IMPACT OF CUSTOMER SATIFACTION ON BRAND EQUITY UNDER THE INFLUENCE OF BRAND TRUST

Muhammad Farhan Basheer[1]
[1]University of Utara Malaysia Sintok, Kedah, Malaysia,

Shahid Nadeem[2]
[2]University of Utara Malaysia Sintok, Kedah, Malaysia,

Muhamamd Azeem[3]
[3]University of Utara Malaysia Sintok, Kedah, Malaysia,

Dr Asif Mahmood[4]
[4]University of Engineering and Technology (UET) ,Lahore ,Pakistan

ABSTRACT
The prime objective of this research is to investigate the relationship between customer satisfaction and brand equity under the influence of brand trust. Hierarchical regression analysis is used to study the said relation. The findings of the study show that the relationship between brand equity and brand trust, brand equity and customer satisfaction and between brand trust and customer satisfaction is positive , while brand trust appears as strong moderator . Questionnaire adopted from prior studies is used to collect data from 300 respndnats. All hyposthesis are accepted significantly. This study will be helpful for managers in formulating their branding strategy.

KEY WORDS: *Customer Satisfaction, Brand Equity and Brand Trust*

1. INTRODUCTION

The perception which acts as a driver of commercial value of a product and services is known as brand equity .Brand equity is one of the challenging tasks to advertisiment nowadays. Compnies are striving to creat a brand image which lead them to greater profit margins higher share price(Keller, 1993).Keller (2003) claimed brand equity a most valuable tangible asset .He further argues that while measuring brand equity we should keep in mind that it has control on

consumer perception and purchase behavior .however, to ensure a successful strategy in building strong brands globally, an understanding of brand equity in different markets is needed (Yoo & Donthu, 2001).Customer satisfaction might influence brand equity. Amazingly, brand equity procedures may include client mind-set (Ailawadi et al., 2003).Companies consider that improved Customer happiness is the main strategy for gaining faithfulness, strengthening readiness to pay for, as well as increasing the life-time price in the customer

on the organization(Keller and Lehmann, 2006). Brand awareness is one of the extents of brand equity. According to (Keller, 2003) Brand Awareness / recognition play a vital role throughout buyer choice creating through providing several benefits; they are studying benefits, consideration benefits, and also option benefits. Brand awareness involves connecting the brand to diverse links in memory.Brand Awareness can be step one in order to develop company equity. This measurement refers to whether people may recall or perhaps recognize a brand as well as is related to the potency of any brand's occurrence in consumers' brains (Aaker, 1996). A brand association is the important dimension of brand equity. A brand association is "anything associated in memory with a brand" (Aaker, 1991). Brand association of organizations might be noticed in many varieties and reflect characteristics of the product or aspects independent of the product itself (Chen, 2001). Brand associations are the ideas that have associations with the brand name in consumer memory (Keller and Lehmann, 2006).The importance of brand name associations, for instance, are emphasized by (Rio et al, 2001) in obtaining differential advantages. Product or service links and organizational links are used as the two mostly referred groups in accordance with (Chen, 2001) brand name relationship typology.

The prime objective of this research is to investigate the relationship between customer satisfaction and brand equity under the influence of brand trust. Hierarchical regression analysis is used to study the said relation. The findings of the study show that the relationship between brand equity and brand trust , brand equity and customer satisfaction and between brand trust and customer satisfaction is positive , while brand trust appears as strong moderator . Questionnaire adopted from prior studies is used to collect data from 300 respndnats.All hyposthesis are accepted significantly.This study will be helpful for managers in formulating their branding strategy

1.1. LITERATURE REVIEW

Customer satisfaction is extremely well-known idea in every place just like client behavior, promoting, human resources as well as economics. Customer satisfaction will be the competition among customer expectations as well as product observed performance (kotler et al., 2009). (Binter and Zeithaml, 2003) reported that when a product is going a lot more than it is expected to function then it is said customer is satisfied.When customer satisfaction and retention boosts, then it will go to build additional earnings, positive person to person and it also will decrease this advertising and marketing costs (McDougall and Levesque, 2000). Customer achievement qualified prospects to duplicate buying (Belaid and Behi, 2011)**.** To measure and define the perceived value is a difficult

task (Woodruff, 1997 and Zeithaml, 1988). On the other hand, the value is personal, individual, and distinctive and differs from consumer to consumer (Zeithaml, 1988). Previous researches indicated that the higher level of satisfaction of customer who thinks that they gain 'value for money' (Zeithaml, 1988). Consumers compare each and every thing in services like cost and other financial aspects (Zeithaml, 1988). Customer loyalty and satisfaction are interrelated with each other. If the customer will be satisfied with the product then this will increase the loyalty of the customer (Ibodullayevna 2011). The name of the brand and customer satisfaction has a significant effect on the loyalty of the customer (Ibodullayevna, 2011).Thus; satisfaction is essentialantecedent of loyalty (Sivadas and Baker-Prewitt, 2000). Perceived quality has a positiveeffect on satisfaction and loyalty of the brand. There is a positive effect of high perceived quality on customer satisfaction and loyalty with the brand (Sang-Kyu Park, 2008).Satisfaction of the customers depends on this situation that how much the brand meets the expectation of the customers (Maloney,2002). Furthermore, promotion activities and the brand image and the investment of the consumer and its relationship with the brand also affect the expectations (Gronroos, 1984).

Brand loyalty is the addition or maybe strong commitment to your company Brand. (Aaker, 1991) identifies manufacturer Brand loyalty being a predicament which usually reflects just how probable a customer will be to transition to a new brand, particularly when that brand can make a change, often with cost or maybe with item specifications.Keller (2003) inspects company faithfulness under the name of "brand resonance" which describes the nature involving customer-brand relationship along with the degree in order to which clients feel that they're "in sync" while using that brand. Perceived quality in addition to brand name links symbolizes the particular antecedent action producing brand name commitment (Keller and Lehmann, 2003). The previous study shows that substantial degrees of observed good or perceived quality in addition to constructive links can improve brand name commitment (Keller and Lehmann, 2003 and Pike et al., 2010).This explanation of brand loyalty spot to a direct connection between brand loyalty and brand equity where brand loyalty is often known to be a core element of brand equity (Aaker, 1991).Brand equity would depend on recognized top quality because it is important to formulate an optimistic assessment on the company inside consumers' remembrances (Farquhar, 1989). On top of that, perceived top quality can lead to better differentiation in addition to brilliance on the company. (Yoo et al., 2000 and Kim and Hyun, 2011). Likewise, by means of brand association,

organizations can distinguish along with position their product, as well as create beneficial behavior along with philosophy in direction of their manufacturers (Dean, 2004). That can cause higher model value (Chen, 2001). Last but not least, brand loyalty has been identified to be several drivers associated with brand equity (Atilgan et al., 2005 and Yasin et al., 2007). Faithful customers demonstrate a lot more beneficial reactions to your brand. Therefore, brand equity will probably help with rising brand equity.

According to the researchers that trust has a fundamental role in sustaining the long relation. Brand trust shows the confidence of the customer and minimizes the uncertainty about the brand perception (Becerra and Korgaonkar, 2011). Brand trust is the combination of perceptive thoughts (Delgado-

Ballester et al., 2003). Brand trust creates stability in the relationship building but in the past researches some researchers saw trust in the perspective of belief (Dubois, 1999 and Frisou, 2000), some define it as a presumption (Aurier et al., 2001). Gurviez and Korchia(2002)expressed trust in different dimensions as an affective or cognitive dimension with one and multidimensional construct.

2. METHODOLOGY
2.1. Conceptual Framework:

This research is conducted to find out the impact of customer satisfaction on brand equity under the moderating role of brand trust. In this research customer satisfaction used as independent variable and brand equity is used as dependent variable, whereas brand trust is taken as a moderator.
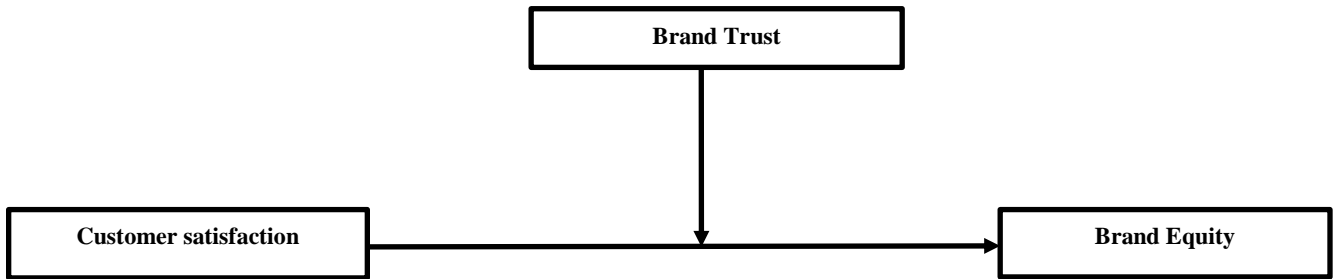
Figure:1

2.2 Hypothesis:

H1 = Customer satisfaction positively influences the brand equity.

H2 = brand trust positively moderates the relationship between customer satisfaction and brand equity.

This research is quantitative in nature. A structured questionnaire is used for the collection of data. The 19 scale items were used to measure the brand equity and the scale is modified from previous research (buil, Martinez and chematony, 2013). For customer satisfaction 18 scale items and brand trust measured through 9 items is taken from previous study respectively (Bae, 2012; Louis and lombart, 2010).

Cronbach's alpha value is 0.923 which showed that the scale is reliable. All the questions were assessed by using 5- point likert scale ranging from 1- strongly disagree to 5- strongly agree. Convenient sampling technique is used in order to get the surveys. Data is

collected from 300 people including students of different universities and employees of public and private sectors who had Smartpones. For the sake of statistical analysis SPSS is used. Hierarchical regression is used to test the proposed hypothesis

3. RESULTS

This research is carried out to observe the moderating effect of brand trust between the relationship of customer satisfaction and brand equity. In table no 1 descriptive and correlation were calculated. The values of mean and standard deviation showed that most of the respondent provided their answers neutral to agree. Customer satisfaction is strongly and positively correlated with brand equity and also had a strong and positive relationship with brand trust because these values were greater than ± 0.50 (Field, 2005) as showed in table no 1

Table 1: Descriptive and Correlation Analysis

Variables	Mean	St.deviation	1	2	3
1.Customer satisfaction	3.88	.490	1		
2.Brand equity	3.94	.412	.572**	1	
3.Brand trust	3.97	.480	.594**	.603**	1

Hierarchical regression analysis is used to check the moderation effect between customer satisfaction and brand equity. All the assumptions of regression were met by the data. For multicolinearity the values of variance inflation factor (VIF) and tolerance were checked. The value of (VIF) is <10 and the value of tolerance were >0.2 which assured that there is no multicolnearity among the variables which were under studied. Data is normally distributed on the normality plot and histogram. As the data is equally distributed around the scatter plot line so there is no homoscedasticity in the data (Pallant, 2005).

Table 2: Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.572a	.327	.324	.33860	.327	144.593	1	298	.000
2	.659b	.434	.430	.31095	.107	56.344	1	297	.000

a. Predictors: (Constant), Customer_Satisfaction

b. Predictors: (Constant), Customer_Satisfaction, Brand_trust

4. DISCUSSIONS

The value of R2 is equal to .327 which meant by 32.7% customer satisfaction effect the brand equity. In model 2, the value of constant = 1.485 and value of coefficient b (with moderation) is equal to .350. It showed that customer satisfaction as the independent variable and brand trust as moderator variable had combined effect on the brand equity that is a dependent variable. Results in table 2 showed that customer satisfaction itself affected the brand equity 32.7% but brand equity is affected 43.4% by customer satisfaction through the moderating role of brand trust, which confirmed the brand trust as a good moderator of brand equity remaining all the other variables keeps constant. Through moderating role of brand trust, it supported the connection between customer satisfaction and brand equity by 10.7%, as the value of the change in R2 is shown in table 2. The outcome of this research recommended that the hypothesis H1 and H2 were accepted. The outcome of hierarchical regression analysis's result assured that there is a positive and significant relation between customer satisfaction and brand equity.

5. CONCLUSION

This research based on the moderating effects of brand trust on brand equity with customer satisfaction as the independent variable. The outcome of this study proved that customer satisfaction and brand trust were positively related to each other. Both brand trust and customer satisfaction affected the brand equity in a positive way and it also showed that the brand trust as a good moderator of brand equity. According to the outcome it proved that customer satisfaction and brand trust positively and significantly affects the brand equity. If Customers had highly trust on a brand that's

affected the company brand equity. This study may be useful for an organization to enhance their brand equity with help of brand trust as moderator.

6. REFERENCE

1. Aaker, D.A. Managing Brand Equity, the Free Press, New York, NY (1991).

2. Aaker, D.A. Building Strong Brand, Free Press, New York, NY (1996).

3. Ailawadi, K.L., Lehmann, D.R. and Neslin, S.A. Revenue premium as an outcome measure of brand equity, Journal of Marketing, 67:1-17 (2003).

4. Atilgan, E., Aksoy, S. and Akinci, S.Determinants of the brand equity. A verification approach in the beverageindustry in Turkey, Marketing Intelligence and Planning, 23(3):237-248 (2005).

5. Bae, Young Han. Three essays on the customer satisfaction-customer loyalty association. PhD diss., University of Iowa, http://ir.uiowa.edu/etd/3255 (2012).

6. Bitner, M. J. and Zeithaml, V. A. Service Marketing (3rd ed.), Tata McGraw Hill, New Delhi (2003).

7. Buil, I., Martínez, E., and de Chernatony, L. The influence of brand equity on consumer responses. Journal of Consumer Marketing, 30(1), 62-74 (2013).

8. Chen, K.J. Using free association to examine the relationship between the characteristics of brandassociations and brand equity, Journal of Product & Brand Management, 10(7):439-51 (2001).

9. Delgado-Ballester, E., Munuera-Aleman, J.L. and Yague-Guillen, M.J.Development and validation of a brand trust scale, International Journal of Market Research, 45(1):35-76 (2003).

10. Field, A. Discovering Statistic Using SPSS (3rd ed). Los Angles: Sage(2009).

11. Farquhar, P.H. Managing brand equity, Marketing Research, 24-33 (1989).

12. Becerra, E.P. and Korgaonkar, P.K.Effects of trust beliefs on consumers' online intentions, European Journal of Marketing, 45(6):936-962 (2011).

13. Gurviez, P. and Korchia, M. Proposition d'une e´chelle de mesure multidimensionnelle de la confiance dans la marque", Recherche et Applications en Marketing, 17(3):41-62 (2002).

14. Grönroos, C. Strategic Management and Marketing in the Service Sector, Chartwell-Bratt,London (1984).

15. Ibodullayevna, S.A. Factors Influencing Brand Loyalty among Mobile Phone Users, University Utara Malaysia, (2011).

16. Keller, K.L. conceptualizing, measuring, and managing customer-based brand equity, Journal of Marketing, 57(1):1-22 (1993).

17. Keller, K. Strategic Brand Management: Building Measuring and Managing Brand Equity, Prentice Hall, Upper Saddle River, NJ (2003).

18. Keller, K.L. and Lehmann, D.R. Brands and branding: research findings and future priorities, Marketing Science, 25(6):740-59 (2006).

19. Kim, J.H. and Hyun, Y.J. A model to investigate the influence of marketing-mix efforts and corporate image onbrand equity in the IT software sector, Industrial Marketing Management, 40:424-38 (2011).

20. Kotler, P., Keller, K.L., Koshy, A., Jha, M. Marketing Management: A South Asian Perspective, 13th Edition,Dorling Kindersley (India) Pvt. Ltd (2009).

21. Louis, D., and Lombart, C. Impact of brand personality on three major relational consequences (trust, attachment, and commitment to the brand).Journal of Product & Brand Management, 19(2), 114-130 (2010).

22. Maloney, W.F. Construction product/service and customer satisfaction, Journal of Construction Engineering and Management, November/December, 522-529 (2002).

23. McDougall, G. and Levesque, T. The measurement of service quality: some methodological issues, 2nd International Research Seminar in Service Management, La-Londe-Les Maures, France, 410-31 (1992).

24. Netemeyer, R.G., Krishnan, B., Pullig, C., Wang, G., Yagci, M., Dean, D., Ricks, J. and Wirth, F.Developing and validating measures of facets of customer-based brand equity,Journal of Business Research, 57(2):209-224 (2004).

25. Pallant, J. SPSS survival manual: A step by step guide to data analysis using SPSS for windows (version. 12). NSW: Australia. Allen & Unwin, (2005).

26. Pike, S., Bianchi, C., Kerr, G. and Patti, C.Consumer-based brand equity for Australia as a long haul tourism destination in an emerging market, International Marketing Review, 27 (4):434-49 (2010).

27. Rio, A., Vazquez, R. and Iglesias, V. The role of the brand name in obtaining differential advantages, Journal of Product & Brand Management, 10(7):452-65 (2001).

28. Sang-Kyu Park. Role of satisfaction in an integrative model of brand loyalty Evidence from China and South Korea, International Marketing Review, 26(2):198-220 (2009).

29. Sivadas, E. and Baker-Prewitt, J.An examination of the relationship between service quality, customer satisfaction, and store loyalty, International Journal of Retail & Distribution Management, 28(2):73-82 (2000).

30. Woodruff, R. Customer value: the next source for competitive advantage, Journal of the Academy of MarketingScience, 25(2):139-153 (1997).

31. Yoo, B. and Donthu, N. Developing and validating multidimensional consumer-based brand equity scale, Journal of Business Research, 52(1):1-14 (2001).

32. Zeithaml, V.A consumer's perceptions of price, quality, and value: a means end model and synthesis of evidence, Journal of Marketing, 52(3):2-22 (1988).