The Effects of the Determinants of Customer Satisfaction on Brand Loyalty

1Hayan Dib, 2Samaan Al-Msallam

1Marketing and International Trade Department Higher Institute of Business Administration Syria – Damascus
2Marketing and International Trade Department Higher Institute of Business Administration Syria – Damascus

Email: Samaan.phd@gmail.com

ABSTRACT:-- Most of marketing literature recognizes customer satisfaction as a significant antecedent to Brand loyalty. Further, the relationships between both satisfaction constructs with Brand loyalty have mostly been studied separately. The purpose of this study is to explore the effects of three customer perceptions (perceived quality, brand image, price fairness) on customer satisfaction and Brand loyalty. A combination of a convenience and judgmental sample survey of 584 mobile phone users, from undergraduate students of major universities in Damascus, was used to test the hypotheses. The results illustrate that customer satisfaction significantly affects customer loyalty. Also, the factors of perceived quality, brand image and price fairness affect Brand loyalty. Customer perception of perceived quality, brand image and price fairness are almost equally to build up the satisfaction. We suggest that managers should consider perceived quality and price fairness as foundations to build up customer satisfaction, Brand loyalty and, also to improve brand image as an added value for customers.

Keywords: customer satisfaction, brand loyalty, perceived quality, brand image, price fairness.

INTRODUCTION

Customer Satisfaction and Loyalty have become a major marketing topic today. In the last 15 years, a lot of marketing research focus on identifying describing , and analyzing both subject (e.g., Anderson and Sullivan, 1993; Reichheld, 1993; Dick and Basu, 1994; Jones And Sasser, 1995; Blomer and Kasper, 1995; Bolton and Lemon, 1999; Edvardsoo et al., 2000; Homburg and Giering, 2001; Ahn and Johnson, 2005; Bodlet, 2007; Terblanche and Boshoff, 2010).

The high level of consumer satisfaction has many benefits for the brand; such as increased consumer loyalty, enhanced brand reputation, reduced price elasticity, positive word of mouth and lower switching tendency (Anderson et al., 1994; Fornell, 1992). It is believed that consumer satisfaction is a good, if not the best, indicator for a firm’s efficiency to profit (Fornell, 1992; Kotler, 1991; Reichheld and Sasser, 1990).

Reichheld (1994) argued that satisfied customers are not necessary loyal. However, Evidently, Reichheld and Markey (2000) noted that the customers who said they were satisfied or very satisfied showed that between 60 and 80% will defect in most businesses. The criticisms of relying solely on consumer satisfaction survey (Jones and Sasser, 1995; Reichheld, 1994) have deliberately called for a paradigm shift, from emphasis on satisfaction to the pursuit of loyalty as a strategic business goal (Oliver, 1999). Oliver (1999) noted the shift "appeared to be a worthwhile change in strategy for most firms because business understood the profit of having a loyal customer base" (p.33). Therefore it was suggested that those who are measuring customer satisfaction should not stop there (Reichheld, 1994). The shift to measure loyalty is based on a desire to better understand retention, a component of loyalty which had a direct link to a company's profit (Taylor, 1998).

Brand loyalty can provide essential benefits for both consumers and companies. For consumers, a brand toward which they feel loyal, can act as a signal of achieved expectation. Because of familiar and favorable signal that a brand sends consumers buy the brand with more comfort believing that the brand will
The Effects of The Determinants of Customer Satisfaction on Brand Loyalty

meet their expectations. This comfort would mostly come from the credibility of the brand established from past experiences. For companies, customer loyalty enhances brand equity by lowering vulnerability to competitive marketing actions, increasing margins, increasing marketing communication effectiveness and possibly generating more brand licensing or extension opportunities (Keller, 1998). A study by Bain & Co. (Reichheld and Teal, 2001) shows that 5% increase in customer loyalty, can increase a company’s profitability by 40 to 95% and an increase in customer loyalty of 1% is the equivalent of 10% cost reduction. Furthermore, Kapferer (2005) stated that “Brand loyalty is a marketers' Holy Grail”.

For managing customer satisfaction and loyalty, it is necessary to identify the antecedents of these constructs. Several scholars have suggested that express image, may generate more loyalty consumers (Bennett and Rundle, Thiele, 2005; Nandar, 2005). Empirical evidences have confirmed that image does impact satisfaction; which in turn led to loyalty in many industries (e.g., Bloemer and Ruyter, 1998). However, the impact of image on satisfaction required more validation, as some contradictory results can be observed in marketing literature (Palacio et al., 2002).

In some studies, perceived quality has been found to have a positive direct effect on purchase intentions and brand loyalty (i.e., Carman, 1990; Boulding et al., 1993; Parasuraman et al., 1996; Fornell, 1996), whereas others report only an indirect effect through satisfaction (i.e., Cronin and Taylor, 1992; Sweeney et al., 1999). However, most marketing researchers accept a theoretical framework in which quality performance leads to satisfaction (Fornell et al., 1996; Oliver, 1997; Johnson et al., 2001; Chan et al., 2003; Aydin and Ozer, 2005; Tiotou, 2005).

Price another important factor on consumer satisfaction. (Parasurman et al., 1994), but it was rarely investigated in previous studies. Voss et al. (1998) suggested that the price decision has an impact on consumer satisfaction. Also, they pointed out the lack of literature exploring the possible effect of consumer’s price decision on the degree of satisfaction. Parasuraman, Zeithaml and Berry (1994) also indicated that the influences of product quality and consumers’ perceived price, where often ignored in prior consumer satisfaction studies. Further, until now, the simultaneous investigated of the interrelationships between perceived quality, brand image, price fairness, satisfaction and loyalty has not yet been done.

This paper aims to examine the relationships between perceived quality, brand image, price fairness, satisfaction and loyalty; in the context of mobile phone brands. The following section of describe the theoretical framework and development of hypothesis, a description of the research method and results. The discussion with conclusion, limitations, managerial implication and suggestion for future research are also reported.

II. LITERATURE REVIEW

Consumer Satisfaction:

Consumers’ satisfaction has been considered one of the most important constructs (Morgan et al., 1996; McQuitty et al., 2000), and one of the main goals in marketing (Erevelles and Leavitt, 1992). Satisfaction plays a crucial role in marketing because it is a predictor of purchase behaviour (repurchase, purchase intentions, brand choice and switching behaviour) (Oliver, 1993; McQuitty et al., 2000). Fornell (1992) has defined satisfaction as “Overall evaluation after purchase”. However, Oliver (1997) offered a deeper definition of satisfaction, “the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over fulfillment”. Finally, Kotler (1997) defines satisfaction as “a person’s feeling of pleasure or disappointed resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations”.

Consumer satisfaction research began in the marketing field in 1970s and it is currently based on the “disconfirmation of expectations paradigm” (Cadotte et al., 1987). This paradigm says that consumer brand evaluation involves comparing actual performance with certain standards. Three outcomes are likely:

1. Confirmation: where performance matches standards, leading to neutral feelings.
2. Positive disconfirmation: where performance is deemed better than standard, resulting in satisfaction.
3. Negative disconfirmation: where performance is deemed worse than standard, resulting in dissatisfaction.

Therefore, it is commonly accepted that in order to determine satisfaction or dissatisfaction, comparisons must be made between customers’ expectations and the perceived performance of the product (Yi, 1990).

Marketing researchers also distinguish between transaction-specific and cumulative consumer satisfaction (Johnson et al., 1995; Andressen, 2000). Transaction-specific consumer satisfaction is a post-consumption evaluative judgment of a specific purchase occasion (Oliver, 1980, 1993). In contrast, cumulative consumer satisfaction that represents an overall evaluation based on the entire purchase and consumption experience with a product over time (Johnson and Fornell, 1991; Fornell, 1992; Anderson et al., 1994). This is

*Corresponding Author: Samaan Al-Msallam
more fundamental and useful than transaction-specific consumer satisfaction in predicting consumer’s subsequent behaviors and firm’s performance (Fornell et al., 1996; Johnson et al., 2001).

The satisfaction response will be reflected towards the level of affection for the brand which is in line with the suggestions by Oliver (1997, 1999). Oliver (1999) noted that consumers at the affective stage would develop a positive attitude towards the brand or liking the brand as a result of satisfactory repetitive usage over time. This current study embraced this viewpoint.

III. BRAND LOYALTY

The concept of “loyalty” grow out of the term “insistence” coined by Copeland (1923). Insistence is the last stage of consumers’ attitudes toward the demand for branded product. In this stage, consumers do not accept substitutes when they decide to purchase a product or service. Since Copeland, the concept of brand loyalty has been extensively investigated in consumer and marketing studies.

Oliver (1999) defined brand loyalty as "a deeply held psychological commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior " (p. 34). Current conceptualizations of loyalty have, for the most part, adopted one of three approaches (Jacoby and Chestnut, 1978). It has been suggested that loyalty may refer to customers’ behavioral consistency (the behavioral approach), attitudinal predisposition toward purchase a brand (the attitudinal approach), or a combination of the two approaches (the composite approach).

Behavioral Loyalty: Early definitions of loyalty focused almost exclusively on its behavioral dimension (Jacoby and Chestnut, 1978). In particular, loyalty was interpreted as a form of customer behavior (such as repeat purchasing) directed toward a particular brand over time (e.g., Sheth, 1968). Although current thought infers that loyalty includes more than just a behavioral dimension, some researchers continue to measure loyalty exclusively on the behavioral dimension.

Attitudinal Loyalty: Scholars in the marketing have questioned the adequacy of using behavior as the sole indicator of loyalty. Day (1969), in particular, criticized behavioral conceptualizations of loyalty and argued that brand loyalty develops as a result of a conscious effort to evaluate competing brands. Others scholars have suggested this attitudinal dimension includes consumers’ preferences or intentions (e.g., Jarvis and Wilcox, 1976). After Day’s criticism, attitude gained increasing attention as an important dimension of loyalty (e.g., Jain et al., 1987).

The third approach, composite measurement of loyalty: The composite definition of loyalty emphasized two different approaches of loyalty: the behavioral and attitudinal concept, which were initially proposed by Jacoby and Chestnut (1978) and Oliver (1997).

Jacoby and Chestnut (1978) provided a conceptual definition of brand loyalty as: (i) biased (i.e. non-random), (ii) behavioral response (i.e. purchase), (iii) expressed over time, (iv) by some decision-making unit, (v) with respect to one or more brands out of a set of such brands, and is a function of psychological (decision-making evaluate) processes.

Oliver (1999) has proposed four ascending brand-loyalty stages according to the cognition affect conation pattern. The first stage is cognitive loyalty. Customers are loyal to a brand based on their information on that brand. The next phase is affective loyalty, which refers to customer liking or positive attitudes toward a brand. The third step is conative loyalty or behavioral intention. This is a deeply held commitment to buy a “good intention” This desire may result in unrealized action. The last stage is action loyalty, where customers convert intentions into actions. Customers at this stage experience action inertia, coupled with a desire to overcome obstacles to make a purchase. Although action loyalty is ideal, it is difficult to observe and is often equally difficult to measure.

To sum up, the issues of loyalty mainly concerned on how loyalty is operationalized. It is very important to understand how we should measure loyalty. The authors of this study have adopted the composite approach to brand loyalty. For this study, loyal customers are customer who hold favorable attitudes toward the company, commit to repurchase the brand and recommend the brand to others.

IV. CUSTOMER SATISFACTION AND BRAND LOYALTY

Many studies have been concentrated on the investigation of the satisfaction-loyalty relationship (Olsen, 2007; Balabanis et al., 2006; Suh and Yi, 2006; Auh and Johnson, 2005; Yang and Peterson, 2004; Szymanski and Henard, 2001). When consumers are satisfied with the product/brand, they are more likely to recommend the product to others, are less likely to switch to other alternative brand, and are likely to repeat purchase (Bennett and Rundle-Thiele, 2004). Similarly, Szymanski and Henard (2001) using a meta-analysis of satisfaction advocated satisfaction as a direct antecedent of loyalty. Fornell (1992) also established that satisfaction directly influences loyalty although he found that the link depends on the industrial
context. Many related empirical studies (Szymanski and Henard, 2001; Johnson et al., 2001; Cronin et al., 2000; Blomer et al., 1999; Oliver, 1999; Bloemer and Ruyter, 1998; Zeithaml et al., 1996) reported that satisfied consumers demonstrate more loyal behavior. Accordingly, the first hypothesis is to repeat the test of this relationship:

H1: Customer satisfaction is positively associated with Brand Loyalty.

V. PERCEIVED QUALITY

Perceived quality has been defined as the consumer’s judgment about a product’s overall excellence or superiority (Zeithaml, 1988). Johnson and Ettlie (2001) describe perceived quality as the result of product performance which in turn can be labeled as the degree of customization and freedom from defects, or how reliably the product meets customer requirements. Perceived quality differs from objective quality. Perceived product quality is a global assessment characterized by a high abstraction level and refers to a specific consumption setting (Zeithaml, 1988). Objective quality refers to the actual technical excellence of the product that can be verified and measured (Monroe and Krishman, 1985).

The concept of perceived product quality is defined to include the consumer's response to the entire evoked set of judgments about quality comparisons among competitive brands. This concept differs from the current practice of defining product quality on the basis of a multidimensional list of product attributes to make the construct operational. Typically, consumers are asked to evaluate the importance of a given set of attributes for a product category. It is then evaluated the degree to which each brand has those attributes. Their estimate of quality is obtained by multiplying the attribute's importance by the rated evaluation of the attribute, then summing across all of the attributes to obtain an overall product quality score (Fishbein and Ajzen 1980).

Parasuraman, Zeithaml and Berry, (1994) mentioned on the necessity of distinguishing product quality from service quality as the aspects which they are assessed differ. Consumers use product specific intrinsic cues to evaluate product quality. Intrinsic cues, like flavor or color etc. are inseparable and highly integral part of the product. Simultaneously, consumers also trust the relevant extrinsic product cues such as price, brand name and store name as indicators of product quality.

Both theoretical and empirical arguments for the order of occurrence between quality and satisfaction have been put forward (Cronin et al., 2000), and most marketing research accept a theoretical framework in which quality performance leads to satisfaction (Dabholkar et al., 2000; Oliver, 1997), which in turn influences purchasing behavior (Oliver, 1999). So, the satisfaction is followed by quality performance; has also been confirmed empirically, especially when quality is framed as a specific belief evolution and satisfaction as a more general evaluative construct (Johnson et al., 2001). This leads to following hypothesis:

H2: perceived quality is positively associated with customer satisfaction.

VI. BRAND IMAGE

In marketing literature great attention has been given to brand image from company’s and consumer’s perspectives. The approach of company focuses towards the improvement of marketing activity long with strategies of brand positioning and retaining a positive brand image. Consumer’s approach is based on his or her attitude towards the interpretation of brand image and brand equity. The significance of brand in the market is influenced by company’s ability to evaluate the fact how consumers interpret brand image and company’s ability to manage the strategy of brand positioning, adequately revealing brand’s equity to a consumer (Kotler, 2001).

Reynolds (1965) noted that "an image is the mental construct developed by the consumer on the basis of a few selected impressions among the flood of the total impressions, it comes into being through a creative process in which these selected impressions are elaborated, embellished, and ordered " (p. 69). Kotler (2001) defines image as "the set of beliefs, ideas, and impression that a person holds regarding an object " (p. 273). On the other hand, Keller (1993) considered brand image as " a set of perceptions about a brand as reflected by brand associations in consumer's memory " (p. 3). A similar definition to Keller's was proposed by Aaker (1991), whereby brand image is referred to as "a set of associations, usually organized in some meaningful way"(p.109).

Keller (1993) regard that brand image will associate brand perception with consumers’ memory. During the buying process, brand characteristics will influence consumers’ decision, and marketing activities and consumer personal attributes will also influence brand image and purchase intention of consumers. So, a strong brand should have a clear brand image such as brand personality, organization association, feeling and self expression to represent consumer commitment by the corporation.

Aaker(1991) also regard that brand image can generate value in terms of helping customer to process information, differentiating the brand, generating reasons to buy, give positive feelings, and providing a basis for extensions. Creating and maintaining image of the brand is an important part of a firm’s marketing program (Roth, 1995) and branding strategy (Keller, 1993; Aaker, 1991).
Although there are not much research found relationship between brand image and customer satisfaction, Reynold and Beatty(1999) and Stephen et al.,(2007) revealed some linkages between the brand image and customer satisfaction by seeing peoples reactions to different salespersons. This study, therefore proposes the impact of brand image on customer satisfaction:

H3: Brand image is positively associated with customer satisfaction.

Price Fairness

According to Kotler and Armstrong (2010), price is the amount of money charged for a product or service, or the sum of the values that customers exchange for the benefits of having or using the product or service. However, Stanton et al (1994) defined price as the amount of money or goods needed to acquire some combination of another goods and its companying services. Anderson et al (1994) emphasized price as an important factor of consumer satisfaction, because whenever consumers evaluate the value of an acquired service, they usually think of the price.

Usually, the lower the perceived price the lower perceived sacrifice (Zeithaml,1988). Then, More satisfaction with the perceived price and overall transaction are created .On the other hand, it is also possible that consumers use the price as a clue. It implies that lower monetary price or perceived price does not guarantee higher satisfaction. Consumers usually judge price and service quality by the concept of “equity”, then generate their satisfaction or dissatisfaction level (Oliver,1997).

Recently, marketing literature showed researchers’ inclination towards price fairness in relation with customer satisfaction (Herrmann et al., 2007; Kukar-Kinney et al., 2007; Martin-Consuegra et al.,2007). Price fairness refers to consumers’ assessments of whether a seller’s price is reasonable, acceptable or justifiable (Xia et al., 2004; Kukar-Kinney et al., 2007). Price fairness is a very important issue that leads toward satisfaction. Charging fair price helps to develop customer satisfaction and loyalty. Research has shown that customer’s decision to accept particular price has a direct bearing at satisfaction level and loyalty and indirectly (Martin-Consuegra et al.,2007). In another study of Herrmann et al.,(2007), it was concluded that customer satisfaction is directly influenced by price perceptions while indirectly through the perception of price fairness. The price fairness itself, the way it is fixed and offered have a great impact on satisfaction. In this context, this study then proposes the following:

H4: price fairness is positively associated with customer satisfaction.

The Relationship Among Perceived Quality , Brand Image , Price Fairness And Brand Loyalty

Generally, brand loyalty is related perceived quality (Fornell et al.,1996; Shaharudin,2011). Pappu et al.,(2005) concluded that consumer’s perception of quality is associated with their brand loyalty . The more brand loyal a consumer, the more perceived brand and vice versa. Kotler and Armstrong (2010) also argued that a good quality product creates customer delight. In turn, delighted customers remain loyal and talk favorably to others about the company and its product. Also, Dib and Alhaddad ,(2014)found that perceived quality leads to a high level of brand loyalty.

There are contradicted findings on the influence of perceived quality on purchase intentions. Some research has revealed that perceived quality have a positive direct effect on purchase intentions (Boulding et al.,1993; Parasuraman et al.,1996), whereas others research only found an indirect effect through satisfaction (Cronin and Taylor, 1992 ; Sweeney et al., 1999). Moreover, there is no agreement whether there is an interaction effect between perceived quality and satisfaction on purchase intentions. Some researchers have suggested that there is no interaction effect (Llusar et al.,2001), whereas some have reported an interaction effect between the two constructs on purchase intentions (Taylor and Baker,1994).Thus , the following hypothesis is proposed:

H5: Perceived product is positively associated with Brand loyalty.

According to Johnson et al.,(2001), key to perception of corporate image is the organization-related association held in a customers memory. Since consumer could evoke the past experience in future purchase intention, previously image could appear as an explicatory variable of the purchase intention in this context.

Moreover, when the company on the basis of it’s view of the market creates brand and translates this brand into the brand image as perceived by customer, this strategy develops greater customer satisfaction furthermore greater brand loyalty (Royle et al.,1999). Based on this discussion, the next hypothesis is:

H6: Brand image is positively associated with Brand loyalty.

Ti Bei and Ching Chiao (2001) found perceived price fairness has positive effects; both direct and indirect effect (through customer satisfaction) on consumer loyalty. From customer’s perspective, price is what is given up or sacrificed to obtain a product. It is possible to display the intention of repeat purchase behavior. On the other hand, if customers do not feel that their sacrifices are worthwhile, they may not the purchase again, even when they are satisfied with the quality of a product. Based on this discussion, the next hypothesis is:

H7: price fairness is positively associated with Brand loyalty.
VII. RESEARCH METHODOLOGY

Sampling design and data collection

Testing the suggested research hypotheses was accomplished through a combination of a convenience and judgmental sample survey of mobile phone users from undergraduate students of major universities in Damascus, Syria. Undergraduate students were selected because most of them had the sufficient experience with mobile phones to establish reliable perceptions and opinions regarding the brands. A total of 600 questionnaires were distributed. Incomplete and inappropriate answers, using cross-test, were excluded 584 usable responses were obtained, which providing an acceptable level of response rate (97.3 %). Among the 584 respondents, 44.2 % (N=258) were male and 55.8 % (N=326) were female. In all, 70.2 % (N=410) of the respondents were using Samsung, 15.2 % (N=89) were using Sony, 7.5 % (N=136) were using Nokia, 0.5 % (N=3) were using HTC and 6.5 % (N=38) were using another brands.

VIII. RESULTS

Measurement model

This study implements a structural equation modeling (SEM) approach, using AMOS 18, to develop a model that represents the causal relationships among the variables (Chin, 2001). The questionnaire items employed to collect data were adapted from Fornell et al., (1996), Yoo et al.,(2000), Aaker and Alvarez (1995) and Kukar-Kinney et al.,(2007). Each variable was measured using previously developed components of instruments that have demonstrated good psychometric properties. The study survey consisted of five sections: perceived quality, measured using six items; brand image, measured two items; price fairness, measured using four items; customer satisfaction, measured using three items; brand loyalty, measured using eight items.

A confirmatory factor analysis (CFA) was conducted to empirically test the measurement model. Multiple tests on construct validity and reliability were performed. Model fit was evaluated using the maximum likelihood (ML) method.

Construct reliability. Construct reliability was assessed using Cronbach’s α, composite reliability (CR) and average variance extracted (AVE) using CFA. As the α-values (Table I) for all the constructs are greater than the guideline of 0.70, it can be concluded that the scales can be applied for the analysis with acceptable reliability (Saunders et al., 2003). CR and AVE were calculated from model estimates using the CR formula and AVE formula given by Fornell and Larcker (1981). In the measurement model, all constructs had a CR over the cut-off of 0.70 and the AVE for all exceeded the recommended level of 0.5 (Bagozzi and Yi, 1988). Based on these assessments, measures used within this study were within the acceptable levels supporting the reliability of the constructs (Table I).

Construct validity. Construct validation includes content, convergent, and discriminate validities. Content validity was verified by expert judgment and by a careful literature review. Convergent validity can be evaluated by examining the factor loadings. All estimated standard loadings (Table I) were > 0.50, suggesting good convergent validity (Lin and Ding, 2006). To assess the discriminant validity, Fornell and Larcker’s (1981) criterion, that square root of the AVE for each construct should be greater than the correlation between constructs, was used. Table II shows the values of the square root of the AVE are all greater than the inter-construct correlations.

Nine common model-fit measures were used to assess the model’s overall goodness of fit. As shown in Table III, all the model-fit indices exceeded the respective common acceptance levels suggested by previous research, demonstrating that the measurement model exhibited a good fit with the data collected.

<table>
<thead>
<tr>
<th>Items</th>
<th>PQ</th>
<th>BI</th>
<th>PF</th>
<th>CS</th>
<th>BL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.760</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>0.747</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>0.745</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>0.745</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>0.745</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>0.724</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>0.807</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>0.806</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Corresponding Author: Samaan Al-Msallam
Table II. Correlation and average variance extracted

<table>
<thead>
<tr>
<th></th>
<th>BL</th>
<th>PQ</th>
<th>BI</th>
<th>PF</th>
<th>CS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BL</td>
<td>0.709</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ</td>
<td>0.547</td>
<td>0.725</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BI</td>
<td>0.362</td>
<td>0.342</td>
<td>0.756</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PF</td>
<td>0.281</td>
<td>0.130</td>
<td>0.169</td>
<td>0.845</td>
<td></td>
</tr>
<tr>
<td>CS</td>
<td>0.637</td>
<td>0.507</td>
<td>0.350</td>
<td>0.328</td>
<td>0.750</td>
</tr>
</tbody>
</table>

Table III. Measurement Model Fit Indices

<table>
<thead>
<tr>
<th>Fit index</th>
<th>Recommended value</th>
<th>Indices values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square / (df)</td>
<td>≤ 3.00</td>
<td>2.49</td>
</tr>
<tr>
<td>GFI</td>
<td>≥ 0.90</td>
<td>0.92</td>
</tr>
<tr>
<td>AGFI</td>
<td>≥ 0.80</td>
<td>0.90</td>
</tr>
<tr>
<td>NFI</td>
<td>≥ 0.90</td>
<td>0.92</td>
</tr>
<tr>
<td>IFI</td>
<td>≥ 0.90</td>
<td>0.95</td>
</tr>
<tr>
<td>CFI</td>
<td>≥ 0.90</td>
<td>0.95</td>
</tr>
<tr>
<td>TLI</td>
<td>≥ 0.90</td>
<td>0.94</td>
</tr>
<tr>
<td>RFI</td>
<td>≥ 0.90</td>
<td>0.90</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.05 to 0.08</td>
<td>0.051</td>
</tr>
</tbody>
</table>

Structural model

Bootstrapping with 1000 resamples was done to derive t-statistics to assess the significance level of the model’s coefficients and to test the hypotheses (Chin, 2001). Using AMOS version 18.0, the researcher determined the path coefficients. Figure 1 shows the Results of structural model.
The Effects of The Determinants of Customer Satisfaction on Brand Loyalty

**Corresponding Author:** Samaan Al-Msallam

---

**Figure 1. Results of Structural Model**

**Table IV. Hypothesis-testing results**

<table>
<thead>
<tr>
<th>Path</th>
<th>Coefficients (β)</th>
<th>t-values</th>
<th>p-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 : PQ → CS</td>
<td>0.439</td>
<td>8.128***</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2 : BI → CS</td>
<td>0.157</td>
<td>3.142**</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>H3 : PF → CS</td>
<td>0.154</td>
<td>5.546***</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H4 : CS → BL</td>
<td>0.499</td>
<td>7.457***</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H5 : PQ → BL</td>
<td>0.345</td>
<td>5.802***</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H6 : BI → BL</td>
<td>0.111</td>
<td>2.226*</td>
<td>0.026</td>
<td>Supported</td>
</tr>
<tr>
<td>H7 : PF → BL</td>
<td>0.063</td>
<td>2.242*</td>
<td>0.025</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Notes: ***p < 0.001, **p < 0.01, *p < 0.05

PQ showed a positive effect on both CS (β = 0.439 , p < 0.001) and BL (β = 0.345 , p < 0.001 ). Therefore, H1 and H5 confirmed (Table IV). In addition, BI had a positive effect on both CS (β = 0.157 , p < 0.01) and BL (β = 0.111 , p < 0.05). Thus, H2 and H6 were supported. PF had a positive effect on both CS (β = 0.154 , p < 0.001) and BL (β =0.063 , p < 0.05) Therefore, H3 and H7 was supported. CS had positive effect on BL (β = 0.499 , p < 0.001). Therefore, H4 was supported.

---

**IX. DISCUSSION AND CONCLUSIONS**

The key objective of this study are to explore the effect of perceived quality, brand image and price fairness on customer satisfaction and loyalty. The result of this study have verified the previous finding (Cronin et al., 2000; Lee, 1998; McDougall and Levesque, 2000; Stephen et al., 2007) that customers established higher loyalty toward a brands when they are more satisfied. This is also consistent with prior studies (Bloemer and Kasper, 1995; Fornell, 1996; Lee, 1998; Oliver, 1999; McDougall and Levesque, 2000). In addition, perceived quality, brand image, and price fairness played important roles on satisfaction. Although numerous mentioned that relation between customer satisfaction and customer loyalty and which determents effect to customer satisfaction, there was no empirical study focusing simultaneously on perceived quality, brand image and price fairness. Since brand image and price fairness were often not include in previous marketing studies regarding customer satisfaction, this study endeavors to established the links among these elements. That perceived quality is an important determinant of customer satisfaction. Also, the results provide concrete empirical evidence that brand image and price fairness are both positively related to consumer satisfaction, which are as important as perceived quality. Thus, from a managerial standpoint, managers should not emphasize only

*Corresponding Author: Samaan Al-Msallam*
perceived quality in a total customer satisfaction program. Both brand image and price fairness are fundamental and also important to build up consumer satisfaction. none of them can be ignored or partially accented.

As expected, perceived quality, brand image and price fairness are positive related to Brand loyalty. The results confirm previous findings such as the positive direct effect of perceived quality on purchase intentions (Parasuraman et al., 1996). Managers need to understand the important role of perceived quality, brand image, price fairness and satisfaction in order to be able to predict brand loyalty. All the above variables provide several managerial implications and are important issues in the development and implementation of marketing strategies aimed at building and maintaining market share. Perceived product quality seems to play an important role in both consumer satisfaction and brand loyalty. Marketing communication strategies (promotional activities and advertising messages) should be designed so that they emphasize product attributes and cues that will enhance consumers’ perceived product quality. External cues such as brand name and objective quality information have been found to be related to perceived product quality and consumers’ product evaluations (Rao and Monroe, 1989). Managers can use these cues to enhance consumers’ perceptions of product quality.

The results also suggest that to improve brand loyalty and customer’s satisfaction in the mobile product, marketers should improve the brand appealing strategy that relates to aspects of how the branded product can provide a solution to their customer’s needs and expectation, the good impression of using their brand, and the effectiveness of the brand. Price is the necessary sacrifice that a customer gives to exchange for the product. However, if consumers are only satisfied with the product and price provided by a firm, they may only repeat purchase habitually, but without true loyalty. Thus, the best strategy for a marketing manager in mobile industries is to ensure the basic quality of products sold at a fair price, then emphasize brand image to provide added values in order to maintain customers.

Limitations and future research

This research focus on the brands of mobile phones. Future research can be made broader by investigating customer satisfaction in other sectors such as service sectors. The current sample is chosen from undergraduate students of Damascus universities. For more generalizable results, future research could use large sample size covering almost all areas of Syria or even in greater Syria Region (Lebanon and Jordan). Also, in any future study, other significant variables, such as corporate social responsibility, may be added into the hypothesized structural model.

REFERENCE

The Effects of The Determinants of Customer Satisfaction on Brand Loyalty


*Corresponding Author: Samaan Al-Msallam

Page 10 of 10
The Effects of The Determinants of Customer Satisfaction on Brand Loyalty


*Corresponding Author: Samaan Al-Msallam