

Brand reputation and relationship with customer loyalty in the retail pharmacy sector: A case study

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Abstract

Purpose – This study aims to evaluate the relationship between the reputation of the retail brand and customer loyalty in the retail pharmacy sector.

Theoretical framework – This article is based on the relationship between customer loyalty and brand reputation. It uses some of the brand reputation variables from the brand equity model (Aaker, 1991) to arrive at an explanatory framework that can differentiate key variables for the most frequented retail pharmacy brands to remain in the market, as well as the differentials of the most frequented retail pharmacy brands.

Design/methodology/approach – To achieve the objective of the study, exploratory factor analysis and linear multiple regression were used as the analysis techniques. A survey was carried out to collect data from 469 retail pharmacy customers in a municipality of Santa Catarina, located in the South Region of Brazil. The sample is non-probabilistic.

Findings – The results suggest that popularity, level of knowledge, and familiarity significantly and positively affect loyalty to the most frequented brands. In the case of the least frequented ones, level of knowledge and familiarity have a significant and positive impact on loyalty to the brand. These findings reveal different perceptions regarding the most frequented and the least frequented pharmacies. However, the most relevant aspects remain the same regardless of how frequented the retail pharmacy is.

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Practical & social implications of research – Theoretically, the study has positive implications as it demonstrates the items that have the greatest and least impact in terms of brand reputation and customer loyalty. As practical implications, this study can help pharmacy managers to choose and better focus their strategies. As for social impacts, it was noted that brands that are considered to be less frequented have a lower level of loyalty, which was expected; however, this loyalty is more constant than for more frequented brands.

Originality/value – This study contributes to the advancement of research involving brand reputation and customer loyalty in retail, especially in the pharmaceutical sector.

Keywords – customer loyalty, brand reputation, retail pharmacy.

I Introduction

The business environment has become increasingly dynamic, fast-changing, and thus challenging (Hermes, Cruz, & Santini, 2016; Molina & Ampudia, 2018; Scussel & Demo, 2016). In this context, organizations have begun to develop more aggressive and innovative strategies to remain competitive. Silva, Vasconcelos, Jeunon, and Dufflot (2016) point out that in order to succeed in this environment many organizations focus on learning about the market and gathering information to gain a competitive advantage. The same applies to retailers in general; however, in the case of retail pharmacies we must consider other factors as well, such as state control, regulatory boards, or professional associations, and the high level of commoditization of products (Freitas, 2006; Gabriel, Pelissari, & Oliveira, 2013; Pereira & Bastos, 2009).

The retail pharmacy segment is characterized by fierce competition. According to data from the Federal Council of Pharmacy (CFF) (2018), the number of pharmacies per 10,000 inhabitants in Brazil is 3.99; however, the World Health Organization (WHO) (2017) indicates that the ideal ratio is one unit per 10,000 inhabitants. Therefore, the Brazilian ratio is almost four times higher than the one recommended by the UN agency.

The CFF also reports that the sector is dominated by 23 large pharmacy chains, which between 2007 and 2017 increased their total market share from 42% to 59%. On the other hand, the share of small chains and independent pharmacies decreased from 55% to 25%. This reduction is mainly due to the characteristics of small and medium-sized businesses in the sector, which have limited capital, and thus, low competitive power (CFF, 2018).

In light of this highly competitive environment, in which similar products and difficulties are encountered, and there is a need to better understand the market to support future strategic decisions, this study aims to

evaluate the relationship between the reputation of the retail pharmacy brand and customer loyalty.

Despite its importance and scientific scope, Fetscherin and Usunier (2012) mention in their study that there is a research gap to be investigated in corporate branding studies, since apparently only large multinational organizations are used to illustrate or exemplify research in the field of corporate brand management. Thus, the theoretical justification for this study lies both in the lack of studies on small business branding, as well as in the relationship between retail pharmacy brand reputation and customer loyalty.

From a practical point of view, this study is a useful tool for managers in the retail pharmacy sector and in retail in general who face strong competition and similarity of products. There is increasing evidence that a strong corporate brand can result in competitive advantages. In order to build a strong corporate brand, it is necessary to manage reputation (Parker, Lehmann, Keller, & Schleicher, 2018)

In the following section we present the theoretical basis that supported this study. This is followed by the method adopted in the study, and then we present the results, discussion, and final considerations.

2 Brand Reputation

In a holistic way, Aaker (2012) considers a brand as being a living entity that relates to consumers and is understood as an amalgam of attributes (real or illusory, rational or emotional, tangible or invisible) that can generate satisfaction. For Kotler and Keller (2013), brands can differentiate products based on the performance of the product in a functional, rational, or tangible way. They can also portray symbolic, emotional, or intangible differences relating to what the brand represents or its abstract meaning.

For retailers, brands also perform several important functions, as they can generate consumer interest, preference, and loyalty to a particular store, in addition to creating in consumers expectations regarding offers and products. The quality of a retailer's services may also be tied to its own brand (Mukerjee, 2018).

Corporate brand reputation management cannot be pushed into the background as companies can no longer control what is said about them. This situation can be reflected in several ways since consumers can often form opinions about a company without ever having had any direct interaction with it. In this case, these opinions or perceptions are simply based on second-hand information and third-party experiences (Feldman, Behamonde, & Bellido, 2014; Foroudi, 2019).

Reputation can apply to both individuals and organizations and represents a fragile intangible asset because it refers to the perception that others have about something (Foroudi, Dinnie, Kitchen, Melewar, & Forundi, 2017; Srour, 2003). In the case of a company and corporate brand reputation, this reflects customers' and stakeholders' perceptions about it. Golgeli (2014) defines it as the total set of individual and collective judgments about the reliability of an institution based on a general set of values, its trustworthiness, and competence.

Reputation is one of the factors considered to assess brand equity according to the Brand Asset Valuator (BAV) model, which is one of the most widely accepted. This model was developed by the advertising agency Young & Rubicam (Y&R) based on a survey of 800,000 consumers in 51 countries (Aaker, 2009; Gerzema, Lebar, & Rivers, 2009; Kotler & Keller, 2013; Ramos, 2014; Sasikala, 2013; Srivastava, Arora, Lakhotia, & Tripathy, 2015).

According to Gerzema et al. (2009), the BAV model converts a company's data on global consumers' perceptions and behavioral patterns into assessments of brand strength and value. For Srivastava et al. (2015), the BAV provides a realistic overview of brands since it measures their value in people's hearts and minds. The model considers two measurement categories. The first is brand stature or reputation, which mirrors the past performance of the brand and is measured by esteem, including customers' perceptions and loyalty; and knowledge, which means awareness of the brand and the experience consumers have with the brand. The second is brand strength, which is an early indicator of how far the brand will go in the future and is measured by consumers' perceptions about brand differentiation and

relevance. However, in this study, we focus specifically on the reputation dimension (category of measurement), defined through its determinants: esteem and knowledge.

A good reputation, from a strategic point of view, can be an asset of great value for organizations to differentiate themselves from competitors in their segment, as well as creating barriers to the entry of new competitors (Feldman et al., 2014). Reputation is the result of behavior developed over the years and describes the ability to create value for customers and other stakeholders. It is strongly linked to trust and legitimacy arising from stated policies or actions carried out. In several situations, the concept of reputation coincides with that of judgment or credibility (Fonseca, 2015; Foroudi, 2019)

Knox and Bickerton (2003) argue that the brand of a company reflects its actions and its format. A corporate brand is the visual, verbal, and behavioral expression of the unique business model of an organization. Thus, the understanding of reputation and brand reputation is practically inseparable. According to Balmer (2012) and Foreman and Argenti (2005), a corporate brand represents a link, i.e., an alliance between the company, its customers, suppliers, and other stakeholders. In the same vein, Hamzah, Alwi, and Othman (2014) point to the fact that a corporate brand's promise and value lends credibility in the eyes of customers.

In addition to customers, there are other actors involved in an organization, and therefore with its brand, including customers, employees, suppliers, and even competitors, which influence and are influenced by the actions and decisions of that organization. As they are affected by these actions, the stakeholders can act in self-defense or in retaliation (Feldman, et al., 2014; Fonseca, 2015; Foroudi, 2019; Golgeli, 2014).

The combination of esteem and knowledge indicates brand status and scope, which can be a strong strategic indicator as it reflects current brand strength (Ramos, 2014). This combination of brand esteem and knowledge form the construct of brand reputation.

Esteem is a measure of brand association related to the cognitive and affective memories of each consumer, and it measures consumers' feelings towards a brand in its segment (Louro, 2000). Aaker (2012) mentions that esteem combines perceived quality with the perception of an increase or decrease in popularity. In general, esteem comes from perceived quality. However, the author points out that there are brands for which popularity ends up affecting esteem, but depending on the place, popularity may be more important than perceived quality.

Johansson and Ronkainen (2005) argue that esteem is reached only after the brand has become familiar to consumers. Gerzema et al. (2009) reinforce that esteem is evaluated using the metrics of respect, perceived quality, and reliability, and it is generally considered to be an antecedent of loyalty and fidelity. It is the consumer's perception of brand quality and how much it is respected.

Esteem allows for an assessment of consumers' feeling towards and trust of a brand (Machado, 2010; Ramos, 2014), and the extent to which they need the brand (Ramos, 2014). Sampaio (2017) reports that esteem is measured by two factors: the perception of quality and popularity. According to Sasikala (2013), esteem measures how well the brand is regarded and respected, and if the brand keeps its promises. However, the proportion of these factors differs from country to country and from culture to culture, as mentioned by Ramos (2014) and Sasikala (2013).

In addition to brand esteem, another determinant of reputation is brand knowledge, which indicates that the consumer not only knows the brand but also understands what it stands for. For Ramos (2014), the customer's relationship with what the brand represents is measured by knowledge. This is important to verify how well consumers know the brand, and what their relationship is with it.

Gerzema et al. (2009) believe that knowledge is the peak and consequence of brand building and reflects the depth of the consumer's experience with the brand. Machado (2010) states that knowledge encompasses the consumer's understanding of the brand and the extent to which they internalize what the brand represents. Or, as Kotler and Keller (2013) put it, it covers the consumer's brand familiarity and knowledge.

For Sasikala (2013), knowledge is the extent of the consumers' awareness of the brand and understanding of its identity; that is, the levels of awareness about the brand and the intimacy consumers share with the brand. The true knowledge of the brand is the outcome of brand-building. Knowledge means being aware of the brand and understanding its purpose and what it stands for. Knowledge is not only achieved through the media; it cannot be bought, it must be achieved. Freitas (2012) argues that brand knowledge is key in the process of choosing between several alternative brands; the greater the knowledge, the greater the chance of being remembered, and thus, chosen.

Knowledge, unlike awareness, cannot be built through exposures alone; instead it is necessary to develop

genuine customer intimacy with the brand. Knowledge can be placed in a five-tiered hierarchy that includes brand ignorance, brand recognition, brand recall, top-of-the mind brand, and dominant brand. Even if marketing spending is reduced over time, a brand with strong recognition tends to remain in the consumer's mind (Aaker, 2014).

Comparing brand esteem with brand knowledge often provides some important insights, because some brands rank higher in esteem than in knowledge (Sasikala, 2013). That means that relatively few people understand what the brand stands for, but those who do hold the brand in high regard. In this context, the brand has potential, which may or may not be realized, provided it finds a way to expand knowledge (Aaker, 2014). The author also points out that, conversely, a brand may have high knowledge but low esteem. This means that many consumers know what the brand stands for, but few hold it in high regard.

3 Customer Loyalty in the Retail Pharmacy Sector

Relationship marketing contributes to business success by improving performance, encompassing the aspects of customer satisfaction and loyalty, and thus representing a competitive advantage, if well used, according to Demo (2014) and Morgan and Hunt (1999) and Samawi (2017). Payne (2006) indicates that companies are shifting their marketing focus from customer acquisition to retention and loyalty.

Customer loyalty is understood as a commitment to consciously reacquire, or at least a tendency to reacquire, products or services in the future. In order to increase repeat purchases, companies must understand their customers' needs so as to create proximity and trust and thus drive customer loyalty (Kotler, Browen & Makens, 1999; Oliver, 2014; Pinheiro, 2006; Santos & Anjos, 2018).

In the same vein, Reichheld and Schefter (2000) and later Zeithaml, Bitener, and Gremler (2014) described the benefits of winning customer loyalty: the costs of serving loyal customers are lower; loyal customers are less price sensitive; they spend more time with the company; and they pass on positive recommendations about their favorite brands. The latter authors emphasize that customer loyalty means adding additional value to satisfaction in using a product or service. Loyal customers associate a company or a brand with a positive, almost familiar, feeling.

Loyal customers not only purchase brand products and services frequently, but also play a major role as brand advocates. This is because when they have a strong relationship with the brand they are more likely to talk about it to their family and friends. This word-of-mouth communication has a great effect, as consumers highly value the opinion of those around them who constitute their reference groups (Pereira & Bastos, 2009; Santos & Anjos, 2018).

Over the years, as mentioned by Melo (2012), some models have been applied to different market segments and countries with the aim of measuring customer satisfaction and loyalty. According to Fornell, Johnson, Anderson, Cha, and Bryant (1996), the Swedish Customer Satisfaction Barometer was created in 1989 as a tool for companies to evaluate their performance and try to gain loyalty, as well as achieving customer satisfaction.

Melo (2012) also points out that, based on this model, others have been proposed, such as American, Norwegian, and European models. When Johnson, Gustafsson, Andreassen, Lervik, and Cha (2001) revisited the proposed model, they repositioned consumer loyalty as the key dependent variable in the model, pointing out that it can be directly influenced by price, by the way complaints are handled, and by satisfaction. However, the indirect effects of these first two drivers on customer satisfaction include two aspects of relationship commitment: affective and calculative.

In the specific case of corporate image, this is established based on the recent experiences of consumers and their satisfaction with the company or brand. So the corporate image should be modeled as a result and not as a satisfaction factor. The effect of satisfaction on the corporate image reflects both the degree to which customer purchases and consumer experiences enhance the corporate image of a product or provide consistency of customer experiences over time (Johnson et al., 2001). The impact of image, in the context of retail, is portrayed in other studies as having a positive effect on consumer loyalty (Thomas, 2013) and on obtaining other competitive advantages (Fernandez, Lara, Ugalde, & Sisodia, 2018).

In the case of the retail pharmacy and drugstore sector, customer loyalty is a major challenge, mainly due to the dominant presence of large retail chains and similar tangible products. The study by Pereira and Bastos (2009) highlights that in the current retail pharmacy sector, in which there is a strong appeal of brands, and a multitude of companies that produce different products

and offer a wide range of services (home delivery, blood pressure and glucose measurements, among others), building loyalty strategies to gain and retain customers is essential to maintain market share and hold a position against competitors.

In the context of customer loyalty to pharmacies and drugstores, the authors found that there are important factors that influence the decision-making process of consumers, such as convenient location and easy parking. Although urban problems such as traffic are no longer exclusive to major cities, it should be considered that the authors conducted their study in a large metropolis, possibly making convenient location a determining factor. However, factors such as low price are also an important reason for choosing a pharmacy or drugstore (Pereira & Bastos, 2009). This is confirmed by the studies of Bell (2014) and Kumar, Anand, and Song (2017), which also mention that despite changes in the retail context, the physical location of retail remains one of the most important factors for the success of the business.

Gabriel et al. (2013) evaluated the possible relationships between service expectations, the service customers receive, and customer loyalty to the retail pharmacy. The authors found that pharmacy location and price are the most important aspects in the market studied. In a later study (2014), they used the SERVQUAL scale to conduct similar research and found that of the five dimensions of the scale only the Assurance dimension met the customers' expectations. The results showed that the Tangibles, Reliability, Responsiveness, and Empathy dimensions did not reach the level expected by consumers, thus not positively affecting loyalty.

In another study, the relationship between satisfaction, trust, and loyalty in the retail pharmacy sector was investigated by Lira (2015), whose results indicated that satisfaction has a greater impact on customer loyalty than trust.

4 Method

Broadly speaking, this work is characterized as quantitative and descriptive. To achieve the objective of the study we conducted a literature review and questionnaire survey. The survey was carried out in a municipality with a population of 66,000 inhabitants located in Santa Catarina in the South Region of Brazil, on retail pharmacy customers in the city. The aim was to evaluate the relationship between brand reputation and customer

loyalty in the retail pharmacy sector, considering both the most and least frequented pharmacies (brands) mentioned. The local retail pharmacy sector is made up of 35 regulated pharmacies (CRF, 2017), which according to the WHO (2014) represents a scenario of fierce competition, because the supply of pharmacies exceeds population demand by almost 500%.

In this municipality, a sample of residents over 20 years old (defined as the study population) was selected through non-probability sampling (Virgillito, 2010). The field work was conducted in locations with considerable movement of people, between August 2 and September 22, 2017. The final sample was composed of 469 respondents.

The respondents were invited to evaluate, through the same instrument, two local retail pharmacy brands: the one they frequented most and the one they frequented least. The analysis instrument contains a section on the sample description and a section based on the variables presented in Table 1. The scale variables were presented as statements and the dependent variable was presented

as a semantic differential question, the answer to which ranged from 1 to 5. The responses to each statement could range from 1 (totally disagree) to 5 (totally agree).

According to the literature our model is represented as follow:

$$Loyalty = \beta_0 + \beta_1.Perceived\ Quality + \beta.Popularity + \beta.Level\ of\ Knowledge + \beta.Familiarity$$

This study used multiple linear regression analysis, which, according to Virgillito (2010), is more flexible and allows for an examination of more than two variables that can influence the studied phenomenon, thus providing a greater technical range in terms of detecting relevant variables in relation to the studied object. In addition, the correlation (R) matrix was used, which according to Corrar, Paulo, and Dias (2009) shows the degree of association between the dependent variable and the independent variables. The closer the value is to -1 or +1, the stronger the relationship. The t test was also used, which according to Hair, Anderson, Tatham,

Table 1
Analysis instrument variables

Dependent Variable			Authors	
Loyalty to the retail brand			Consideration of loyalty	Fornell et al. (1996); Johnson et al. (2001); Pereira & Bastos (2009); Melo (2012); Gabriel et al. (2013); Gabriel, Pelissari, & Oliveira (2014), Lira (2015)
Construct	Dimension	Predictors	Measurement variables	Authors
Brand Reputation	Esteem	Perceived quality	Prompt service	Aaker (2009); Carvalho (2016); Gerzema et al. (2009); Johansson & Ronkainen (2005); Machado (2010); Sasikala (2013); Sampaio (2017)
			Willingness to help	
			Meeting deadlines	
			Problem solving	
			Variety of products	
	Popularity	Good reputation	Aaker (2009); Carvalho (2016); Gerzema et al. (2009); Johansson & Ronkainen (2005); Machado (2010); Sasikala (2013); Sampaio (2017)	
		Respect for the consumer		
		Brand appreciation		
		Brand consideration		
		Well known		
Knowledge	Level of knowledge	Level of knowledge	Grouping of reputation	Aaker (2009); Costa (2009); Freitas (2012); Kotler & Keller (2013); Lira (2015); Pereira & Bastos (2009); Ramos (2014); Sampaio (2017); Sasikala (2013).
			Experience of usage	
			Knowledge about the brand	
			Attributes of the brand	
	Familiarity	Familiarity	Knowledge about brand products	
			Thinking about this particular brand	
			Feeling of familiarity	
Brand recall	Sampaio (2017); Sasikala (2013).			
Brand product recall				
Brand representation				



and Black (2005) evaluates the statistical significance of the difference between two sample means. The software used for the data analysis and treatment was IBM SPSS (Statistical Package for the Social Sciences).

The research sample is mostly composed of women (61%). Regarding the age group, 29% were between 20 and 29 years old; 31% were 30 to 39 years old; 19% were 40 to 49 years old; 15% were 50 to 59 years old; and 6% were above 60 years old. It is noteworthy that 61% had completed at least high school education, of which only 5% had completed higher education; 17% of the respondents had only completed elementary school. Concerning place of residence, all the districts of the municipality (17) were included in the survey, with the most cited district representing only 8% of the total sample. Among the respondents, 51% indicated that they went to a pharmacy at least once a month, while 20% did so twice a month, which represents a relative relationship with the type of retail examined.

5 Results

This section presents the results of the study. First, we analyzed the latent relationships between the variables using exploratory factor analysis, and then we evaluated the influence of the factors on the dependent variable.

5.1 Brand reputation factors for retail pharmacies

Exploratory factor analysis (EFA) using the principal component method with direct Oblimin rotation was performed on the 20-item scale. In the first round of the EFA (KMO = 0.876; Bartlett test = 6497.674; $df = 210$; $p = 0.000$), the following variables were removed because the communality was below the threshold of 0.5: “this brand (pharmacy) is very well known,” “the experience of using this brand (pharmacy) is a determining factor for my preference,” and “I have a degree of familiarity with this brand (pharmacy).” In the second round of the EFA (KMO = 0.869; Bartlett test = 6082.206; $df = 136$; $p = 0.000$), the variable “this brand (pharmacy) has a good reputation” was deleted because the communality was below the threshold of 0.5.

A new round of EFA (KMO = 0.860; Bartlett test = 5858.426; $df = 120$; $p = 0.000$) was performed and the items loaded on four factors, accounting for 78.14% of the total variance explained. As shown in Table 2, all the factors had a Cronbach’s alpha score higher than 0.7. We identified four factors and labeled them as: Perceived Quality, Popularity, Level of Knowledge, and Familiarity.

The Perceived Quality dimension grouped the prompt service, willingness to help, meeting deadlines,

Table 2
EFA results (n = 469)

Factor and items	Factors Loading	Eigen- value	Cronbach’s alpha	Variance explained (%)	Cumulative variance explained (%)
Perceived Quality		5.890	0.876	36.810	36.810
prompt service	0.683				
willingness to help	0.821				
meeting deadlines	0.871				
problem solving	0.816				
variety of products	0.845				
Level of Knowledge		3.761	0.946	23.504	60.314
experience of usage	-0.923				
knowledge about the brand	-0.924				
attributes of the brand	-0.886				
knowledge about brand products	-0.921				
Familiarity		1.179	0.878	10.448	70.762
feeling of familiarity	0.864				
brand recall	0.903				
brand product recall	0.879				
brand representation	0.854				
Popularity		1.064	0.908	7.380	78.142
respect for the consumer	-0.860				
brand appreciation	-0.907				
brand consideration	-0.923				

problem solving, and variety of products variables. In the case of Popularity, the following variables were grouped: respect for the consumer, brand appreciation, and brand consideration. The Knowledge dimension grouped the measurement variables experience of usage, knowledge about the brand, attributes of the brand, and knowledge about brand products. Finally, the variables of the Familiarity dimension were feeling of familiarity, brand recall, brand product recall, and brand representation.

5.2 Influence of brand reputation on customer loyalty to retail pharmacies

As presented in the methodology, the respondents were asked about the retail pharmacies they most and least frequented. Both cases were tested using the linear regression technique and the group of variables from the EFA results. The value of each factor was calculated based on the average of the variables.

The results of the linear regression for the most frequented brands presented an absence of multicollinearity, the tolerance was greater than 0.1, and the VIF was less than 10 (Table 4). The residuals were independent and the Durbin-Watson test returned a value of 1.604, which is within the acceptable parameters of 1.5 to 2.5. The model presented a significant result for its use as a predictor of loyalty, presenting an explanatory power of 19.50%. A summary of the model can be seen in the table 3 below.

It can be seen that the model's coefficient of determination showed an adjusted R^2 value of 0.195, an average explained variance size, according to Cohen (1988). In this sense, the evidence suggests that other unobserved factors may explain the unexplained variance in the model.

Regarding the dimensions of brand reputation and its impact on loyalty, the dimensions that showed significant relationships were: Popularity, Level of Knowledge, and Familiarity (table 4). The main predictor according to the standardized beta is Popularity. Familiarity had a negative relationship.

The research data show that popularity, as well as the level of knowledge, have positive and significant effects on loyalty. On the other hand, familiarity has a negative effect. This means that the more popular and known a brand is, the higher the customer loyalty; however, the effect is the opposite as consumers become more familiar with the brand. The level of knowledge indicates that the consumer not only knows the brand, but also understands what it stands for. Unlike awareness, knowledge cannot be built through exposures alone; instead, it is necessary to develop genuine customer intimacy with the brand. In this dimension, consumers internalize what the brand represents (Aaker, 2009; Gerzema et al. 2009; Machado, 2010).

It is important to know to what extent the brand is known to consumers, and what kind of relationship

Table 3
Summary of the model

Model	R	R ²	Adjusted R ²	Standard error of estimate	Change statistics					Durbin-Watson
					Change in R ²	Change in F	gl1	gl2	Sig. Change in F	
1	0.449 ^a	0.202	0.195	1.071	0.202	29.289	4	464	0.000	1.604

Note. a. Predictors: (Constant), familiarity, level_of_knowledge, perceived_quality, popularity; b. Dependent Variable: I consider myself to be loyal to this brand (pharmacy)

Table 4
Coefficients^a

Model	Non-standardized coefficients		Standardized coefficients	T	Sig.	Collinearity statistics	
	B	Standard error	Beta			Tolerance	VIF
1	(Constant)	2.320	0.342		6.790	0.000	
	Perceived_quality	0.002	0.082	0.001	0.027	0.979	0.728
	Popularity	0.224	0.061	0.192	3.685	0.000	0.631
	Level_of_knowledge	0.321	0.055	0.301	5.890	0.000	0.659
	Familiarity	-0.240	0.065	-0.176	-3.694	0.000	0.756

Note. a. Dependent Variable: I consider myself to be loyal to this brand (pharmacy)

they have with it. Knowledge is the extension of consumer awareness about the brand, as well as their understanding of its identity. It is through knowledge that we can assess consumers' brand knowledge and familiarity. The relationship between consumer understanding and what the brand stands for is measured by knowledge since this is not only achieved through the media; it cannot be bought, it must be achieved by the brand (Kotler & Keller, 2013; Ramos, 2014; Sasikala, 2013). According to the research data and in line with literature on the subject, it is assumed that the level of knowledge is of great importance to the customer relationship and consequently to customer loyalty.

In addition, the findings are consistent with the work of Johansson and Ronkainen (2005), which indicates that a brand needs to attain a certain level of familiarity to achieve consumer loyalty. It is also reported by the authors that the evaluation should consider measures such as respect and perceived quality, which in this research were not statistically significant and hence not evaluated.

Other aspects may differ by country and culture, such as perceived quality and popularity. Depending on the local culture, ways can be found to change consumers' perceptions of quality and increase the popularity of the brand, thus creating greater loyalty (Ramos, 2014; Sampaio, 2017). In light of the above, for the most frequently visited pharmacies (brands) an increased level of knowledge and

popularity may have a positive impact on loyalty. The model equation for the most frequented brands is:

$$Loyalty = 2.320 + 0.002.Perceived\ Quality + 0.224.Popularity + 0.321.Level\ of\ Knowledge + (-0.240).Familiarity$$

The results of the linear regression for the least frequented brands presented an absence of multicollinearity, the tolerance was greater than 0.1, and the VIF was less than 10 (Table 6). The residuals were independent and the Durbin-Watson test returned a value of 1.567, which is within the acceptable parameters of 1.5 to 2.5. The model presented a significant result for its use as a predictor of loyalty, presenting an explanatory power of 28.80%. The summary of the model can be seen in the table 5 below.

In the same way as was analyzed for the most frequented brands, it is also observed that the model's coefficient of determination presented an adjusted R² value of 0.288, an average explained variance size, according to Cohen (1988). In this sense, the evidence suggests that other unobserved factors may explain the unexplained variance in the model.

Regarding the dimensions of brand reputation (for the least frequented ones) and its impact on loyalty, the dimensions that showed significant relationships were: Level of Knowledge and Familiarity (table 6).

Table 5
Summary of the model

Model	R	R ²	Adjusted R ²	Standard error of estimate	Change statistics					Durbin-Watson
					Change in R ²	Change in F	gl1	gl2	Sig. Change in F	
1	0.542 ^a	0.294	0.288	0.767	0.294	48.358	4	464	0.000	1.567

Note. a. Predictors: (Constant), familiarity, level_of_knowledge, perceived_quality, popularity; b. Dependent Variable: I consider myself to be loyal to this brand (pharmacy)

Table 6
Coefficients^a

Model	Non-standardized coefficients		Standardized coefficients	T	Sig.	Collinearity statistics	
	B	Standard error	Beta			Tolerance	VIF
1 (Constant)	0.341	0.113		3.007	0.003		
Perceived_quality	0.061	0.049	0.060	1.255	0.210	0.659	1.518
Popularity	0.092	0.056	0.088	1.646	0.101	0.533	1.877
Level_of_knowledge	0.226	0.060	0.203	3.773	0.000	0.525	1.906
Familiarity	0.335	0.057	0.298	5.885	0.000	0.592	1.689

Note. a. Dependent Variable: I consider myself to be loyal to this brand (pharmacy)

In this case, for level of knowledge and, particularly, familiarity, we observe a positive and significant impact on loyalty. The familiarity results had an important impact on loyalty, which is consistent with the studies by Johansson and Ronkainen (2005), in that the brand needs to reach a certain level of familiarity to achieve customer loyalty. This level, according to the research data, is very strong and significantly present in the brands (pharmacies) said to be the least frequented. The results showed that the model for the least frequented pharmacy has a higher explanatory power than the one for the most frequented pharmacy. The model equation for the least frequented pharmacy is:

$$\text{Loyalty} = 0.341 + 0.061.\text{Perceived Quality} + 0.092.\text{Popularity} + 0.226.\text{Level of Knowledge} + 0.335.\text{Familiarity}$$

6 Conclusion

With the increasing competition in the retail pharmacy sector, intensified by the expansion of stores, the increased market share of large chains, as well as the similarity of the sector's products, among other influencing factors, companies need to find ways to remain competitive and active in the market.

The present study focused on this context and its purpose was to evaluate the relationship between the reputation of the retail brand and customer loyalty in the retail pharmacy sector.

The findings of the research showed that the items that most influence customer loyalty to retail pharmacies are popularity, level of knowledge, and familiarity for the most frequented brands (pharmacies), while for the least frequented brands (pharmacies) those items are the level of knowledge and familiarity.

These findings show a positive relationship between brand reputation and customer loyalty, that is, the better the brand reputation, the greater the loyalty towards the pharmacy. The results also showed that there is a difference in the respondents' perception regarding the pharmacy (brand) they frequented the most and the pharmacy they frequented the least. The least frequented brands have a lower level of loyalty, which was expected; however loyalty to them is more constant than loyalty to the most frequented brands. This means that a brand with fewer loyal customers, despite having a lower possibility of acquiring new customers through brand reputation, is less likely to lose the customers it has already won.

These latest findings provide an important contribution to the theory, since previous studies that have analyzed the role of reputation in customer loyalty have only verified the role of the brands that were most relevant within the market researched. In the case of this study, in addition to the findings for the most relevant brands, variables were also identified that influence loyalty to the least relevant brands.

For future studies we suggest reapplying the research in other geographic markets, as well as in other types of retail, including where there is a greater or lesser degree of differentiation. Other types of statistical analysis could also be applied in future research on the subject, such as structural equation modeling, and qualitative research could also provide other findings that are relevant to the theme. Other investigations could further the understanding of how to increase familiarity so that it has a positive effect, as well as clarifying consumers' perception of quality in the retail pharmacy sector.

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