)	30
2.8 Word-of-Mouth (WOM) Sources	32
2.9 Characteristics of Word-of-Mouth (WOM)	32
2.9.1 Valence	32
2.9.2 Focus	33
2.9.3 Timing	34
2.10 Word-of-Mouth (WOM) Dimensions	35
2.10.1 Word-of-Mouth (WOM) Dimensions: Praise	35
2.10.2 Word-of-Mouth (WOM) Dimensions: Activity	36
2.11 The Importance of Word-of-Mouth (WOM)	37
2.12 Word-of-Mouth (WOM) and Brand Equity	39
2.13 Word-of-Mouth (WOM) and Brand Trust	39
2.14 Brand Trust	40
2.15 Factors That Lead To Brand Trust	41
2.16 Underpinning Theory	
2.16.1 Social Exchange Theory	43
2.17 Proposed Theoretical Framework	44
2.18 Summary from Literature Review	45