NJSS
Nnadiebube Journal of Social Sciences
Vol. 5 No. 1 January – June 2024
ISSN: 2636-6398 (Print); 2636-638X (Online)
Journal URL: https://nnadiebubejss.org

THE MEDIATING ROLE OF TRUST ON THE INFLUENCE OF PERCEIVED SUSTAINABILITY AND SOCIAL IDENTITY ON BRAND EQUITY AMONG COSMETICS CUSTOMERS.

Prof. T. C. Okeke
Department of Marketing
Nnamdi Azikiwe University, Awka
email: tc.okeke@gmail.com; tc.okeke@unizik.edu.ng

Eresimadu Chukwunonso
PhD Student
Department of Marketing
Nnamdi Azikiwe University, Awka.
email: chukwunonsoeresimadu@yahoo.com

I. N. Oranusi
Department of Marketing
Nnamdi Azikiwe University, Awka.
email: in.oranusi@unizik.edu.ng

Abstract
This study is concerned with the mediating effect of trust on the influence of perceived sustainability and social identity on brand equity among customers in southeast Nigeria. The study was based on a cross-sectional survey design; the population of the study comprise the students of tertiary institutions in the zone and a sample of 350 respondents drawn from tertiary institutions in the zone. Primary information was collected with questionnaire and the data collected were analysed with mediation analysis with the aid of JASP version 0.13.0.0 software. Analysis of the data here show that perceived sustainability has positive and significant effect with brand equity. The mediator variable, trust was incorporated into the analysis, the significant and positive effects were eliminated. The indirect effects were negative not significant. This means that the mediator variable completely wiped away the significance of the two IVs which implies full mediation. The findings from this study have implications for theory and practice.

Key words: perceived sustainability, social identity, brand equity and trust.

1. Introduction
Sustainability is ever more present in our daily life and for the companies that work honestly and seek to have sustainable outcomes the consumer increasingly will reward (Martin & Schouten 2012). Kotler et al. (2017) aver that in order to engage with customers consistently, marketers need to develop and create content that might contribute to their brand equity and improve their sales. Brand equity has been defined as the brand assets (or liabilities) linked to a brand's name and symbol that add to (or subtract from) a product or service (Aakar & Joachimsthaler, 2014). It has also been observed that low price does not work favourably for a company if it is infamous for non-sustainability. Nkamnebe (2011) highlighted sustainable marketing and its adoption in emerging markets; stressing that sustainability marketing is important for accessing the global markets. Brand equity is strategic, an asset that can be the basis of competitive advantage and long-term profitability and thus needs to be monitored closely by the top management

of an organization. The goal of brand leadership is to build brand equities rather than simply manage brand images and sustainability marketing is important in building. Ng (2010) argued the role of sustainability for a firm and noted that one of the important findings in the area was that consumers hold favourable responses towards companies showcasing sustainability in their functioning.

Several authors have conducted studies on various areas in sustainability marketing and have employed various constructs in their studies. Kang and Hur (2011) employed green trust, green effect and green brand equity among others in their study on antecedents of green brand equity, a sustainable development approach. In an attempt to find out whether corporate social responsibility contribute to strengthen brand equity, Bhattacharya (2017) employed corporate social responsibility (CSR), social identity of the brands, social transformation and customer brand engagement among others; while Chen et al. (2020) looked at perceived sustainability and customer engagement in the online shopping environment. The present study relied on perceived sustainability and social identity of the brands with trust (green trust) as the mediating variable to explore the influence of sustainability marketing on brand equity among cosmetics products consumers. No study has attempted to mediate sustainability marketing components with green trust (trust). Thus, the objective of this study is to ascertain the mediating influence of green trust (trust) on the effect of perceived sustainability and social identity of the brand, on brand equity among consumers of cosmetics in southeast Nigeria. The paper is divided into five parts. Following this introduction is the literature review in part two, part three handled the methodology, results and discussions are in part four, while part five concludes the article.

2. Literature Review

2.1 Perceived sustainability combines product and service sustainability and is considered from the perspective of a customer concerns about whether products and services are based on materials that are considered environment-friendly materials (Leonidou et al. 2013). Hence, from the point of view of sustainability, Chen et al. (2020) defined perceived sustainability as a customer's perception of the environment related characters and performances of a product and/or service. As firms increasingly provide sustainable products and services in response to customers' environment concerns (Leonidou et al 2013), numerous studies have discussed the effects of product/service sustainability on customer relationships. For instance, Chen et al. (2020), found positive effects of the perceived sustainability of products and services on customer satisfaction in the online shopping environment. The extents of the effects according to them are however different as the results show that product sustainability has a higher effect on satisfaction than online shopping service sustainability. The present study relied on perceived sustainability and brand equity in the cosmetics industry.

2.1. Social Identity of Brands: Social identity of the brands always has a strong effect on consumer brand selection (He et al. 2012); as it strengthens the consumer brand fit (Berné-Manero et al. 2016). Social identity of the brand relates to how a brand is visibly responsible towards the society that it always grabs attention of the potential buyers (Bhattacharya & Kaursar 2016). According to Bhattachrya (2017) it happens because of the positive commitments of the corporate house towards the social development through systematic implementation of CSR initiatives. Bhattacharya (2017) found that CSR and social identity of the brand are positively associated; and that social transformation and social identity of the brand are positively linked. This present study utilized social identity of the brands as one of the independent variables to assess its impact on brand equity in the cosmetics industry.

2.2. Green Trust (Trust)

Trust is a level of the confidence that another party would behave as expected (Hart and Saunders, 1997). Rousseau et al. (1998) asserted that trust is the intention to accept vulnerability based on positive expectations of the behaviours or intentions of another. Therefore, customer trust can influence their purchasing decisions (Gefen & Sträub, 2004). In addition, image has a positive influence upon consumer trust because it can diminish the risk perceived by consumers and simultaneously increase the probability of purchase at the moment of execution of transaction (Flavian et al., 2005). Therefore, prior studies have demonstrated that brand image might influence decision-making of agents involving in the exchanges, and therefore argued that there is a positive relationship between brand image and customer trust (Flavian et al., 2005; Mukherjee & Nath, 2003). According to the argument above, the more the brand image, the higher the willingness to depend on the brand based on the belief or expectation resulting from its credibility, benevolence, and ability about environmental performance. Chen (2010) established that green brand image is positively associated with green and green trust.

While previous research has amply discussed the pertinent issues of brand satisfaction, brand trust, brand affect, brand loyalty, and brand equity, Kang and Hur (2011) study sought to fill this research gap. The chief goal of this study was to empirically test the effect of green satisfaction, green trust, and green affect upon the green loyalty of electronic products users, and thus on their green brand equity as mediated by green loyalty. An understanding of the relationships between green satisfaction, green trust, green affect, green loyalty, and green brand equity is expected to have theoretical and practical implications for green brand equity and offer tangible benefits for green brand management, by extending brand equity research into the environmental context through an exploration of the dynamics between these five novel constructs – green satisfaction, green trust, green affect, green loyalty, and green brand equity. Kang and Hur (2011) study sought to provide an evaluation of new concepts of green marketing in the context of environmental trends and increase green brand equity from four drivers: green satisfaction, green trust, green affect, and green loyalty.

2.3. Brand Equity

Brand equity is the added value endowed to products and services with consumers. It may be reflected in the way consumers think, feel, and act with respect to the brand, as well as in the prices, market share, and profitability it commands. Marketers and researchers use various perspectives to study brand equity (Kotler & Keller, 2016). Customer-based approaches view it from the perspective of the consumer—either an individual or an organization—and recognize that the power of a brand lies in what customers have seen, read, heard, learned, thought, and felt about the brand over time (Keller & Lehmann, 2006).

Customer-based brand equity is thus the differential effect brand knowledge has on consumer response to the marketing of that brand (Keller in Kotler & Keller, 2016). A brand has *positive* customer-based brand equity when consumers react more favourably to a product and the way it is marketed when the brand is *identified* than when it is not identified. A brand has negative customer-based brand equity if consumers react less favourably to

NJSS
Nnadiebube Journal of Social Sciences
Vol. 5 No. 1 January – June 2024
ISSN: 2636-6398 (Print); 2636-638X (Online)
Journal URL: https://nnadiebubejss.org

marketing activity for the brand under the same circumstances. There are three key ingredients of customer-based brand equity (Kotler & Keller, 2016): i. brand equity arises from differences in consumer response. If no differences occur, the brand-name product is essentially a commodity, and competition will probably be based on price. ii. differences in response are a result of consumers' brand knowledge, all the thoughts, feelings, images, experiences, and beliefs associated with the brand. iii. brand equity is reflected in perceptions, preferences, and behaviour related to all aspects of the marketing of a brand. Stronger brands earn greater revenue.

The challenge for marketers is therefore ensuring customers have the right type of experiences with products, services, and marketing programs to create the desired thoughts, feelings and brand knowledge. In an abstract sense, we can think of brand equity as providing marketers with a vital strategic bridge from their past to their future. Marketers should also think of the marketing dollars spent on products and services each year as investments in consumer brand knowledge. The *quality* of that investment is the critical factor, not necessarily the *quantity* (beyond some threshold amount). It's actually possible to overspend on brand building if money is not spent wisely. Customers' brand knowledge dictates appropriate future directions for the brand. Consumers will decide, based on what they think and feel about the brand, where (and how) they believe the brand should go and grant permission (or not) to any marketing action or programme.

A brand promise is the marketer's vision of what the brand must be and do for consumers. Brand equity is the marketing effects uniquely attributable to the brand. In a practical sense, brand equity is the added value a product accrues as a result of past investments in the marketing activity for the brand. It's the bridge between what happened to the brand in the past and what should happen to it in the future (Keller, 2013). The goal of the brand leadership paradigm is to create strong brands - but what is a strong brand, anyway? According to Farquhar brand equity is the added value the brand endows a product or service other than the product or service objective quality (in Lalaounis, 2021). A brand with high equity can command a higher price from consumers who are willing to pay this price for the branded product or service. In addition, the organisation can demand lower costs from suppliers, which means that the profit margins increase. Hence, a brand is a source of financial return for the organisation. The financial value of the brand is the *financial representation of a business's earnings due to the superior demand it creates for its products or services through the strength of its brand* (Hales, 2011, p. 146). In Managing Brand Equity, Aakar and Joachimsthaler (2014) defined brand equity as the brand assets (or liabilities) linked to a brand's name and symbol that add to (or subtract from) a product or service. These assets can be grouped into four dimensions: brand awareness, perceived quality, brand associations, and brand loyalty (Aakar & Joachimsthaler, 2014).

• Brand awareness is an often-undervalued asset; however, awareness has been shown to affect perceptions and even taste. People like the familiar and are prepared to ascribe all sorts of good attitudes to items that are familiar to them. The Intel Inside campaign has dramatically transferred awareness into perceptions of technological superiority and market acceptance.

• Perceived quality is a special type of association, partly because it influences brand associations in many contexts and partly because it has been empirically shown to affect profitability and it's usually measured by return on investment and stock return (Aakar & Joachimsthaler, 2014).

NJSS
Nnadiebube Journal of Social Sciences
Vol. 5 No. 1 January – June 2024
ISSN: 2636-6398 (Print); 2636-638X (Online)
Journal URL: https://nnadiebubejss.org

• Brand associations can be anything that connects the customer to the brand. It can include user imagery, product attributes, use situations, organizational associations, brand personality, and symbols. Much of brand management involves determining what associations to develop and then creating programs that will link the associations to the brand.
• Brand loyalty is at the heart of any brand's value. The concept is to strengthen the size and intensity of each loyalty segment. A brand with a small but intensely loyal customer base can have significant equity.
Based on the above reviews, the following hypothesis are formulated to guide the study:

Ha1a: There is a strong positive relationship between perceived sustainability and brand equity in the cosmetics industry.
Ha1b: Trust will mediate the relationship between perceived sustainability and brand equity in the cosmetics industry.
Ha2a: There is a strong positive relationship between social identity and brand equity in the cosmetics industry.
Ha2b: Trust mediates the relationship between social identity and brand equity in the cosmetics industry.

3. Methodology

This study adopted a cross-sectional research design as it allowed us to design and administer research instrument for collecting primary data from statistically determined sample size of the identified population. Cohen et al (2018), state that a cross- sectional study is one that produces a *snapshot* of a population at one particular point in time. The single *snapshot* of the cross- sectional study provides researchers with data for either a retrospective or a prospective enquiry (Cohen et al 2018). Questionnaire was used to collect primary information and the questionnaire contains multiple-choice questions and 5-point Likert scale questions: strongly agree, agree, undecided, disagree and strongly disagree. The study adopted multiple measurements hence each of the six IVs as well as the DV were measured with a number of items. The constructs were measured as follows: perceived sustainability – 6 items; trust 7 items; and brand equity, the DV has 7 items. The questionnaire comprises two sections. Section A consists of the respondents' demographic variables and section B consists of questions on the constructs of the study. The copies of the questionnaire were distributed to respondents online using social media platforms. We ensured that the instrument measures exactly what it is intended to measure by ensuring that all constructs were covered which is content validity. The population was largely drawn from students of tertiary institutions within the southeast zone of Nigeria. The study was based on a sample size of 350 student respondents. The category of students interviewed are majorly those from 300 level above whom we consider knowledgeable enough to make meaning contribution to the study. The study involved mediation analysis and JASP 0.13.0.0 software was used for analysis and validation.

4. Results

This study was based on a sample size of 350 students' respondents out of which 308 returned valid and usable questionnaire. This represents 88 per cent response rate which is quite appreciable for a study of this nature. Female students constitute majority of the captive sample constituting 68 per cent of valid responses while male respondents are 32 per cent. Our instrument restricted responses to students from 300 level and above which we believe are in a position to give valid responses. our research has two IVs, one mediator and one DV hence we have two direct and two

NJSS
Nnadiebube Journal of Social Sciences
Vol. 5 No. 1 January – June 2024
ISSN: 2636-6398 (Print); 2636-638X (Online)
Journal URL: https://nnadiebubejss.org

indirect hypotheses. The results of the mediation analysis are as shown.
The R-squared at trust is .286 which means that 28.6 per cent of variations in green trust are accounted for by the two IVs. The R squared at brand equity is .492 which implies that 49.2 per cent of variations in brand equity are accounted for by both the two IVs and the mediator construct/variable.

Mediation Analysis
Parameter estimates
Direct effects

			Estimate	Std. Error	z-value	p	95% Confidence Interval Lower	Upper
perceived_sustainability	→	brand_equity	0.562	0.057	9.919	< .001	0.451	0.673
social_identity	→	brand_equity	0.523	0.057	9.171	< .001	0.411	0.635

Note. Delta method standard errors, normal theory confidence intervals, ML estimator.

Indirect effects

					Estimate	Std. Error	z-value	p	95% Confidence Interval Lower	Upper
perceived_sustainability	→	Trust	→	brand_equity	-2.987e -4	0.013	-0.022	0.982	-0.027	0.026
social_identity	→	Trust	→	brand_equity	-4.104e -4	0.019	-0.022	0.982	-0.037	0.036

Note. Delta method standard errors, normal theory confidence intervals, ML estimator.

Total effects

			Estimate	Std. Error	z-value	p	95% Confidence Interval Lower	Upper
perceived_sustainability	→	brand_equity	0.562	0.055	10.206	< .001	0.454	0.670
social_Identity	→	brand_equity	0.523	0.054	9.688	< .001	0.417	0.629

Note. Delta method standard errors, normal theory confidence intervals, ML estimator.

The direct effect, perceived sustainability → brand equity (β = .562, z value = 9.919 and p value = < .001); the 95 per cent confidence interval has no zero in-between hence hypotheses H1a is validated and accepted. The direct effect, social identity → brand equity (β = .523, z value = 9.171 and p value = < .001); the 95 per cent confidence interval has no zero in-between hence hypotheses H2a is validated and accepted. However, the indirect effect, perceived sustainability → trust→ brand equity (β = -.0002987, z value = -.022 and p value = .982); the 95 per cent confidence interval has a zero in-between hence hypotheses H1b is not validated and is rejected. Also, the indirect effect, social identity → trust → brand equity (β = -.0004104, z value = -.022 and p value = .982); the 95 per cent confidence interval has no zero in-between hence hypotheses H2b is rejected. The path plot of the analysis is shown in figure 1 which contains the two IVs, the DV and the mediator variable.

Path plot

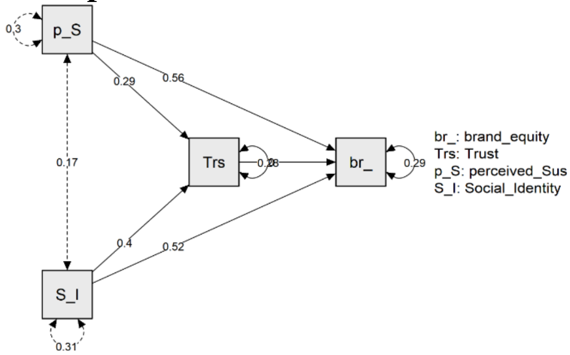

Figure 1: Mediation path plot

5. Discussions, Conclusion and Implications

Analysis of the data here show that perceived sustainability has positive and significant effect with brand equity. This finding is in line with Chen et al. (2020) which study showed positive effects of the perceived sustainability of products and services on customer satisfaction in the online shopping environment. Our study also show that social identity has positive and significant effect on brand equity in the cosmetics products' consumers. This equally agrees with Bhattacharya (2017) that found that CSR and social identity of the brand are positively associated; and that social transformation and social identity of the brand are positively linked. Though our study did not cover CSR but many studies on brand equity have incorporated CSR. Our study involved mediation analysis or indirect effects analysis. The two IVs: perceived sustainability and social identity showed very strong, positive and significant relationship with brand equity but when the mediator variable, trust was incorporated into the analysis, the significant and positive effects were eliminated. The indirect effects were negative not significant. This means that the mediator variable completely wiped away the significance of the two IVs. This implies full mediation which is to say that the mediator variable fully mediated the relationships and the effects of the IVs on the DV (see: Hair et al. 2014). This finding partly agrees with Kim et al. (2015) that corporate brand trust mediated the relationship between consumer perception of CSR, corporate hypocrisy, and corporate reputation.

The findings from this study have implications for theory and practice. It is an addition to knowledge and literature as it is among the very few studies that employ the concept of trust as a mediating variable to the effects of perceived sustainability of a brand and the social identity of such brands on brand equity in the cosmetics market. For practice, it imperative that operators in the cosmetics industry take steps to address the social identity and the perceived sustenance of their brands by actually improving and defining what the brand stands for in the mind of the consumers in terms of sustainability. While doing this, it is imperative to note that trust is very fundamental in customer purchases. It has been argued that the more the brand image, the higher the willingness and trust to depend on the brand based on the belief or expectation resulting from its credibility, trust, benevolence, and ability about environmental sustainability and performance.

References

Aaker, D. A. & Joachimsthaler, E. (2014). Brand leadership. The Free Press.

Berné-Manero, C., Pedraja-Iglesias, M., & Ramo-Sáez. (2016). Socially responsible markets involved in the consumer-organization identification process. International Review on Public and Non-profit Marketing.

Bhattacharya, S., & Kaursar, A. (2016). Study on corporate social responsibility as strategic instrument for creating sustainable corporate brand value: an analysis with structural equation modelling. Management and Labour Studies, 41(2), 88–106.

Bhattacharya, S. (2017). Does corporate social responsibility contribute to strengthen brand equity? An empirical study. Int Rev Public Non-profit Mark DOI 10.1007/s12208-017-0185-z.

Chen, X.; Sun, X.; Yan, D. & Wen, D. (2020). Perceived Sustainability and Customer Engagement in the Online Shopping Environment: The Rational and Emotional Perspectives. Sustainability. 12, 2674; www.mdpi.com/journal/sustainability. doi:10.3390/su12072674.

Chen, Yu-Shan (2010). The Drivers of Green Brand Equity: Green Brand Image, Green Satisfaction, and Green Trust. Journal of Business Ethics (2010) 93:307-319 © Springer 2009. DOI 10.1007/sl0551-009-0223-9

Cohen, L.; Manion, L.; & Morrison, K. (2018). Research methods in education. Eighth edition. Routledge, Taylor and Francis Group.

Hair, J.F.; Black, W.C.; Babin, B.J. & Anderson, R.E. (2014). *Multivariate data analysis.* New International Edition. Pearson Educational Inc. Upper Saddle River, New Jersey.

Hales, G. (2011). Branding. In J. J. Kourdi (ed.), The marketing century: How marketing drives business and shapes society (pp. 139– 167). Chichester: John Wiley & Sons.

Kang, S. & Hur, W. (2011). Investigating the Antecedents of Green Brand Equity: A Sustainable Development Perspective. Corporate Social Responsibility and Environmental Management Corp. Soc. Responsib. Environ. Mgmt. wileyonlinelibrary.com. DOI: 10.1002/csr.281

Keller, K. L. (2013). Strategic brand management: building, measuring, and managing brand equity. Fourth Edition. Pearson Higher Education.

Kim, H., Hur, W. M., & Yeo, J. (2015). Corporate brand trust as a mediator in the relationship between consumer perception of CSR, corporate hypocrisy, and corporate reputation. Sustainability (Switzerland), 7(4), 3683–3694.

Kotler, P.; Kartajaya, H. & Sertiawan, I. (2017). Marketing 4.0: moving from traditional to digital. John Wiley and Sons.

Kotler, P. & Keller, L. K. (2016). *Marketing Management.* Pearson Education, Inc., publishing as Prentice Hall.

Lalaounis, S. T. (2021). Strategic brand management and development: Creating and marketing successful brands. Routledge, Taylor and Francis Group.

Leonidou, C.N.; Katsikeas, C.S.; Morgan, N.A. (2013). *Greening* the marketing mix: Do firms do it and does it pay off? Journal of the Academy of Marketing Science, 41, 151–170.

Martin, D. & Schouten, J. (2012). Sustainable Marketing. Pearson New International Edition.

Nkamnebe, A. D. (2011). Sustainability marketing in the emerging markets: imperatives, challenges, and agenda setting. International Journal of Emerging Markets, vol. 6 Issue: 3. pp. 217 – 232.

Okeke, T. C.; Olise, M. C. & Ezeh, G. A. (2022). Research methods in business and management sciences. Academic Publishing Centre, North-East Zone.