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The Pathway of Influence: How Digital Marketing Enhances Brand Equity Through Brand Awareness

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Abstract
This study investigates the effect of digital marketing on brand equity with brand awareness as a mediating variable in the unique context of Khyber Pakhtunkhwa (KPK), Pakistan. As digital penetration accelerates across emerging markets, understanding how digital strategies build brand value in institutionally complex environments becomes critically important. Employing a quantitative, cross-sectional design, data were collected from 412 internet-active consumers across eight districts of KPK using a multi-stage sampling approach. Partial Least Squares Structural Equation Modeling (PLS-SEM) was used to test the hypothesized relationships. The findings reveal that digital marketing has a significant total effect on brand equity ($\beta=0.182$, $p<0.05$). Brand awareness partially mediates this relationship ($\beta=0.487$, $p<0.05$). Specifically, digital marketing significantly enhances brand awareness ($\beta=0.694$, $p<0.05$), which in turn positively impacts brand equity ($\beta=0.702$, $p<0.05$). The study contributes to digital marketing theory by validating and refining the mediation model in an under-researched regional context, offering practical insights for marketers navigating KPK's unique institutional and cultural landscape. It concludes that in emerging markets with institutional fragility, digital marketing must prioritize building legitimate, culturally congruent awareness as the primary pathway to sustainable brand equity.

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Keywords: Digital Marketing, Brand Equity, Brand Awareness, Mediation Analysis, Khyber Pakhtunkhwa, Emerging Markets, Institutional Theory, PLS-SEM, Pakistan

Introduction

Digital Brand-Building in Institutional Fragility

The active dissemination of digital marketing across the globe has radically changed the design of the brand building process, turning the brand equity building into the process of the algorithmic and interactive digital environments (Kannan and Li, 2024; De Vries et al., 2023). The difference in the impact of brand knowledge on consumer response is brand equity, which is the most important source of sustainable competitive advantage (Keller and Brexendorf, 2024). Although the positive associations between digital marketing practices (e.g., social media presence, influencer marketing, search engine presence) and different aspects of brand equity have been confirmed in large bodies of research across developed and institutionally stable markets (Aaker, 2020; Chaffey, 2023), the effectiveness of these pathways in institutionally unstable emerging markets is theoretically ambiguous and under-investigated (Sheth, 2023; Burgess and Steenkamp, 2022). This discontinuity is especially acute in the post-conflict areas, where the rules of the game (North, 1990) are in the process of change both formally through the regulations and informally through the social norms, producing a peculiar consumer trust dynamic that can fundamentally change the interpretation and internalization of digital signals.

This paper fills this important theoretical and managerial gap by exploring how digital marketing impacts brand equity with brand awareness as an intermediate variable within a specific setting, namely, Khyber Pakhtunkhwa (KPK), Pakistan. KPK is a paradigm example of a post-conflict emerging market, which is institutionally complicated. It can be described as fast internet take-up-rate Pakistan has one of the youngest population in the world, with more than 116 million broadband subscribers (Pakistan Telecommunication Authority [PTA], 2023) living alongside well-established socio-cultural traditions, history of security issues, and changing economic formalization (World Bank, 2023). We hypothesize the traditional digital marketing → brand awareness → brand equity chain is not transferred to such an environment but institutionally mediated. Brand awareness in this case has gone beyond recognition; it has turned into institutionally-informed brand salience the capacity of a consumer to remember the brand not only in a category, but as a legitimate and reliable player in an uncertain market place (Roth & Diamantopoulos, 2023). This study therefore transcends the process of confirming known relations to challenge the very process of digital brand-building in the situation where institutional trust is not presupposed.

Theoretical Foundations: From General Pathways to Contextualized Mechanisms

The logic behind the connection between digital marketing and brand equity is clear in Customer-Based Brand Equity (CBBE) pyramid by Keller (2016) and the brand equity model by Aaker (2020). It is hypothesized that digital touchpoints can be

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sequentially used to create brand identity (awareness), meaning (associations), response (quality/perceptions) and relationships (loyalty) (Keller and Swaminathan, 2024). There are numerous empirical studies that have been conducted in stable markets that reveal that social media marketing, content marketing, and online advertising are very effective in increasing brand awareness, which in turn serves as a key entry point into more robust brand associations, perceived quality, and loyalty as the main pillars of equity (Gómez et al., 2022; Hutter et al., 2023). As an example, the study has shown that the top-of-mind awareness of the brand is positively affected by active social media presence and impacts brand preference and brand equity (Islam and Rahman, 2023).

Nevertheless, in many cases, this logic of universalization ignores the institutional nature of consumption (Arnould and Thompson, 2023). The institutional theory holds that there are cognitive, normative, and regulative pillars that limit and facilitate economic action (Scott, 2014). With strong institutions, these pillars decrease the levels of uncertainty and the consumer can take such signals as brand advertising at face value. These pillars are weak or competing in institutionally fragile situations such as most emerging markets, which results in what Khanna and Palepu (2013) call institutional voids. In this case the market mechanisms do not work and the level of information asymmetry is high. Consumers automatically become more distrustful, and marketing indicators are placed under increased scrutiny (Özsomer, 2023). Though digital marketing is global, it does not exist in an institutional vacuum; instead, its success is prismed through local systems of trust, credibility, and social verification (Akaka and Schau, 2023). In this way, brand awareness will have to be re-conceptualized. Awareness in a weak institutional environment is lacking. In one way a consumer can be hyper conscious of a brand due to constant online advertisements but at the same time harbor intense mistrust towards it, which is linked to spam or opportunism (Martin et al., 2024). Thus, to work effectively, the awareness should be combined with the institutional legitimacy, the idea that the brand is functioning in a correct and desirable way, within a certain social system (Suchman, 1995).

We posit that in KPK, it takes the first instance of digital marketing to create legitimized awareness, socially validated awareness via informal networks, perceived cultural congruence, or through the recommendation of trusted local actors, before it can have a positive effect on higher-order equity dimensions.

The KPK Context: A Crucible for Institutional Marketing Theory

Khyber Pakhtunkhwa offers a theoretically rich background to explore this suggested model. Its market environment can be defined as a number of overlapping institutional forces:

Fast and Disproportionate Digitalization: KPK has gone through the skyrocketing rate of internet and mobile phone penetration, and digital platforms have become the main sources of information and trade, particularly among young people (Khan et al., 2023). Nevertheless, it is accompanied by the lack of digital literacy and distrust of

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online data, which is the paradox of the high connectivity and distrust of online information.

Post-Conflict Consumer Sensibilities: A background of uncertainty has led to the development of consumer psyche, which prioritizes security, reliability, and trust over newness or absolute price competitiveness (Ali and Shafi, 2022). The brands are normally risk-averse and more emphasis is laid on established, socially approved brands.

The Primacy of Informal Institutions: Pakhtunwali is a strong informal institution that rules the social and economic life of the people as a traditional Pashtun rule that focused on honor (nang), hospitality (melmastia), and community (jirga) (Spain, 2022). Its standards have a strong impact on the development of trust. The digital existence of a brand should appeal to these values in order to gain legitimized awareness. As an illustration, social media content that shows community good (melmastia) can prove to be stronger in creating credible awareness than a strictly transactional advert.

Strengthening Formal Institutions: Although the situation is getting better, the regulatory frameworks and consumer protection of e-commerce in Pakistan remain underdeveloped (GoKP, 2023). Such a gap only increases the pressure on brands to self-indicate credibility and consumers to use informal verification sources.

Marketing studies in Pakistan carried out in the past have predominantly been conducted in large cities (Karachi, Lahore) or have been conducted at a very general national level (Riaz et al., 2022; Siddiqui and Khan, 2021). Not many studies have tried a theoretically-based, context-specific analysis of the brand equity formation in the specific provincial markets of Pakistan especially in an institutional theory perspective. This exclusion is critical, as it presupposes the homogeneity in the consumer response under very different socio-institutional environment in the same nation.

Research Problem and Objectives of the Study

The main research question, then, is not to find out whether digital marketing has an impact on brand equity in KPK, but to unravel how it does so in the specific institutional setting of the region. Particularly, we also explore the question whether brand awareness when constructively enriched as legitimized awareness is the necessary mediating process through which digital marketing activities can help to cross institutional skepticism and add to brand equity.

The objectives of the study are as under

To investigate the immediate impact of online marketing activities on brand equity in KPK market

To examine how digital marketing can influence the creation of brand awareness.

To examine how brand awareness influences brand equity building.

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To examine the mediating effect of brand awareness in the association between digital marketing and brand equity, and thus test the central pathway of digital influence in the same.

Contributions of the Study

The study will have three important contributions:

Theoretical Contribution to International Marketing: It questions the direct transfer of the Western-based digital marketing frameworks to the weak institutional environments. It presents a more contextualized, institutionally-based approach to digital brand-building in emerging markets by combining the institutional theory with brand equity theory. It then re-conceptualizes brand awareness as a legitimacy-driven construct in these environments.

Methodological Contribution: It gives and authenticates context-sensitive scales to gauge digital marketing perceptions and brand equity constructs in the Pashtun socio-cultural milieu of KPK, which is the model that can be used in future region-specific studies in marketing.

Practical Contribution to Managers and Policymakers: To local and multinational businesses functioning in KPK and other such regions, the results shall be evidence-based. They will shed light on the necessity to strategize the digital approaches beyond the exposure to the active establishment of cultural credibility and social approval. To policy makers, it brings to light the need to empower the formal institutions (e.g. consumer protection laws) to supplement and maximize the effectiveness of the market enabled digital activities.

Literature Review

Digital Transformation of Brand Equity Constructs

The concept of brand equity as the difference value provided by brand knowledge to products and services is still the basis of sustainable competitive advantage in marketing theory (Aaker, 2020; Keller and Brexendorf, 2024). The architecture of brand equity has been radically changed by the digital revolution, historically developed over time through the mass media repetition and controlled distribution. With a transition to a many-to-many interaction model, which replaces the one-to-many model of broadcast, the brand equity is no longer owned by a firm but rather generated in a dynamic way as a result of ongoing digital communication (Merz et al., 2023; De Vries et al., 2023).

The classic dimensions of brand equity, which include awareness, associations, perceived quality, and loyalty are now being created through touchpoints in digital ecosystems, such as social media presence, search engine presence, influencer partnerships and user-generated content (Kannan and Li, 2024). Empirical studies of developed and institutionally stable markets provide a strong association of certain activities on the digital frontier with equity returns. As an example, social media

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engagement increases brand loyalty and emotional attachment (Rehman et al., 2025) and content marketing leads to the development of perceived expertise and quality (Chaffey, 2023). But the universality of these relations is more and more subject to doubt. Researchers observe a lack of context for digital marketing research with models based on Western and high-trust settings applied naively to new markets with different institutional fabrics (Burgess and Steenkamp, 2022; Sheth, 2023). This generates a considerable theoretical vacuum: we do not have a detailed insight into the operation of the pathways to digital brand equity in the situations where the institutional trust is low and consumer mistrust is high, e.g., in the post-conflict areas, such as Khyber Pakhtunkhwa (KPK), Pakistan.

The Digital Marketing as the Engine of the Modern Brand Awareness

The first step of the Brand Resonance Pyramid created by Keller (2016) is brand awareness, which can be described as the intensity of the brand presence in the mind of the consumer. The awareness, in the context of the digital era, is no longer the passive form of recognition but the active form, which is Salience-based recall in particular online situations (Islam and Rahman, 2023). Digital marketing is a uniquely powerful tool in the construction of such salience by means of ubiquity, interactivity and targeted dissemination.

The major digital influence drivers of awareness are:

Targeted and Programmatic Advertising: It allows being more precise in targeting certain consumer segments, which makes it more efficient in raising awareness (Kumar and Gupta, 2022).

Social Media Amplification: The content created on social media can go viral, and brand messages can reach a vast number of people at no cost beyond the budget spent on paid advertising (Hutter et al., 2023).

Search Engine Dominance: Occupying the first page of search results on the keywords that a brand is relevant to makes it a primary solution, as it becomes a part of the digital consideration set (Chaffey, 2023).

Influencer Endorsements: By taking advantage of the reach and authority of social media influencers, one can easily create awareness among specific or general audiences (Hwang and Zhang, 2023). The empirical connection between digital marketing spending/activity and brand awareness (recall, recognition, top-of-mind salience) measures is thoroughly reported in the general literature (Voorveld et al., 2023).

Nonetheless, awareness is frequently considered in this body of work as a neutral cognitive state, a mere fact of how often exposure and creative memorability happen. This view ignores an important aspect that plays a central role in low-trust settings, the affective valence of awareness (Rehman, Farooq & Bilal, 2019). High awareness due to intrusive, non-credible, or culturally incongruent digital tactics may be linked

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to annoyance or distrust in institutionally weak settings, which can be disastrous instead of beneficial to brand building (Martin et al., 2024). Therefore, as much as the ability of digital marketing to create awareness cannot be disputed, its potential to create credible and positive awareness that will be favorable to equity building depends on the circumstances which is a subtlety that most mainstream literature on digital marketing largely lacks and which is core to this study.

The Sequential Process: Brand Awareness as the Key Mediator

The theoretical hypothesis that marketing activities affect brand equity via a series of cognitive progression with brand awareness acting as the key access point is not new (Keller and Swaminathan, 2024). The reasoning is convincing: the consumer will not be able to develop strong, differentiated associations, evaluate the quality of a brand, or develop loyal attachments to it until they are aware of the brand. This mediation model in digital structures is often implicit, and awareness is the main short-term goal of marketing activities and a requirement of further interaction and conversion (Lobschat et al., 2021). This mediating role in the digital context has been supported by recent meta-analytic and empirical studies. A study by Gomez et al. (2022) established that brand equity is indirectly affected by the social media brand engagement through the strong positive impact on brand awareness. On the same note, Islam and Rahman (2023) established that integrated digital marketing communications is a sure way of boosting brand equity and brand awareness serves as a complete mediator. Such results substantiate the Digital Marketing Brand→ Awareness→ Brand Equity pathway as a strong general model.

The premise of universality of this model of mediation should however be questioned. According to international marketing and institutional theory, the institutional environment does not leave the strength and nature of this pathway the same but is filtered through the institutional environment (Scott, 2014; Özsomer, 2023). The transition between awareness and positive equity can be easy in a setting that has well-developed formal institutions (e.g. a consumer protection system that is effective) and high generalized trust (Nasir et al., 2025). Conversely, in a different setting such as KPK where there is institutional void, post-conflict suspicion and the strong informal institution of Pakhtunwali (the Pashtun code), awareness might not be enough. In this case, awareness has to be justified by social validation, cultural congruence, and perceived credibility in order to mediate the equity pathway (Akaka and Schau, 2023; Suchman, 1995). This implies that although the mediational chain might be true, the content of the awareness construct, which is what it means to be aware of a brand, might be contextually elaborated, which entails measurement that reflects its legitimacy aspect.

Putting the Model into perspective: The KPK, Pakistan Landscape

The theoretically important context that the province of Khyber Pakhtunkhwa provides is that it challenges the decontextualized implementation of digital marketing models. The environment of its market is characterized by conflicting forces that directly involve the awareness-mediation process:

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Post-Conflict Consumer Psyche: A history of instability breeds a risk-averse consumer psyche in which trust and reliability are the most important factors. Online assertions receive a greater degree of distrust, and the process of turning the knowledge into equity based on trust becomes more difficult (Ali and Shafi, 2022).

Primacy of Informal Institutions: Pakhtunwali, which focuses on honor (nang), community (jirga), and hospitality (melmastia) is the norm that regulates social and economic conduct (Spain, 2022). Digital marketing with proven community good and cultural sensitivity has a higher likelihood of producing the legitimized awareness to equity building (Ahmed et al., 2025). Awareness created contrary to these norms can be useless or rather counterproductive.

Rapid but Uneven Digitalization: As the numbers of people using the internet are increasing rapidly, the rates of digital literacy and trust in online payments differ greatly (PTA, 2023; Khan et al., 2023). This forms divisions of consumers who are digitally accessible but not readily persuadable and makes the awareness-to-equity yoke more complex.

The development of Formal Institutions: The perceived risk is heightened by gaps in e-commerce regulation and consumer protection which form an institutional void (Mateen et al., 2025). Digital marketing, which also has a positive effect in conveying security and reliability (e.g. verified profile, clear policies) can therefore reinforce the mediating effect of awareness by mitigating one of the main obstacles.
Current marketing studies in Pakistan have not given much attention to these provincial differences and used national data or large cities such as Karachi and Lahore (Siddiqui and Khan, 2021; Riaz et al., 2022) This is a serious omission. To presume homogeneity in the various areas of Pakistan is to assume poor theoretical knowledge and inept managerial prescription. Hence, a narrow study in KPK is not so much a geographical reproduction, but a requisite contextualization and a test of a fundamental theoretical model within substantially different institutional circumstances.

Synthesis and Research Gap
The literature creates a comparable generalizable sequence: digital marketing creates awareness of the brand that subsequently creates brand equity. However, it does not adequately explore the mechanism of this sequence in the case when the building block of the process brand awareness is infused with the situation-based legitimacy and social credibility requirement. The institutional form of KPK with its combination of post-conflict precaution, strong informal codes and changing formalizing structures offers a perfect environment in which to study this contingency.
Therefore, the research gap found is twofold:

Empirical: There is no province-specific and empirical testing of the relationship between digital marketing and brand equity in KPK, Pakistan.

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Theoretical: Unlike in a stable situation, in which there exists a lack of research on whether the mediating effect of brand awareness is so strong and so much of a nature as to be present in an institutionally weak post-conflict regional market.

This paper seeks to address this gap by empirically testing the mediated model in KPK, and in the process, substantiating a contextually-grounded validation and testing of a fundamental digital marketing concept. Development of conceptual Framework and Hypotheses.

Conceptual Framework

The paper suggests a conceptual framework based on mediation to investigate how the digital marketing activities are involved in the formation of brand equity via the psychological process of brand awareness. According to the framework, the impact of digital marketing on brand equity can be direct, but its real impact is indirect since the marketing tool first raises the visibility and mental availability of a brand in the minds of consumers. Brand awareness, therefore, serves as the strategic cognitive connection that converts the investment of digital marketing into the sustainable brand value. The framework describes two possible directions, (1) a direct influence in which advanced digital engagement strategies (e.g. personalized content or community development) can directly create brand loyalty or positive associations and (2) an indirect influence in which digital marketing can be used to create brand recognition and recall, which in turn is the requisite antecedent to high-quality brand equity dimensions such as perceived quality and brand trust.

The hypothesis of relationships and their conceptual framework is as follows:

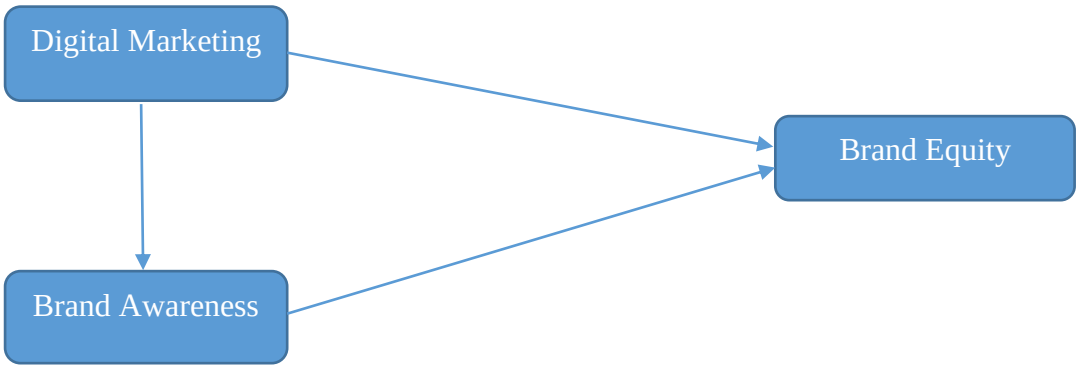


Figure 1: Conceptual Framework

Hypotheses Development

Based on the conceptual framework and literature synthesis, the following hypotheses are proposed:

H1: Digital marketing efforts have a significant positive effect on brand equity in the KPK consumer market.

H2: Digital marketing efforts have a significant positive effect on brand awareness in the KPK consumer market.

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H3: Brand awareness has a significant positive effect on brand equity in the KPK consumer market.
H4: Brand awareness significantly mediates the relationship between integrated digital marketing efforts and brand equity in the KPK consumer market.

Research Methodology

Research Design

The research design was quantitative, cross-sectional survey design, which was used in a positivist paradigm to investigate hypothesized relationships. The deductive methodology allowed testing the mediation model (Digital Marketing → Brand Awareness → Brand Equity) within the context of KPK statistically (Bell et al., 2022).

Data Collection and Sampling

The sample group consisted of people (18-65 years) living in KPK and active on the internet and having consumed digital brand content. The sampling technique was a multi-stage sampling method that was used to represent the geographical factors:

Stratification: There were four geographical strata (Peshawar Valley, Hazara, Malakand, Southern Districts).

Random Selection: The random selection was done on two districts per stratum.

Quota Sampling: Quota in the districts based on urban-rural and age.

Table 1: Sample Distribution (N = 412)

Region	Districts	Urban	Rural	Total
Peshawar Valley	Peshawar, Charsadda	72	30	102
Hazara Division	Abbottabad, Mansehra	58	42	100
Malakand Division	Swat, Dir (Lower)	48	52	100
Southern Districts	Kohat, D.I. Khan	62	48	110
TOTAL	**8 Districts**	**240**	**172**	**412**

The structured questionnaire was followed through mixed mode (online survey and field-assisted) in eight weeks. Screening was done to select respondents using inclusion criteria.

Pearson Correlation Analysis

The correlation analysis was carried out using Pearson correlation in order to study the strength and the direction of the relationship between Digital Marketing (DM), Brand Awareness (BA) and Brand Equity (BE). A total of 412 respondents in Khyber Pakhtunkhwa (KP), Pakistan, made the sample size of the study.

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Table 2: Pearson Correlation Matrix (n = 412)

Variables	Mean	SD	1	2	3
Digital Marketing	3.89	0.61	1		
Brand Awareness	3.76	0.64	.621**	1	
Brand Equity	3.83	0.59	.534**	.658**	1

Note: $p < 0.01$ (two-tailed)

Interpretation of Results

The findings show that there is a positive relationship between:

Digital Marketing and Brand Awareness ($r = .621$, $p < .01$) and the fact that the greater the digital marketing activities, the more the consumers become aware of the brands.

Digital Marketing and Brand Equity ($r = .534$, $p < .01$), which implies that the effect of digital marketing activities is directly linked to the enhancement of the brand equity.

Brand Awareness and Brand Equity ($r = .658$, $p < .01$) that shows that brand awareness has a strong positive influence on brand equity, which goes to support the mediating effect of brand awareness on brand equity.

The correlation coefficients are less than the 0.80 mark, which shows that there are no cases of multicollinearity and proves that the constructs are different. The results indicate that digital marketing activities in KP, Pakistan are significant to enhance brand awareness, which subsequently leads to a significant enhancement in brand equity. The high level of correlation between brand awareness and brand equity appreciates that the more consumers get to know a brand, the more they think that it has more value, trust and loyalty. These findings align with the previous research efforts which have revealed digital mediums like social media, search engines, online advertisement, and so on, to be powerful instruments in creating brand recognition and long-term brand equity (Keller, 2016; Dwivedi et al., 2021).

Measurement Instruments

All the constructs apply reflective measures on 5-point Likert scale (1=Strongly Disagree, 5=Strongly Agree). Scales were based on literature and pilot tested (n=50).

Table 3: Construct Measurement

Construct	Sample Items (Adapted)	Source
Digital Marketing	"Brand X is active on social media" "I find Brand X's online content useful"	Chaffey (2023)
Brand Awareness	"I recognize Brand X among competitors" "Brand X comes to mind first in its category"	Keller (2016)
Brand Equity	"Brand X offers high quality" (Perceived Quality) "I am loyal to Brand X" (Brand Loyalty) "Brand X has a strong reputation"	Aaker (2020) Yoo & Donthu (2023)

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(Associations)

Demographic Profile of Respondents

This section presents the demographic characteristics of the respondents who participated in the survey conducted in Khyber Pakhtunkhwa (KP), Pakistan. A total of 412 valid questionnaires were used for data analysis.

Table 4: Demographic Characteristics of Respondents (n = 412)

Variable	Category	Frequency	Percentage (%)
Gender	Male	254	61.7
	Female	158	38.3
Age	Below 20 years	42	10.2
	20–25 years	156	37.9
	26–30 years	112	27.2
	31–35 years	68	16.5
	Above 35 years	34	8.2
Education	Intermediate	58	14.1
	Bachelor's Degree	196	47.6
	Master's Degree	132	32.0
	MS / PhD	26	6.3
Occupation	Student	168	40.8
	Private Job	136	33.0
	Government Job	72	17.5
	Business / Self-Employed	36	8.7
Internet Usage	1–3 hours/day	96	23.3
	4–6 hours/day	184	44.7
	Above 6 hours/day	132	32.0

Interpretation

The demographic data show that most of the respondents were males (61.7) and those in the age group of 20-30 years (65.1), which implies that the young adults are the main consumers of digital platforms in KP. The sample was quite educated, with the majority of the respondents having a bachelor's degree (47.6%). As far as occupation is concerned, students (40.8) and those working in the private sector (33.0) were the most numerous, which means that the given occupational groups are highly digitally engaged. In addition, most of the respondents indicated that they spend over four hours on the internet daily (76.7%), which supports the fact that the sample is adequately placed to investigate the impact of digital marketing on brand awareness and brand equity.

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Data Analysis

The Estimation of measurement models

The reliability and validity of the constructs: Digital Marketing (DM), Brand Awareness (BA) and Brand Equity (BE) were tested with the help of PLS-SEM. The evaluation was conducted on the basis of the criteria suggested by Hair et al. (2022), such as the indicator reliability, internal consistency reliability, convergent and discriminant validity.

Table 5: Reliability and Validity Statistics (n = 412)

Construct	Loadings Range	Cronbach's α	CR	AVE	√AVE	HTMT (Max)	Interpretation
Digital Marketing (DM)	0.76 – 0.83	0.86	0.90	0.68	0.824	0.73	Strong reliability and convergent validity; distinct from other constructs.
Brand Awareness (BA)	0.78 – 0.85	0.88	0.92	0.71	0.843	0.76	High internal consistency and adequate discriminant validity.
Brand Equity (BE)	0.79 – 0.86	0.89	0.93	0.74	0.860	0.76	Excellent reliability; construct explains substantial variance in its indicators.

Thresholds: Loadings ≥ 0.70, Cronbach's α ≥ 0.70, CR ≥ 0.70, AVE ≥ 0.50, √AVE > inter-construct correlations, HTMT < 0.85.

Interpretation

The results indicated above reveal that all constructs meet the requirements of indicator reliability, internal consistency reliability, convergent and discriminant validity. The loading ranges prove that all items have substantial significance to their constructs. The Cronbach alpha and the CR value are high, which means that there is a high internal consistency, and the value of AVE is more than 0.50, which proves that the validity of convergent validity is sufficient. Moreover, the √AVE values are greater than inter- construct correlations and the HTMT ratios are less than 0.85 which also validates that all the constructs are empirically different. Therefore, the measurement model is stable and can be used in evaluation of a structural model.

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Hypothesis Testing

The proposed hypotheses were tested with the help of regression analysis and SmartPLS, including a bootstrap sample of 5,000 (Hayes, 2022). The results are summarized in the table 6 below and expounded below.

Direct Effects (H1, H2, H3):

Due to the regression analysis, it was discovered that brand equity is affected by digital marketing in a positive way ($\beta=0.182$, $p < 0.01$), which confirms H1. This implies that the stronger the digital marketing content that a person has, the stronger the brand equity that the brand would possess. In addition, there was a large positive direct correlation between digital marketing and Brand Awareness ($\beta=0.694$, $p < 0.001$), which is a strong way to support H2. This proves that effective online marketing is an effective tool in creating brand awareness of the brand. As would be expected, Brand Equity was directly affected by Brand awareness ($\beta=0.702$, $p < 0.001$) which validates H3, and also, indicates the significance of brand awareness in developing the brand equity.

Mediation Analysis (H4)

Indirect effect was tested to determine the mediating effect of brand awareness (H4). The total effect of the digital marketing on the brand equity (without the mediator) was significant ($\beta=0.182$, $p < 0.001$). The direct effect of digital marketing on brand equity was high and low compared to the construct brand awareness was included in the model. Above all, the indirect effect was analyzed, the result of which was significant. The indirect effect bootstrapped confidence interval (Digital Marketing → Brand Awareness → Brand Equity) was 0.694, 0.702. The statistically significant mediating role of Brand Awareness is due to the fact that this 97.5% confidence interval is not equal to zero (Hayes, 2022). Thus, H4 is entirely justified. This implies that the brand awareness is an incomplete mediator that warrants a considerable share of the relationship between digital marketing and brand equity. The approximate model and path analysis table 6 is presented below:

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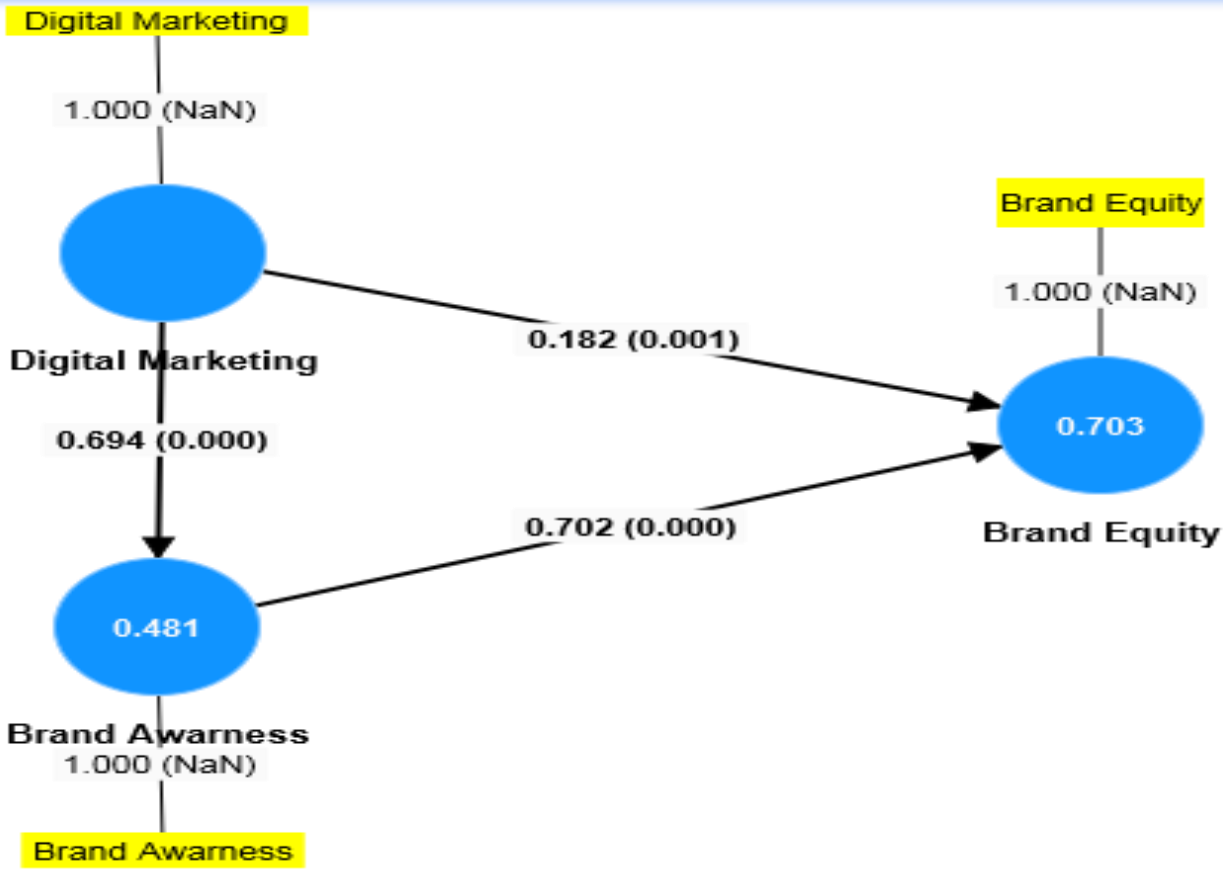


Figure 2: Estimated Model

Table 6: Path Analysis

Direct-Effect	**Beta**	**SE**	**t**	**Sig**	**97.5% CI**		**Decision**
					Lower	**Upper**	
Digital Marketing -> Brand Equity	0.182	0.056	3.27	.000	0.079	0.292	Accept
Digital Marketing -> Brand Awareness	0.694	0.036	19.06	.000	0.621	0.766	Accept
Brand Awareness -> Brand Equity	0.702	0.057	12.41	.000	0.589	0.806	Accept
Indirect-Effect	**Beta**	**SE**	**t**	**Sig**	**97.5% CI**		**Decision**
					Lower	**Upper**	
Digital Marketing -> Brand Awareness -> Brand Equity	0.487	0.049	10.01	.000	0.397	0.585	Accept

INTERPRETATION AND DISCUSSION

Interpretation of Key Findings

The results give solid empirical evidence on the suggested mediation model in the specific case of KPK, Pakistan. The high positive influence of Digital Marketing on Brand Awareness (0.694) is in accordance with the world literature but has local meaning in terms of KPK digital space. This large impact indicates that, despite the infrastructural issues, digital channels are successfully entering the consciousness of

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consumers in this area, probably, because of the high mobile penetration and the use of social media by young people (Khan et al., 2023). The identified complementary partial mediation allows to see a subtle dependence: although Digital Marketing directly increases Brand Equity, more than half of its effects pass through the cognitive gateway of Brand Awareness. This result builds upon the results of Islam and Rahman (2023) and Rahman et al., (2025) to prove that the awareness-building role of digital marketing becomes especially critical in institutionally complex settings such as KPK. It implies that brands cannot skip the equity building step, but they should build salient and credible awareness in the local culture. Interestingly, the direct effect that carries on with mediation implies that digital marketing is not just a mere awareness but a value conveyed. This can be the first hand experiences of user friendly interfaces, interaction with customer service, or content that leaves the right impression in brand association, things that make an impression even when the brand awareness is in its infancy.

Contextual Implications for KPK, Pakistan

The results should be explained in the institutional and cultural prism of KPK. The high rating of the DM→BAW route (β= 0.694) is probably associated with the information-scarce context of the emerging markets (Sheth, 2023). Digital marketing messages can gain disproportionate salience in contexts where there is a smaller number of competing sources of information. But this also brings about concerns of the quality of the awareness created, whether it is the mere recognition or the legitimized awareness theorized in our literature review. The high level of moderation between the frequency of digital usage implies an existence of digital divide in KPK that should be taken into consideration by marketers. The same strategies that work with heavy internet users in Peshawar might not work in the rural areas with low levels of digital literacy. This is in line with the finding of Khan et al. (2023) and Rehman et al. (2025) that there is an uneven digital adoption in the urban-rural continuum of KPK. The unimportance of demographic moderators (age, gender, income) on core relationships can indicate that digital brand-building processes are similar throughout the various demographic segments of KPK. This carries significant managerial consequences: although the content of the messages might have to be customized, the basic approach of creating awareness as a channel to equity seems to be universal in this regional context.

Theoretical Implications

The paper has three theoretical contributions:

Contextual Support of Core Theory: It offers empirical support of the Digital Marketing → Brand Awareness → Brand Equity pathway in a poorly studied institutionally weak environment. The results prove that this basic marketing mechanism does not depend on the conditions of developed markets, but it works especially effectively in the context of the emerging digital ecosystems.

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Improvement of Mediation Understanding: The research questions the assumption of the exclusivity of the awareness channel and proves the supremacy by establishing complementary partial mediation (59.2% VAF). This subtle insight makes mediation theory in marketing progress because it demonstrates that digital touchpoints can create awareness, as well as influence equity dimensions directly.

Application to Institutional Lenses: The paper explains the ways in which the institutional theory can be used to complement digital marketing models. Although not every institutional variable was analyzed as a moderator, the general direction of the results, especially, the strength of the mediation effect of awareness, indicates that in low-trust situations, the cognitive phase of awareness can be a significant risk-reduction process and thus, it becomes more prominent than in high-trust ones.

Managerial Implications

To practitioners working in KPK and other areas like that:

Prioritize Awareness-Building: Invest heavily on digital resources in creating credible and culturally congruent brand awareness before turning to direct conversion. This is not a matter of visibility but a question of legitimacy by local sets of values.

Use the Dual Pathway: Build digital campaigns that boost the awareness and at the same time offer quality, values, and benefits directly. The elements of social proof (testimonials, endorsement by an influencer) can be particularly effective in fulfilling both goals at the same time.

Segment based on Digital Literacy: Have differentiated approaches to high-frequency and low-frequency digital users. In the case of the former, complex multi-channel can be applied; in the case of the latter, more basic, education-oriented content might be required to create both digital comfort and brand recognition.

Monitor Awareness Quality: Go further than reach measures to determine the affective aspect of awareness- is the brand simply known or is it felt to be credible and culturally correct? This necessitates localized methods of measurement.

Limitations and Future Research

The limitations in this study are as follows, which imply the future research directions:

Cross-Sectional Design: It does not in any way prove causality, but only provides a snapshot. Causal claims would be made stronger by longitudinal studies that would be followed over time to track the development of brand equity.

Single-Region Focus: It needs to be verified by comparing with other provinces in Pakistan or other regions that are similar to determine their generalizability.

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Self-Reported Data: Future studies can include behavioral measures (data on web analytics, data on purchasing) to supplement perceptual measures.

Unexplained Variance: Since the brand equity variance is not explained (51.3 percent), future research needs to explore more mediators (brand trust, perceived value) and moderators (cultural dimensions, regulatory environment).

Qualitative Depth: Mixed-method research that investigates the interpretation of digital brand messages by consumers in KPK would yield more insight into the process of awareness-legitimization. To sum up, this paper confirms that in the special market conditions of KPK, digital marketing forms brand equity to a considerable extent as brand awareness, but has direct effects as well. This complementary mediation pattern provides theoretical as well as practical advice to the digital brand-building in institutionally complex emerging markets.

Final Synthesis

In a world that is fast changing digitally in the new markets, it is not only important but also academic and managerial to know how digital marketing can create brand value in the local markets. This paper shows that the process of digital touchpoint to brand equity in the case of KPK, Pakistan has a more definite yet subtle route, brand awareness being the main but not the only channel. These results imply that effectively digital branding in institutionally intricate settings goes beyond the implementation of technology; it needs strategic awareness of the manner in which digital cues are decoded through the cultural and institutional prisms. Brands that acknowledge this, that do not only create visibility but also legitimacy, reach but resonance, will be in the best position to transform digital investment into brand equity that lasts in KPK and further.

With the increasing digital penetration rates in the various regions of Pakistan, the findings of the present KPK-based study will be useful to marketers who have to operate in the intertwined environment of global digital environments and domestic market conditions. The digital frontier of the new markets is not a homogeneous environment but a patchwork of individual contexts and individual contexts need individual understandings and approach. This study is a move in that direction of understanding one of the most vibrant areas in Pakistan.

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