An analytical study on Relationship between Brand Image and Customer Satisfaction

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Abstract

There are little evidences for relationships between brand image and customer satisfaction. Therefore, this study attempts to know about the relationship between brand image and customer satisfaction. This study considered a sample size of 200 respondents. Results of correlation revealed that relationship between brand image and customer satisfaction is analysed using correlation analysis. Results of the correlation (0.865) indicate that there is strong correlation between brand image and customer satisfaction. Results of the hypothesis indicated that there is relationship brand image and customer satisfaction. In terms of the results of an overall regression, Values of R square and adjusted R square in model summary table are 0.746 and 0747 respectively. It means that brand image explains about 75% of variation on customer satisfaction. F statistics in analysis of variance table is significant. In terms of the results of an individual regression, values of R square and adjusted R square. In terms of the values of R square and adjusted R square, brand image that is comprised of brand association, customer experience and advertising & marketing explain around 73% of variation on customer satisfaction. Value of SS regression, SS residual and SS total are 4399.754, 1658.601 and 6058.355 respectively. MS regression and MS residual are 1466.585 and 8.462 respectively. F statistics (173.309) is significant. In terms of the coefficient table, unstandardised beta coefficients for constant is 7.885 and those of brand association, customer experience and advertising & marketing are 841, 1.161 and .602 respectively.

Key Words: Brand Image, Customer Satisfaction, Relationship.

Introduction

Studies have defined that brand image is an image that a brand has and have proved that there are different factors for brand image. Similarly, studies have also proved that customer satisfaction is a psychological condition that has many benefits to individuals and companies. There are number of factors for customer satisfaction.

Andreassen and Lindestad (1998) studied about the impact of corporate image on quality, customer satisfaction and loyalty for customers with varying degrees of service expertise. Data were collected from 600 individual customers categorized as having high or low service expertise of three companies within the package tour industry. This study concluded that corporate image and customer satisfaction are not two separate routes to customer loyalty. Corporate image impacts customer loyalty directly whereas customer satisfaction does not. Rita (2007) studied about corporate brand image, satisfaction and store loyalty. Customers are satisfied when the store is neat and pleasant and when they feel that the store understands their needs. Only certain customer segments are interested in store brands. Satisfied customers are loyal. Jay and Dwi (2000) studied about customer loyalty in the hotel industry. This study highlighted about the role of customer satisfaction and image. The factors of image and customer satisfaction are positively related to customer loyalty in the hotel industry. This study used data collected from chain hotels in New Zealand. Findings indicated that hotel image and customer satisfaction with the performance of housekeeping; reception, food and beverage and price are positively correlated to customer loyalty.

Although there are research findings among brand image, customer satisfaction and so on. There are little evidences for relationships between brand image and customer satisfaction. Therefore, this study attempts to know about the relationship between brand image and customer satisfaction.

Research question and objective

Researcher raises research question as whether there is relationship between brand image and customer satisfaction?. This research question is converted into research objective as "to know the relationship between brand image and customer satisfaction".

Motivation of the Study

This study is important in several ways. Brand image is instrumental for marketing programme. Martin (1995) stated that developing and managing brand image is an important part of a firm's marketing programme. Brand image has been studied with some other constructs such as brand attitude and brand equity. James, Louis and Bruce (2001) studied about the effect of brand attitude and brand image on brand equity. Similarly, Eva and Leslie (2004) studied about the effect of brand extension strategies upon brand image.

Review of Literature

Yu-Shan (2010) studied about the drivers of green brand equity. It was studied about green brand image, green satisfaction, and green trust. This research study was information and electronics products in Taiwan. The results showed that green brand image, green satisfaction, and green trust are positively related to green brand equity. Martin (1995) studied about the effects of culture and socio-economics on the performance of global brand image strategies. This study examines the brand image-performance linkage for consumer goods in two categories marketed internationally. This study develops a conceptual framework that identifies various cultural and socioeconomic environmental characteristics of foreign markets that are hypothesized to affect brand image performance. Results from a 10 country/60 region study indicate that cultural power distance, cultural individualism, and regional socioeconomics affect the performance of functional (problem prevention and solving), social (group membership and symbolic), and sensory (novelty, variety, and sensory gratification) brand image strategies. James, Louis and Bruce (2001) found that the results indicate that brand equity can be manipulated at the independent construct level by providing specific brand associations or signals to consumers and that these associations will result in images and attitudes that influence brand equity.

Eva and Leslie (2004) studied about the effect of brand extension strategies upon brand image. From a sample of 389 consumers the paper demonstrates that the extension strategy dilutes the brand image. Through a regression analysis it is shown that the perceived quality of the brand and consumers' attitudes towards the extension positively influence both the general brand image (GBI) and the product brand image (PBI) after the extension. While familiarity with the products of the brand only affect the GBI, the perceived degree of fit affects the PBI. Anca and Roderick (2007) studied about the influence of brand image and company reputation where manufacturers market to small firms. The results indicate that the brand's image has a more specific influence on the customers' perceptions of product and service quality while the company's reputation has a broader influence on perceptions of customer value and customer loyalty.

Kisang, Heesup, and Tae-Hee (2008) studied about the relationships among overall quick-casual restaurant image, perceived value, customer satisfaction, and behavioral intentions. The findings indicate that overall quick-casual restaurant image significantly influences perceived value, and overall quick-casual restaurant image and perceived value had a significant role in influencing customer satisfaction. Jung, and Yi (2006) studied about brand attitudes and customer satisfaction loyalty relation that moderates the role of product involvement. Structural equation modelling shows that customer satisfaction has both direct and indirect effects on loyalty, whereas and attitudes and corporate image have only indirect effects through their mediating influence on brand attitudes.

Conceptual model

Review of literature assist to develop the following conceptual model as depicted in Figure 1.
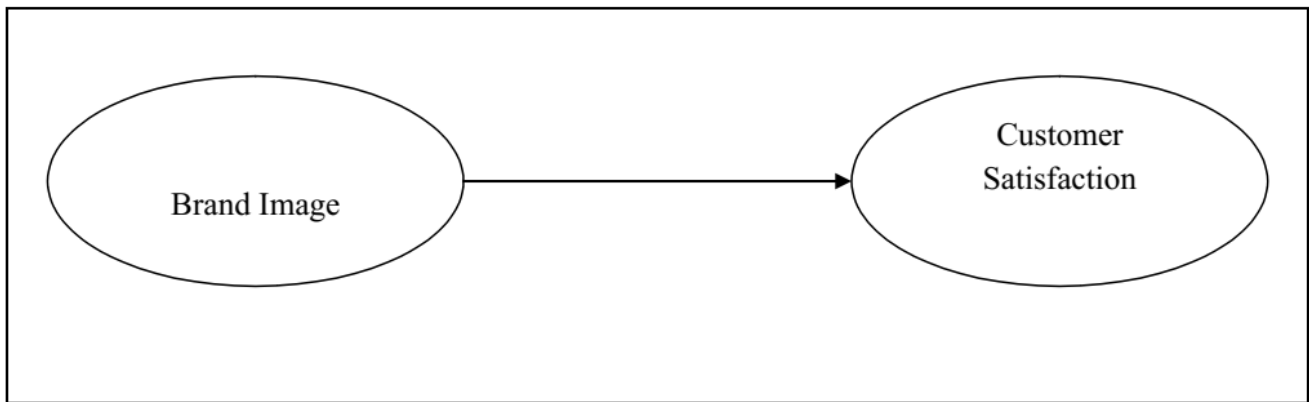
Figure 1: Conceptual Model between brand image and customer satisfaction

Hypothesis Development

Developed hypothesis is tabulated in Table 1.

Table 1: Hypothesis development

Null hypothesis	Alternative hypothesis
There is no relationship between brand image and customer satisfaction	There is relationship between brand image and customer satisfaction

Methodology

This study considered a sample size of 200 respondents. Data were collected from these respondents during the period of fourth quarter of 2015 and the first quarter of 2016. Data collectors were trained undergraduates from South Eastern University of Sri Lanka. This study used correlation and regression analyses with for finding the relationship between brand image and customer satisfaction.

Results and Discussion of FindingsCorrelation

Relationship between brand image and customer satisfaction is analysed using correlation analysis. Results of the correlation (0.865) indicate that there is strong correlation between brand image and customer satisfaction.

Results of the correlation are tabulated in Table 2.

Table 2: Correlations

		BRANDIMAGE	CUSTOMERSATISFACTION
BRANDIMAGE	Pearson Correlation	1	.865**
	Sig. (2-tailed)		.000
	N	200	200
CUSTOMERSATISFACTION	Pearson Correlation	.865**	1

	Sig. (2-tailed)	.000	
	N	200	200
**. Correlation is significant at the 0.01 level (2-tailed).			

Hypothesis Testing

Developed hypothesis is tested and results are tabulated in Table 3.

Table 3: Results of hypothesis testing

Null hypothesis	P value	Rejection	Alternative hypothesis	Acceptance
There is no relationship between brand image and customer satisfaction	0.000	Rejected	There is relationship between brand image and customer satisfaction	Accepted

Since p value is less than 0.05 researcher rejects the null and accepts the alternative. Accepting the alternative refers to that there is relationship brand image and customer satisfaction.

Regression Analysis

Regression analysis is undertaken in two ways. The first way is to analyse regression on an overall basis. Results of an overall basis are discussed in this section.

Values of R square and adjusted R square in model summary table are 0.746 and 0747 respectively. It means that brand image explains about 75% of variation on customer satisfaction.
Table 4 tabulates the values of R square and adjusted R square.

Table 4: Model Summary – Overall

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.865[a]	.747	.746	2.78009
a. Predictors: (Constant), BRANDIMAGE				

F statistics in analysis of variance table is significant. Related statistics in analysis of variance are tabulated in Table 5.

Table 5: ANOVA – Overall

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4528.035	1	4528.035	585.858	.000[a]
	Residual	1530.320	198	7.729		
	Total	6058.355	199			
a. Predictors: (Constant), BRANDIMAGE						
b. Dependent Variable: CUSTOMERSATISFACTION						

Coefficient table is tabulated in table 6.

Table 6: Coefficients – Overall

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.456	2.329		1.913	.057
	BRANDIMAGE	.699	.029	.865	24.205	.000
a. Dependent Variable: CUSTOMERSATISFACTION						

Similarly, one of the two ways is to analyse regression on an individual basis. Results of an individual basis are discussed in this section.

Model Summary - Individual

Model Summary – Individual table tabulates the values of R square and adjusted R square. In terms of the values of R square and adjusted R square, brand image that is comprised of brand association, customer experience and advertising & marketing explain around 73% of variation on customer satisfaction.

Related statistics are tabulated in table 7.

Table 7: Model Summary – Individual

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.852[a]	.726	.722	2.90899
a. Predictors: (Constant), BRANDASSOCIATION, CUSTOMEREXPERIENCE, ADVERTISINGANDMARKETINGCOMMUNICATION				

Analysis of Variance - Individual

Table 8 tabulates about the statistics about analysis of variance. Value of SS regression, SS residual and SS total are 4399.754, 1658.601 and 6058.355 respectively. Df for SS regression, SS residual and SS total are 3, 194 and 199 respectively. MS regression and MS residual are 1466.585 and 8.462 respectively. F statistics (173.309) is significant. All the related statistics are tabulated in Table 8.

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Table 8: ANOVA – Individual

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Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4399.754	3	1466.585	173.309	.000[a]
	Residual	1658.601	196	8.462		
	Total	6058.355	199			
a. Predictors: (Constant), BRANDASSOCIATION, CUSTOMEREXPERIENCE, ADVERTISINGANDMARKETINGCOMMUNICATION						
b. Dependent Variable: CUSTOMERSATISFACTION						

Coefficient- Individual

In terms of the coefficient table, unstandardised beta coefficients for constant is 7.885 and those of brand association, customer experience and advertising & marketing are .841, 1.161 and .602 respectively. Related statistics with respect to coefficients are tabulated in Table 9.

Table 9: Coefficients – Individual

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.885	2.363		3.337	.001
	CUSTOMEREXPERIENCE	.841	.154	.290	5.460	.000
	ADVERTISINGANDMARKETINGCOMMUNICATION	1.161	.147	.447	7.914	.000
	BRANDASSOCIATION	.602	.161	.220	3.735	.000
a. Dependent Variable: CUSTOMERSATISFACTION						

Conclusions

Results of correlation revealed that relationship between brand image and customer satisfaction is analysed using correlation analysis. Results of the correlation (0.865) indicate that there is strong correlation between brand image and customer satisfaction. Results of the hypothesis indicated that since p value is less than 0.05 researcher rejects the null and accepts the alternative. Accepting the alternative refers to that there is relationship brand image and customer satisfaction. In terms of the results of an overall regression, Values of R square and adjusted R square in model summary table are 0.746 and 0747 respectively. It means that brand image explains about 75% of variation on customer satisfaction. F statistics in analysis of variance table is significant. In terms of the results of an individual regression, values of R square and adjusted R square. In terms of the values of R square and adjusted R square, brand image that is comprised of brand association, customer experience and advertising & marketing explain around 73% of variation on customer satisfaction. Value of SS regression, SS residual and SS total are 4399.754, 1658.601 and 6058.355 respectively. Df for SS regression, SS residual and SS total are 3, 194 and 199 respectively. MS regression and MS residual are 1466.585 and 8.462 respectively. F statistics (173.309) is significant. In terms of the coefficient table, unstandardised beta coefficients for constant is 7.885 and those of brand association, customer experience and advertising & marketing are .841, 1.161 and .602 respectively.

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