

The Impact of Brand Image on Customer Satisfaction and Loyalty Intention (Case Study: Consumer of Hygiene Products)

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Abstract – One of the main purposes of marketing is attracting and maintaining customers. Marketers to achieve these goals implement different strategies. According to this fact that one of dominant principles of current competitive market is customer orientation and paying attention its principles a perfect marketing involves a detailed customer analysis; the impact of a particular brand image on the customer's mind, and the amount of his/her satisfaction toward buying product can affect customer being loyal, therefore, the intention of loyalty, and customer satisfaction are widely accepted as an important issue among all manufacturers. This issue stimulates us investigating the impact of brand image on customer satisfaction and loyalty intention, and to this, consumers of hygiene products (in the city of Rasht) are use. Therefore we developed a questionnaire consists of 35 questions on variables of brand image, customer satisfaction and loyalty intention, and distributed them between 384 consumers of hygiene products, and after collecting questionnaires which were completed by customers of hygiene products, analyzed them by powerful structural equation technique. Research results, and different fit indices have confirmed fitness of model, and through relationships between these variables and studying hypothesizes we found that customer satisfaction on brand image has been significant, as well as, customer loyalty intention through customer satisfaction is significant, and in order to have positive brand image in the customers' minds there should be specific paying attention to customer satisfaction and all factors that will lead to customer satisfaction.

Keywords – Brand, Brand Image, Customer Satisfaction, Loyalty and Loyalty Intention.

I. INTRODUCTION

In recent years, researchers and practitioners in the field of marketing has paid great attention to brand. Nowadays, the brand is no longer an efficient tool in the managers' hands. Brand is a strategic necessity which helps companies to create more value to customers and also to develop sustainable competitive advantages. Successful brands will increase trust in products and intangible services, and customer will be able to better visualize and identify their services. As well as, it will increase high rate of brand equity, customer satisfaction, reacquisition intention, and the level of loyalty [12].

Nowadays, brand management is a significant area in the marketing management. One of the main problems that involve customers is choosing a valid brand product. In many markets, a brand will create an identity to a product

and links them to a particular group of society. Psychologically, such type of commodities, in addition to appearance applications (cosmetic tools), will bring customers dignity and self-confidence, therefore customers willingly pay different prices. Once consumers experience using a brand and feel comfort with it, the tendency of reusing it will increase in them [5].

Organizations, in today's competitive environment, use each instrument to be successful and to achieve ideal and attractive situations. Paying attention to marketing activities as an instrument to customers' mental preparation, and developing an intellectual property as brand, is a new perspective in the marketing science [9]. Currently, there are many brands in our country Iran. In producing hygiene products, intense competition between brands has highlighted paying attention to the brand more than before. But the question is that, how these names can help companies which produce hygiene products. From behavioral perspective, brand equity is very important in developing distinct points which resulted in acquiring competitive advantage [15].

In recent years, business environment in the world has encountered many changes and evolutions, and some of these changes are changes in corporate attitude from tangible assets to intangible one, therefore, the process of valuation intangible assets is very important to companies. Considering intangible asset will contribute to more accurate assessment of organizations' performance in short and long term. Brand is considered as an intangible asset to companies and organizations.

"Brand" is a symbol or a sign that will help customer to identify a product; a company that the brand of its product is better publicly, certainly will has better position in the market, as well as it can maintain its competitive advantage and increase the value of market share. Some studies have found that, ideal brand image always contribute customer satisfaction, in order to develop loyal customers principle. Public image about a brand is a mental structure that is formulated and developed by customer, based on some particular interpretation on a particular branded product.

According to Kotler [10] public conception about a brand is a collection of beliefs, ideas and perceptions that a person pays attention it as an object, on the other hand, it is a collection of perceptions that a brand reflects in the mind.

Satisfaction is customer Realized response toward products and services, as well as it is finding about goods characteristics and services, or goods and services per se. According to Levesque and McDougall (1996), satisfaction is expected as comprehensive attitude of customer about service supplier. Similarly, Andreessen and Lindestad [3] argued that customer satisfaction, in fact, is frequent experience of customer on purchasing and consuming products. Therefore, customer satisfaction will be measured through customer comprehensive satisfaction about services. Yi [17] pointed out that these two factors, i.e. experiences and expectations toward services, are two factors which will affect customer satisfaction. Practically, satisfaction is similar to attitude, so that it can be evaluate as collection of satisfaction causes and various features of goods or services. Customer satisfaction can be defined as expectations, before purchasing, and as insight and intelligence of performance, after purchasing. Inconsistent probability pattern indicates that consumers, once are satisfied that the performance of goods is higher and better than their expectations (positive inconsistency), and when the level of consumer expectations is more than goods' actual performance, they will be dissatisfied (negative inconsistency). As well as, when the performance of product and consumers' expectations are equivalent, they neither feel satisfaction nor dissatisfaction (null or neutral inconsistency). Oliver [11] has investigated and identified satisfaction and dissatisfaction based on inconsistency in consumers' expectations. Positive inconsistency is as a result of customer satisfaction and negative inconsistency is due to customer dissatisfaction.

"Loyalty" toward a product will create over time. The concentration of formation and development of loyalty, initially, have been on products related to services, and then, according to concrete and tangible commodities has concentrated on brand loyalty. According to Cunningham (1956), Loyalty is as a part of family purchase, and dedicated to the brand that they continually buy it.

"Intention" of customers can be evaluated and assessed through customers' demand on his/her future goals, in order to repurchase goods and services. Furthermore, Jones and Sasser [8], pointed out (1) companies can acquire such information (i.e., the purpose of purchasing) while evaluate the level of customer satisfaction toward goods and services; (2) the customer repurchase intention can be evaluate at any time, through making relationship with customer; and(3) customer repurchase intention is a very good indicator to future behaviors.

II. RESEARCH BACKGROUND

Similar studies on investigated variables in this study have been carried out previously, which following, some of them are mentioned:

Singh [14] in his research, as "brand image of a good, customer satisfaction and his/her loyalty intentions toward a good" (a study about cosmetics products of a brand in central India) has described five advantages of brand image of a good, i.e. social, functional, symbolic,

empirical, and physical improvements advantages. This data is collected by studying 150 men and women, who always have used this suggested product. The result has shown that three advantages of a brand image, i.e. physical, social and functional improvements have direct and significant relationship with customer loyalty and satisfaction, and two other advantages, or in other words, symbolic, empirical advantages, have no significant impact on customer loyalty and satisfaction. On the other hand, the results indicate that there is a direct relationship between customer loyalty and satisfaction. Obtained results, implicitly indicate that marketing manager should concentrate on brand image to gain customer satisfaction, and creating sense of loyalty towards its products and services.

Hosseini et [7] in Iran, and in their study have investigated the impact of brand image on employees loyalty; their research indicate that employees are satisfied due to working in a company with a strong brand image, and prefer to be hire in it, or continue their activity.

Samraz, Hafeez et al [13], in their study, entitled "the impact of service quality, customer satisfaction and loyalty programs on customer loyalty", in Pakistan, on the banks customers, after completing 331 questionnaires by bank customers and analyzing questionnaires, have concluded that service quality, customer satisfaction and loyalty programs are important factor that can affect customers' loyalty.

Anderson et al [4], in Stockholm, in their study that considered the impact of corporate brand and customer satisfaction as two way of gaining loyalty- according to data from 600 customers who were expert in the industry and after data analyzing- have found a significant relationship between corporate brand and customer satisfaction with loyalty.

Yee et al [16] in a research have addressed the impact of brand loyalty on sport clothes' customers in Malaysia, , and by a survey on 100 consumer of a particular brand of sports clothes have discussed factors of brand loyalty, and eventually have found a significant relationship between these factors of loyalty, which include quality, style, price etc.

III. CONCEPTUAL MODEL

The presented conceptual model includes three variables of brand image, customer satisfaction and loyalty intention, and in fact, the relationship between them, i.e. H1, H2, H3, suggest how these factors are related to each other (figure 1).

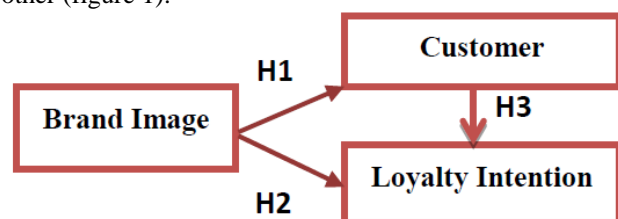


Fig.1. Model of Relationship between Brand Image, Customer Satisfaction and Loyalty Intention

IV. RESEARCH HYPOTHESIS

H1: There is a significant relationship between brand image and customer satisfaction.

H2: There is a significant relationship between brand image and customer loyalty intention.

H3: There is a significant relationship between customer satisfaction and customer loyalty intentions.

V. RESEARCH METHOD

This study, in aspect of objective and goal is applied research and in aspect of implementation is survey one. Data collection in this research is through causal and its method of data collection is a field method. And to test hypothesis, t- test and to evaluate and analyzing model the structural equation modeling approach has been used.

i. Reliability and Validity of Measuring Instrument:

To measure the reliability of questionnaire, the Cronbach's Alpha test is used; and obtained results to all variables are tabulated as follows:

Table 2: Cronbach's Alpha Values of Investigated Variables

Row	Investigated Variables	Cronbach's Alpha Values
1	Brand Image	0.9
2	Customer Satisfaction	0.915
3	Loyalty Intention	0.931

ii. Statistical Universe and Sample:

Statistical universe of this research is consumers of hygiene products in the city of Rasht, and on the basis of this fact that target universe have been infinite, sample sizes is calculated as follows:

$$n = \frac{(Z_{\alpha/2})^2 \cdot (S_x)^2}{\epsilon^2} = \frac{(1.96)^2 \cdot (0.25)^2}{(0.05)^2} = 384$$

VI. DATA ANALYSIS

In order to analyze collected data, initially descriptive statistics that describe the state of research variables and analyze demographic variables such as gender, age and education level, are examined. This part of activity has carried out by software of SPSS19.

Then, statistical analysis is proposed, in which the research measurement model has been fitted, and then the basic model will investigate. Eventually, the research hypotheses will be tested. Mentioned analysis will carry out by LISREL8.2

Table 3: Model Fit Indices

Fitness Index	Value
Chi-square (χ^2) on degrees of freedom (df)	4.7
Assessing the relative amount of variance (GFI)	0.71
Standardized fitness index (NFI)	0.95
Non- Standardized fitness index (NNFI)	0.95
Root Mean Square Error of Approximation (RMSEA)	0.07
The average square (AGFI)	0.68

If the Chi-Square is not significant statistically, it will indicate an appropriate fit. Since above model has extremely high degree of freedom reducing chi value, theoretically, is impossible. However it can be say, if the index of Chi-square ratio on degrees of freedom is close to 3, it will indicate a good fit. This ratio is 4.7 to above model; therefore it indicates proper fit of model. On the other hand, if the indices of GFI, NFI and NNFI being close to 0.9, it will indicate an appropriate fit of model. In addition, if the indices of RMSEA and SRMR are less than 0.1, it will indicate ideal and proper fitness, and the amount smaller than 0.08 implies very good and appropriate fit. As it is shown in table (3) indices of GFI, NFI, and NNFI, respectively, are 0.71, 0.95 and 0.95; which approximately are in good fitness. As well as, the index of RMSEA is equal to 0.07 that indicate good and optimal fit of model.

i. Exploratory Data Analysis

Exploratory analysis will be applied once researcher has no adequate previous and pre-empirical evidence to hypothesize about the number of infrastructure data factors, and will explore data to determine the nature of the factors that justify variance between the variables. Therefore, exploratory analysis is more considered, as a method of developing and providing a theory, not a method to test theory.

According to table 4, since the value of KMO in this study is 0.878 and it is close to 1, it can be say desired are appropriate factor to analysis.

As well as, in table 4, in Bartlett's test, since sig value is less than 0.878, it can conclude analyzing is a factor to identify appropriate structure.

Table 4: Exploratory Data Analysis

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		0.878
Bartlett's Test of Sphericity	Approx. Chi-Square	2673.27
	Df	557
	Sig.	0.000

ii. Analyzing Research Hypotheses

Test results of research hypotheses, based on structural equation modeling are shown in table 5.

Table 5: Test Results of Research Hypotheses

Hypotheses	Standardized Estimates	t	Test Results
H1. There is significant relationship between brand image and customer satisfaction.	0.9	14.82	Confirmed
H2. There is significant relationship between brand image and customer loyalty intention.	-0.18	-1.95	Rejected
H3. There is a significant relationship between customer satisfaction and loyalty intention.	1.1	9.16	Confirmed

As it can be observed in table 5, path coefficients to this study are 2 significant relationships and a non-significant relationship. According to the obtained amounts in the research model, research hypotheses can be evaluated.

Hypothesis 1- There is significant relationship between brand image and customer satisfaction.

As it can be observed in table 5, path coefficient to the brand image with customer satisfaction is 0.9. Since t statistic to this coefficient is 14.82, it can be concluded that obtained value is significant. Therefore, the research first hypothesis is confirmed.

According to Marshall, Na, and Keller (1999), image cannot be measured and evaluated; image evaluation should include evaluating the customer perception of the image and brand of goods and this point involves the importance of brand image to customer satisfaction. However, this study investigate the impact of brand image advantages on customer satisfaction, a satisfaction that customer acquire through interpersonal communication and the advantage of purchase intention. According to Reynold and Betty (1999), high level functional and social behaviors of supplier with customer will increase customer satisfaction. In this paper, the majority of authors have concluded that there is a perfect and significant relationship between the advantages of brand image and customer satisfaction.

Hypothesis 2- There is significant relationship between brand image and customer loyalty intention.

As it can be observed in table 5, path coefficient to the relationship between brand image and customer loyalty intentions is – 0.18. Since t statistic to this coefficient is - 1.95 it can be concluded that obtained value is not significant. Therefore the second hypothesis of the study is rejected. Moreover the most of researchers have shown that image of goods or brand image have a significant impact on loyalty, or in other words, on the customer purchase intentions. According to Vazquez-Carrasco and Foxall (2006), an image of goods or particular, social and reliable brand, has positive impact on customer loyalty intentions, so that , if customer evaluate social behavior of

seller in high-level will have more loyalty toward seller. Symbolic and emotional advantages and business profits are used as an indicator to the value of purchasing branded product, and have positive and precise relationship with customer repurchasing intention.

Hypothesis3- There is a significant relationship between customer satisfaction and loyalty intention.

As it can be observed in table 5, path coefficient to the relationship between customer satisfaction and loyalty intention is 1.1. Since t statistic to this coefficient is, it can be concluded that obtained value is significant; therefore the third hypothesis of the study is confirmed.

Indeed, some of authors in this paper have proven that there is an obvious relationship between customer satisfaction and loyalty intention. If a product has satisfied a customer, he/she will have willing to repurchase it. Experimental study on stores or retail stores have proven that satisfaction has high impact on loyalty intention; the intention that will lead to suggest this service or product to others.

VII. CONCLUSION

According to obtained results and performed statistical analysis there is no reason to reject two hypotheses of three research hypotheses, that are the impact of brand image on customer satisfaction, and the impact of customer satisfaction on loyalty intention; and the hypothesis of the impact of brand image on customer loyalty intention rejected; In other words, this research has not found a direct relationship between brand image and customer loyalty intention, rather the brand image due to customer satisfaction will affect customer loyalty intention; and finally, it can say, customers are satisfied as a result of using hygiene products with a strong brand image, and prefer continue buying that product.

RECOMMENDATIONS

The purpose of this study has been informing hygiene products manufacturers to pay more attention the impact of brand image as an effective factor of customer loyalty. Improper utilizing potential ability of brand image as leverage to increase customers will result in wasting expensive capital of manufacturer; in order to avoid such problems it is recommended:

It is recommended that manufacturers of hygiene products pay more attention to customer satisfaction and due to the importance of this issue special efforts are required, therefore they should address factors which increases paying attention them; maintaining and promoting the product quality, product variety, considering customers' tastes, taking into account customers' purchasing power etc. are factors that can help manufacturers of hygiene products who their brand image is imprinted in the customer's mind.

By considering posed questions in the section of customer satisfaction, which as a dependent variable play an important and significant role in brand image, and on

the other hand act as an independent variable to loyalty intention, considering posed questions, which consumers generally address them is recommended. For example, if manufacturers of hygiene products be able to pay more attention to diversify and attractiveness of product and try more in this field, they will change the consumer's mind toward their brands, because customer in this case has more choices, and can select a product among all choices, and this will lead to a greater tendency toward using this product or brand, thus there is no need to spending time on finding other brands.

support and guidance are other factors that will attract and satisfy customer; generally customer of hygiene products have questions about those products, therefore if manufacturers by developing brochures and putting them in the product box, or even by the possibility of customer contact, subject to have question, meet the problem of customers' questions, customer will be satisfied, as a result this customer per se, and by least possible cost will act as an advertiser and promoter of this brand among other people, which, in turn, it lead to greater profitability for producers.

Manufacturer To have good image and a positive mentality about Brand of product in the customers' mind, should take into account all aspects of customer satisfaction, and as long as this belief is stable in customer, the customer will not think to another brand, thus manufacturer will have a loyal customer.

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