

Investigating the Impact of Customers Perception regarding the Quality and Brand Loyalty with Mediating Role for Satisfaction

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Keywords:

Perception, Quality, Customers, Brand Loyalty, Regression, Marketing Products.

ABSTRACT

This research has investigated the impact of customers' perception regarding the quality and its relation with the brand loyalty, where perception about quality is independent variable, brand loyalty is dependent variable and customer satisfaction has as mediating variable. This study reveals the relationship among the mentioned variables. There has a dire need to investigate the same phenomenon in Pakistani context especially in the footwear industry. Thus this research has been conducted in the industry of Pakistan. The customer in outlets of Bata and Service – a big shoes marketing industries in Pakistan – plays a key role in the mentioned context; hence, this category was selected as population of the research. The data has been collected through questionnaire and reliability was checked through Alpha. A linear regression test has also been carried out to determine the relationship between dependent and independent variables, whereas mediation of customer satisfaction has examined. The association among perceived quality and brand loyalty is also significant, which shows that there is a direct relationship between found for perceiving the quality and brand loyalty of these products. The results generated from regression analysis revealed that the perceived quality has significantly positive impact on brand loyalty through identified customer satisfaction, which has mediating role.

INTRODUCTION

Customer wants complete solution which required the quality of both goods and service. This study aimed to examine the role of quality in customer's loyalty. It was found in the study that satisfaction is the key to create loyal customers and quality is the meeting or exceeding customer expectation. The customer loyalty is a measure, to which the customers repeats purchasing from the supplier possessing an encouraging attitude for the contributor and deliberately using only when the supporter needs service. It has found that loyalty is the results of repurchase of any good or service. It can be anticipated that the perceived service quality have very good and encouraging effect on customer's brand loyalty. Brand can also affect the perception of the customers and create a good relation which can go for repeat purchasing behavior (Oliver, 1997).

It is important to make sure that whether the customer perceive quality have direct relation with loyalty or indirect role through customer satisfaction, thus following constructs were included in this study, customer perception about quality as independent customer satisfaction as mediator and brand loyalty as a dependent in footwear market situation of Pakistan. It was found that footwear industry is facing very hard competition in Pakistan which needs further research to explore the main factors that needed for competition in this industry. Those companies who have loyal customers will survive in the

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long run which have strategic importance for them. No previous evidence has been found that to check a relationship model between customer's perception about the quality, customer's loyalty and more specifically customer's satisfaction as a mediator in footwear industry of Pakistan (Rahmat, 2013).

Literature Review

Loyalty

Loyalty for a customer can be defined as, the measure to which a buyer show repeat purchase actions about the service supplier, possesses an encouraging attitudinal temperament for the supplier, and consider using self-contained group of supplier when there is need for increase in service (Gremier & Brown, 1996).

The aims and objectives for critical marketing in any business are that, to simply create, maintain and improve customer loyalty toward their brands, products or services (Dick & Basu, 1994).

Brand loyalty is a fundamental and significant strategy for the survival and accomplishment for any business association, as it can influence and direct customer purchase behavior and performance of organization (Rahman, 2012).

It is essential for every organization and business that they can do research on perceived service quality to check the construct across the industries (Akbar & Pervaz, 2009).

Quality

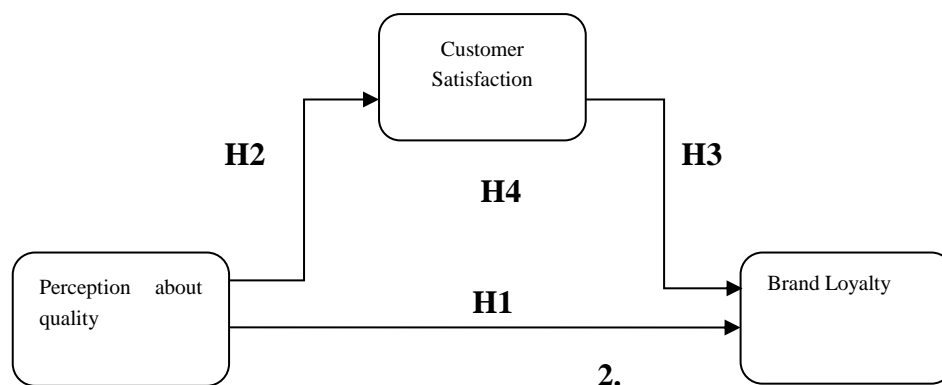
A service quality considered as an act or performance that allows customers to get benefit from different goods and provided that excellent service quality for customers to attend business surroundings significantly in a very tough market competition. This ability for a customer to provide high service and quality will reinforce the image, can develop retention, and attracting new prospective of customers via positive direction of communication ultimately increases the earnings money. The quality of service is calculated for an important element in determining the accomplishment and the competitiveness of a few particular organizations that can discriminate from their competitors by contribution high service quality to their customers (Aydin et al., 2005).

Satisfaction

1. Some investigation suggested that customer satisfaction was checked and found that their facilitation of the associations of consumer loyalty can enhance quality to some extent. In this connection the services of the audit organization on customer's satisfaction initiate mediators lying on perceived services. The consequence of satisfaction and quality of service is established by attending customer's considerable and affirmative relation (Bloemer & Ruyter, 1999).

Theoretical Framework

For any study, a diagrammatic sketch is playing a key role, in this regard, after a comprehensive literature survey, the following theoretical framework has been modeled shown in fig.1.



3. Figure 1. Theoretical Framework

Methodology

Basically this work is quantitative research and has conducted on a precise manner by investigating customer's perception regarding the quality and brand loyalty with mediating the role for satisfaction in footwear industry. It mainly focuses on the predecessor customer opinion about the quality and its relation with brand loyalty by mediating his/her role in customer satisfaction. So, the data was collected from two cities of Pakistan which interference was use. While doing the study the unit of analysis was individual to find out the regression of the variables in the footwear industry of Pakistan. The relationship among these variables was also checked, sampling has been collected from venues or cities of Pakistan i.e. Peshawar and Islamabad. Then for strengthening the research an empirical study in the form of questionnaire survey has prepared and distributed among different stakeholders in these two cities for checking the point of views about shoes industry in Pakistan. The feedback coming from the peoples has properly entered to a computer for checking normality. After threadbare discussion and satisfactory normality result, various quantitative tests have conducted for different analysis. From the aforementioned statistical tests, regression and correlation about customer's perception regarding the quality of brand loyalty has been measured which shows a positive impact on it.

Findings and Results

The Factor Analysis

The features investigated and conducting calculations for checking the sample sufficiently confirm that, all the related items have loaded lying on the indistinguishable factor. The Table 1 indicates the KMO and the Bartlett's tests consequences; it is worth mentioning that in the table values 0.888 means KMO sampling adequacy. The KMO value is good enough only if its value high than 0.5, and in case when the KMO value is less than 0.5, the sample volume or a number of variables are insufficient (Kaiser, 1974). The Bartlett's assessment calculation in the table shows the importance of null hypothesis and its intensity is less than (0.05). The Bartlett's significance reflects 0.000 which is extremely significant. It be accomplished that the antecedents in this model are appropriate as well as a suitable appropriate for significant KMO and Bartlett's investigation of sphericity.

Table -1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin (KMO) Measuring Adequacy.			.888
Bartlett's Test of Sphericity	Approximately	Chi-	2836.200
	Square Test		
	Df		300
	Sig.		.000

The principle component analysis values for the items of the instrument of this research is given in the table 2, as mentioned against each item of the variables of the study. The component value should be greater than (.5) for items to be acceptable in the construct.

Table - 2: Component Analysis

Item	Description	Component		
		1	2	3
	PQ	.638		
	PQ	.614		
	PQ	.758		
	PQ	.710		
	PQ	.648		
	S		.673	
	S		.651	
	S		.743	
	S		.632	
	S		.609	
	L			.766
	L			.750
	L			.727
	L			.774
	L			.646

The table 2 shows that none of the items in the questionnaire is inadequate as the value mentioned against each item is greater than (.5) therefore there is no redundant variable or item in the construct.

The result in table 2 shows the standard component investigation. The standard component investigation has designed for influential and constructs validity. It was necessary to verify construct validity for the reason that the survey for every variables of the study has adopt from supplementary calculations.

Tests of Scale Reliability (Cronbach's Alpha Values)

It is extremely significant to work out the instrument reliability use for the records compilation in this research study. An antecedent wise reliability examination was conduct to locate out a Cronbach's Alpha Value (CAV) of the questionnaire items used for variables (i.e. Perception about quality, customer satisfaction and the brand loyalty) have been carry out. The specifications of investigation of the instrument reliability are specified below.

The following table reveals the reliability statistics test of SPSS reliability conduct to discover out the instrument of reliability. The CAV (**Cronbach's Alpha Values**) of the SPSS test output are mentioned against each variable of the research instrument.

Table - 3: Scale Reliability Test (CAV)

Variable	N of items	Cronbach Alpha
PQ	5	.809
Sat	5	.837
Loyalty	5	.795

The reliability test statistics given in table 3 above shows that Cronbach's Alpha values calculated for the variables of the study are in the acceptable range being greater than (.7). Hence we conclude that the instrument used in this research study accomplish the criteria for reliability.

The Data Interpretation and Analysis

A quantitative kind of the data have been together through a questionnaire and was utilized for the investigation study. The analyses of data have been conduct through package-20 SPSS (Statistical Package of the Social Sciences). To check and analyze the relationships among variables as well as to check the hypotheses a linear regression analysis has been carry out. The questionnaire enclosed five items associated to consumer perception regarding the quality five items connected to customer's satisfaction and five items of brand loyalty. Though the factor analysis carried out through SPSS incorporated every item of the antecedents and were process for the examination. The data alteration in the SPSS have been carry out to calculate the mention factors The linear regression assessments have been conduct to check the hypotheses of research.

Data Analysis and Interpretation

H₁: Perceived quality has positive and significant relation with brand loyalty

The results of model summary of H₁ where R is square value equal to .268 which indicates that 26.8% of variation in loyalty of brand is explained by quality perceived. Alternatively perceived quality explains 26.8% of the change incurred in brand loyalty. The ANOVA statistics reveals that F = (72.570) and P value is (.000). The significance level of F is 4 whereas P value should be less than .05 for significance. Hence F and P values for the analysis of H₁ are both significant. Hence there is important association among quality perceived and loyalty brand. The T value is 3.997 and 8.519 which is significant being greater than two. Beta is (0.518), the results are significant. Positive beta shows the direction of relationship. Therefore, we conclude that quality perceived has important positive impact on loyalty of brand. Therefore the H₁ of this study is accepted lying on the foundation of consequences of the SPSS regression test results.

H₂: Perceived quality has positive and significant impact on satisfaction

The results of model summary of H₂ here R square value is equal to .262 which means that 26.2% of the variance in satisfaction is explained by perceived quality. Alternatively perceived quality explains 26.2% of the change incurred in satisfaction. The ANOVA statistics reveals that F = (73.770) and P value is (.000). The significance level of F is 4 whereas P value should be less than .05 for its significance. Hence F and P values for the analysis of H₂ are both significant. It is concluded that there is significant relationship between perceived quality and satisfaction. Beta is (0.690), the results are significant. Hence, the H₂ of this research is accepted on the basis of results of the SPSS regression test.

H₃: Satisfaction has positive and significant impact on brand loyalty

The model summary of H₃ here R square value is equal to .272 which means that 27.2% of the variance in brand loyalty is explained by satisfaction. Alternatively satisfaction explains 27.2% of the change incurred in brand loyalty.

The ANOVA statistics reveals that F = (73.987) and P value is (.000). The significance intensity of F is 4 whereas the P value should be lesser than .05 for its significance. Hence F and P values for the analysis of H₃ are both significant. It is concluded that there is major association between satisfaction and brand loyalty. Beta is (0.638), the results are significant. Positive beta shows the direction of relationship. Therefore, we conclude that satisfaction has significant positive impact on the brand loyalty. Hence, the H₃ of this research is accepted on the basis of results of the SPSS regression test.

H₄: Customer's satisfaction has mediating role between quality perceived and brand loyalty.

The results of model summary of linear regression test conducted to verify the assumption of H₃. R square = .317, this means that 31.7% of the variance which is explained in brand loyalty due to intersect variable iPQSat. The quantum of variance explained by intersect variable iPqSat in the dependent variable is greater than the individual explained by Perceived quality in Brand loyalty which was 26.8%. F value which was previously 72.57 is now 91.700. This is significantly higher than the previous F value. P value is also highly significant (.0000). Therefore F value has also significantly increased due to the moderating impact of the intersect variable. Beta is .563 and t value is 11.308 and

9.576 in the table of regression coefficients. These two statics have also increase than the individual impact of perceived quality. Therefore we conclude that the above analysis prove that customer satisfaction is a mediating variable among quality perceived and the brand loyalty.

Conclusion

Based on the research results and discussion, it concluded that customer's satisfaction as a mediating variable between perception of quality and customer loyalty demonstrates a positive and significant impact. The investigation results specify that there is sufficient empirical evidence to admit that there are significant positive relations among quality perceived and the brand loyalty. The research study and discussions concluded that customer satisfaction considerably enhances and mediates the relationships of brand loyalty. Finally, the result for the impact of mediating variables shows that the impact of satisfaction on loyalty is very strong. It was evident that the customer satisfaction act as mediating between the relationships of customers perceived quality and customer loyalty. To improve the customer loyalty, the companies should ensure the best service quality for customers. Furthermore, it is important to meet customer expectation to maintain customer satisfaction.

Limitations

Limitations of the study are as under:

It should be noted that the aforementioned result is from two marketing products, may be for other companies' product the result is different. By using a large sample covering the entire province in Pakistan might give better result rather than from two cities due to time constrain. This type of study can also examine perception of customer towards footwear and their manipulating factors in the choice of service providers for a particular footwear company. Furthermore, by using less sample covering as a research, the whole results can be affected as they are not representatives of the whole marketplace. The research was solely based on the responses from the sample size providers and did not include any direct contact in the footwear's companies.

Recommendations and Future Work

In future study can be conducted on other aspect of loyalty such as image, advertisements, Price etc. In this regard, investigator also can take diverse goods that be commercialize on Television channel and advertisers appoint famous celebrity to endorse their product. The different products like soft drinks and mobiles phones hits today market's peak need attention of the researchers to conduct the same type of analysis. This research still predict that further research efforts are being required to study these factors in the Pakistan by means of further sample earlier than generalization be able to be made. Keeping in view the results of this study, attention is required to replicate this study by means of the approach to examine the function of customer satisfaction in configuration of loyalty in a particular industry in developing and non-developing countries. The customer loyalty program should be studied to how the fluctuation between large and small companies, specify brand and compared its loyalty to a specific in two other countries.

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