

Customer Loyalty and Brand Satisfaction: A Study of Customer Centric Practices

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Abstract:

The study on customer centric practices targets the luxury sector. It uses primary data collected from customers to analyse their needs and preferences. The analysis is used to help marketers develop suitable practices in order to build a strong and loyal customer base. The research aims to explore how internal brand practices and elements can have a strong impact on customers in various ways. The impact is not always significant. Sometimes, the impact can be seen through their purchase decisions and their perspective about the brands. This impact, in turn, reflects customer loyalty. Thus, very minute and insignificant factors related to the brand and its practices can affect the brand image, at times, in a very subtle manner that it becomes difficult for marketers to rectify the practices immediately. Understanding the market, its needs and establishing a sync with the brand identity can help marketers to fulfil both long term and short term goals of the business. This understanding should be accompanied by a proper communication and delivery of the brand value to its existing as well as its potential customers. Every brand has a story of its own. This story helps to establish an emotional bond with the customers. Emotions play a very vital role in determining customer decisions and actions. Hence, there is a lot to explore in the luxury sector to drive loyal customers and establish a strong brand presence.

Keywords: brand management - customer loyalty - brand practices - customer satisfaction - communication - brand identity - brand image - consumer emotions

INTRODUCTION:

Customer loyalty has become increasingly important in the luxury sector today. Customer loyalty is considered to be one of the greatest assets (Kandampully et al., 2015). It has a profound impact on the performance of the company (Edvardsson et al., 2000), providing a strong competitive advantage in the industry (Wu and Ai, 2016). Other benefits include price premiums (Kim et al., 2016), cost reductions (Murali et al., 2016), and additional sales revenue (Abu-Alhaija et al., 2018). Loyal customers help increase brand awareness by persuading other customers to try the company's products (Ali et al., 2016). Customer loyalty and brand satisfaction are all related to one another and these relationships arise from different grounds (Curtis et al., 2011). Due to its vital importance (Haryanto et al., 2016), study on customer satisfaction has become an important area of research (Abu-Alhaija et al., 2018). It has become essentially important for marketers today to design strategies and practices which not only attract consumers but also help in building long term relationships with existing customers and provide a competitive edge over competitors. This research aims to analyse brand practices and other factors that make a customer loyal to a particular brand. The study caters to the luxury sector and its purpose is to identify the various causes of brand satisfaction.

LITERATURE REVIEW:

Researchers have presented different definitions on customer loyalty (Abu-Alhaija et al., 2018). One definition being, “one's feelings of devoted attachment to the loyalty object, rather than repeated commercial transactions” (Casidy and Wymer, 2016). Oliver defined customer loyalty as “a deeply held commitment to rebuy or re-patronize 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 behaviour”. Oliver’s definition has received large scale acceptance and popularity (Haryanto et al. 2016). Loyal customers can be of two types : 1. Active loyalty 2. Passive loyalty (Kandampully et al., 2015). Active loyalty is when customers can go to different levels to promote the brand. They are highly satisfied and recommend others as well. Passive loyalty is when there is no special connection between the customers and brand. They follow the brand due to lack of alternate options. Once such options are available, they shift. Today’s world commands a greater degree of active loyalty on part of the customers due to increasing competition across all industries. Another aspect to look at loyalty is from the emotional side. Loyalty can again be of two types: 1. Affective loyalty 2. Continuance loyalty (Ercis et al., 2012). Affective loyalty shows greater emotional attachment with the brand while continuance loyalty lacks that attachment. Emotions play an important role in making an individual loyal. Customers with continuance loyalty easily shift to different brands which have more attractive offers since they do not relate to the brand on a personal level.

Different studies present results of different theories of brand customer relationships. Fournier considers brand-relationship to be multifaceted which consists of six dimensions beyond loyalty or commitment along which consumer brand relationships vary: 1. self-concept connection, 2. commitment or nostalgic attachment, 3. behavioural interdependence, 4. love/passion, 5. intimacy, and 6. brand-partner quality (Fournier et al. 1998).

Satisfying customer needs, i.e., brand satisfaction is the roadmap to create a loyal customer base (Ballantyne et al., 2006). Today, satisfaction is not just limited to fulfilling what the customers expect, it is delivering more than what they expect. This satisfaction directs customer decisions about repeat purchases. However, if the brand delivers less than what is expected by customers, it leads to negative publicity of the brand. Thus, there is a positive correlation between brand satisfaction and customer loyalty (Dixon et al., 2005). However, satisfaction may not be sufficient to drive loyal customers (Julander, et al. 2003). There are various other factors which affect customer loyalty like trust (Bilgihan et al., 2016), emotions (Campón-Cerro et al., 2016), perceived product quality, brand image (Izogo, 2016), perceived brand value (Ercis et al., 2012), etc. All these factors should be considered by brands to devise marketing strategies. There are various broad criteria to design brand elements, proposed by Keller 2003: 1. memorability, 2. meaningfulness, 3. aesthetic appeal, 4. transferability (both within and across product categories and across geographical and cultural boundaries and market segments), 5. adaptability and flexibility over time, and 6. legal and competitive protectability and defensibility.

Consumers develop trust for a brand after having experienced it. The reliability of the products and services along with honesty help in building trust between the brand and its customers (Moorman et al., 1992). Customers cannot be satisfied in the true sense unless there is trust between them and the brand.

According to Suh and Han (2003), trust is defined by adequacy, philanthropy and honesty. Trust is an antecedent of customer loyalty. The latter cannot be achieved in the absence of the former.

Customer emotions play a vital role in the life of a brand. The attachment that customers feel with a particular brand is very essential to develop satisfaction and loyalty and help the brand grow. Commitment is the desire customers show to strengthen their bond with a brand. Commitment can be divided into affective and continuance commitment (Ercis et al., 2012). Affective commitment shows the deep feelings attached with certain brands (Mc Alexander et al., 2002). On the other hand, continuance commitment shows the weak emotions customers have for a brand. They are not so willing to indulge with the brand (Fullerton, 2003).

Both trust and commitment are important factors in determining repurchase decisions of customers. Commitment motivates customers (Morgan and Hunt 1994) and trust influences strong commitment (Shergill and Lii 2005).

One of the main reasons that consumers choose one brand's products over the other's is the difference in product quality. Product quality is not just about the physical attributes of the products, it is also about the experience a customer derives after using that product. Quality on a whole, describes the product and its benefits. A brand delivering good quality products will have a positive impact on brand satisfaction and hence, customer loyalty (Dhurup et al., 2014). Products and services are the main cause of interaction between customers and brands. Hence, its delivery, quality, experience, benefits and other attributes will play an important role in establishing a brand in the market. Once customers have tried and liked a particular brand, they have a positive image of that brand's perceived product quality.

Brand image is the perceptions of customers about the experience expected from a particular brand. A good image shows that the brand has been successful in satisfying its customers and hence reflects the faith shown by them (Hogan et al., 2003). Brand image is not just created as a result of product quality, there are other practices that help develop a brand image. Each brand has a story of its own. Its narrative forms its image. People associate a brand with not just the products it sells but also the heritage and aesthetics the brand has to offer. The way any brand offers its products is unique for each brand. Every step of the customer journey has a message behind it. Every brand practice tries to communicate its essence and hence, build the relationship with the customers from the core. What the brand presents and what the customers perceive forms the brand image. According to (Chaudhuri and Holbrook, 2001), trust, perceived value and customer loyalty all move in the same direction.

Service quality is a very subjective concept while assessing brand performance. There is no predetermined definition of an ideal standard of quality. It should comply with the customer expectations (Caruna et al., 2000) to have a positive impact on brand satisfaction. Service quality is not just limited to the products and services offered by the brand. The after sales services, staff interactions, employee behaviour and overall shopping experience (store or online) have an impact on the purchase decisions of customers. However, the degree to which such elements affect customers varies from individual to individual. This is an area that this study would like to explore. The agenda is to understand what exactly drives a customer to a brand. Different individuals have different brands which they consider to be their favourite. Besides,

their reasons to love a particular brand are also different. In simpler words, customers have different expectations which the brands must cater to.

As proposed by Kristin Northelm, loyalty can be categorised into 3 types:

1. **Head loyalty:** This type of loyalty involves strong rational involvement on the part of customers. They buy a product due to its physical attributes and benefits, not because of the brand. In short, they are interested in the product only irrespective of the company or brand. They analyse and articulate before choosing a brand.
2. **Heart loyalty:** This involves a strong emotional involvement on the part of customers. They have strong feelings attached to a brand and this attachment is the cause of them buying products from that brand only. They are not only interested in the product but also strongly interested in the brand.
3. **Hand Loyalty:** This involves habitual purchasing of products. The cause of loyalty is not rationality or emotions, it is an established routine that the individuals follow. They purchase the product only because of this habit or routine, not due to the specific attributes of the product or brand attachment.

Consumer involvement refers to the degree of information processed or the extent of importance consumers attach to a product or brand. This involvement requires extensive marketing of the brand so that the information can be communicated to the target audience. Another way consumers might be attracted to the brand is through celebrities. Some individuals follow celebrities and the trends introduced by them. They look up to the celebrities and follow the brands advertised by them. Similarly, there are several other means of getting consumers involved with a brand. Sometimes consumers prefer to have a wide variety of options when they visit brands to make purchases. Having a diverse range of products can thus be a driving force for many customers.

Customer satisfaction can be achieved during any stage of consumer interaction with the brand and through any platform, offline stores or online shopping (Lee and Overby 2004). Different customers have different shopping preferences. Some prefer to scouch through products from the comfort of their homes and hence, use the online platform. There are others who prefer to visit the stores and feel the essence of the brand. Thus, brands need to create a charismatic experience for both interest groups to satisfy a larger audience.

Several brands attempt to present a story of their history and heritage to give customers a feeling of belongingness. The logos, taglines, mantras and video advertisements they use are directed towards communicating the brand identity to the customers. A comprehensive analysis of 195 logos was conducted to establish how different designs can help achieve various communications objectives (Henderson and Cote 1998). The importance of brand names has been highlighted in several studies and practitioners now focus a lot on developing names creatively using letters and symbols. Such innovative names have a global as well as a cross-cultural impact on customers as proposed by various researchers (Tavassoli and Han 2002). Brand mantra refers to short phrases that capture the essence of a brand and establish the point of difference from its competitors. Consumers do not build the confidence in a brand unless they are able to distinguish its benefits from those of others. The brand should stand out in the eyes of the customers. This is possible if the brand attempts to differentiate its products and experiences from those of other competitor brands. Thus, building a long lasting relationship with customers is not an overnight task. It requires

commitment, determination and perseverance on the part of both the brand and customers. There should be a mutual will to build a strong relationship benefitting both sides (Kumar et al. 2011).

A very crucial element of any company or brand is its employees. There are several studies highlighting the importance of employee behaviour in the performance of a brand. The way employees interact with each other as well as with the customers presents an image of the brand itself. Employees are the face of any brand. It is them who take customers through the much desired brand experience. If the employees are well informed about what the brand has to offer, they deliver a good brand experience henceforth. However, if employees are not motivated or trained in compliance with the brand identity and purpose, they fail to deliver the desired experience and hence, have a negative impact on the brand image. Employee behaviour and customer loyalty are thus positively related.

According to a study, there are seven dimensions that measure customer satisfaction; product satisfaction, strength of sale, product-related information, ordering process, services, interaction with employees, and satisfaction with complaints solving (Ghijsen et al., 2010).

Loyal customers are the ones who repeatedly buy a brand and feel strong commitment to the brand (Baldinger and Rubinson, 1996). Repurchase is an expression of commitment and attachment shown towards the brand. Customers engage in repurchase only when they are completely satisfied with a product, its worth for money and the brand experience. In such a situation, the marketing expenses are reduced for a brand since loyal customers recommend the brand to their friends and relatives as well. This forms a huge incentive for marketers today to ensure that their actions have a profound impact in satisfying, retaining customers and developing customer loyalty. Although the importance of various brand elements in satisfying customers is known to all, very few studies have devoted detailed attention to it (Kohli and LaBahn 1997).

Just like positive activities have a positive impact on customer satisfaction, negative actions and publicity have an adverse image on the brand image. Unethical brand practices, ill treatment of employees and customers, false claims and advertisements are some of the aspects that every aspiring brand must avoid. If loyalty can build strong unbreakable bonds with customers, actions dissatisfying customers and breaking this trust can completely dissolve customer confidence and lead to defamation of the brand. Brands act as status symbols for many individuals. Few customers flaunt brands with a sense of belongingness. If this attachment is disrupted due to a wrong action by the brand, it hurts the sentiments and pride of the customers. The consequences of such a faulty image will not just include the customers switching their preference, but also a spread of bad mouth. If customers can be a source of promotion for a brand, they can also caution their friends and relatives against the brand. Thus, for a company to become and remain a brand, satisfying customers and building customer loyalty should be supreme. An understanding of the same can help marketers build the brand and distinguish it from direct and indirect competitors (Leingpibul, et al. 2009).

This study is an attempt to build that understanding which will provide better and more efficient ways of branding. The world today has become very dynamic not just in terms of technology but also in terms of lifestyle and customer expectations (Abu-Alhaija et al., 2018). This research focuses on certain key elements of brand practices to dive deeper into customer loyalty. The minutest things can affect a

customer's emotions and feelings towards a brand. Not many studies have given results on these minutest things, which have become an important part of studying customer behaviour today. Many marketers focus only on product quality and ignore the intricate key factors of brand image. The study will throw more light on such intricacies, understanding how the customers perceive various practices and how the overall brand image can be enhanced to ensure brand loyalty.

RESEARCH METHODOLOGY:

As mentioned above, this study aims to analyse customer preferences and expectations. It tries to understand the brand practices that help develop customer loyalty. It takes into consideration the intricate elements of brands to study their impact on customer satisfaction.

The best way to begin this study was by understanding customers' points of views and perceptions. This could be done by a survey conducted in the form of a questionnaire. The primary data collected through form responses were then used to analyse and conclude the study. The target respondents included friends, families, acquaintances, college students and working professionals. There were no limitations on the criteria of respondents.

The questions were formed objectively in order to collect customer data on the determinants of customer satisfaction. The first few questions cater to the personal information of the respondents. The survey targets all groups of people from teenagers to adults above 40, from students to working professionals and from low income groups to high income groups. Since brands have gained importance in the lives of different people irrespective of their age or income, there are no limitations in this regard.

The first two questions after personal details try to gather information about customer practices. It is important to know how frequently respondents purchase branded goods. Besides, the sectors in which customers show brand loyalty is also different for different individuals. Some people prefer to stick to a particular brand in one sector (for eg, apparel) if they develop full trust and confidence in its products and services. Different sectors have different product requirements. According to their usage and needs, customers select brands in those sectors.

Once data is gathered on customer practices, the questionnaire shifts to determining the factors that drive customer's attention to a brand. Various factors like store aesthetics, brand image, product quality, etc can attract a customer to a brand. When it comes to shopping preferences, it is essential to determine if they prefer shopping from online stores or getting the brand experience at physical stores. There are various ways in which customers become aware of a particular brand. It can be through famous celebrities marketing that brand or the price mechanism of the brand and various other factors. This will help us to know why the respondent loves a brand and what drives its attention, which in turn will help us to analyse the practices that brands should follow in order to enhance customer loyalty.

Brand loyalty is also determined if customers promote a brand to their friends and relatives. This shows an emotional attachment they have with the brand. Understanding customers' feelings about a brand gives a clear indication of the level of satisfaction they get. As mentioned before, small branding elements like logos, mantras, story or heritage of a brand help to build a connection between the brand and customers.

However, these elements vary from brand to brand and customer to customer. Some customers might feel that the logos are more important while others might feel that a mantra or story can communicate the brand identity in a better way.

Furthermore, according to research findings, after sales services, pricing mechanism and employee behaviour are some factors that should be considered by marketers but are, however, not given adequate attention. Respondents' views were recorded on the 5-fold Linear scale. This will help to conclude how important these factors are in building brand image in the eyes of customers. The ultimate success of the brand is determined by the level of customer satisfaction achieved. To ensure this, brands need to follow a mix of various brand practices since the cause of satisfaction is different for different customers. The next question aims to record customer responses in this respect.

Finally, after looking at the positive aspects of brand satisfaction, it is equally important to consider the negative elements that might ruin brand image and drive loyal customers away. The last two questions are focussed on understanding how customers respond to a negative activity in a brand and what is its impact on their loyalty towards the brand. A company becomes a brand when its customers perceive its brand value. It is important for any brand to maintain its image in the eyes of the loyal customers so that it continues to grow as a brand.

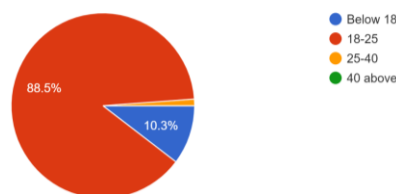
The responses collected through the questionnaire will be analysed and conclusions will be drawn on the basis of the statistics derived.

SURVEY ANALYSIS:

As mentioned, we conducted a survey to understand customer preferences and brand practices affecting customer loyalty. A total of 174 responses were recorded after circulating the form among various friends, family members and acquaintances.

DEMOGRAPHICS

Age
174 responses

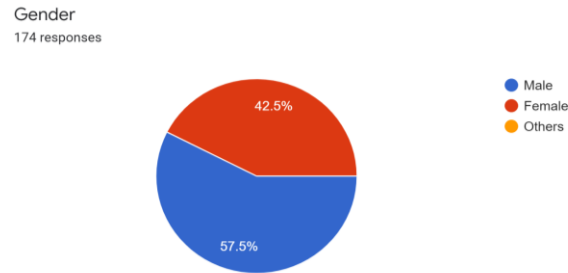


The age brackets provided to the respondents were:

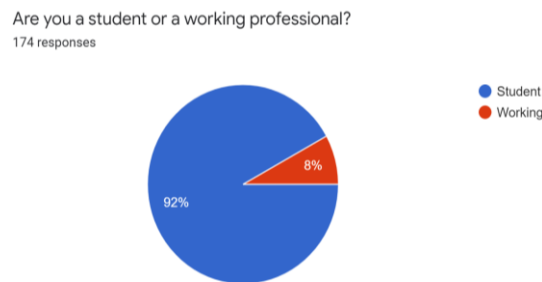
1. Below 18
2. 18-25
3. 25-40
4. 40 above

As the chart shows, more than 80% of the respondents fall in the age group of 18-25. Around 10% of the respondents are aged below 18. The rest, however, belong to the group of 25-40. The respondents do not

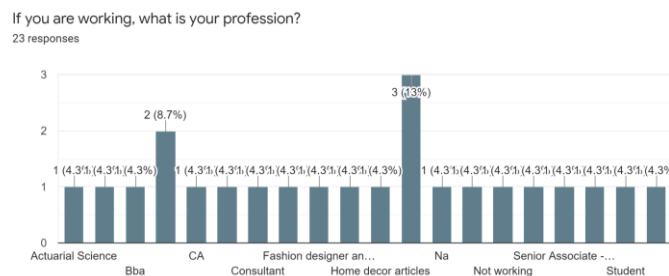
include any member from the age group above 40. This shows that the main target audience for the survey were the teenagers and young adults.



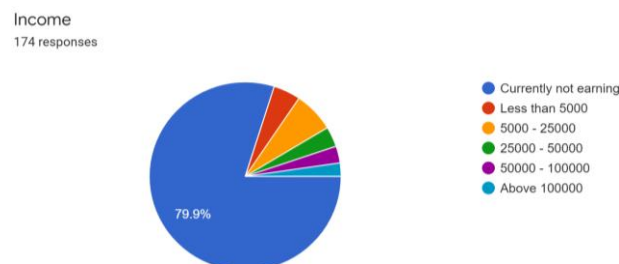
As the chart clearly indicates, there was almost an equitable distribution of the respondents into males and females with a slightly higher percentage of male respondents.



92% of the total respondents were students while only 8% were working professionals. As indicated by the age chart, we know that most of the respondents lie in the age group of 18-25. Thus, a majority of the respondents are students.



The respondents who were not students were voluntarily asked to mention their professions. The chart clearly shows the various profession distributions of the concerned respondents. This will help us to gather data on customers from different fields and hence, will give a broader understanding of customer preferences.



The respondents were divided into the following income groups:

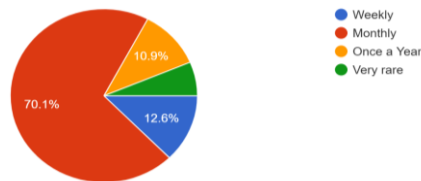
1. Currently not earning

2. Less than 5000
3. 5000-25000
4. 25000-50000
5. 50000-100000
6. Above 100000

The response chart shows that around 80% of the respondents are currently not earning while the rest are almost equally divided among the remaining 5 income groups. Since most of the respondents are students below the age of 25, the majority of our study will cater to individuals not earning.

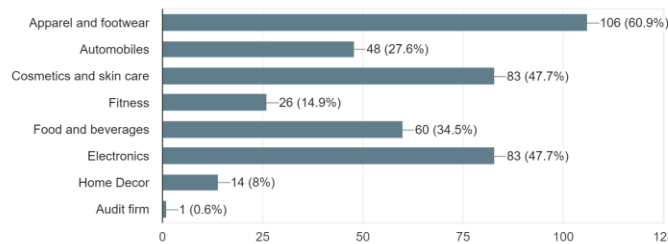
CONSUMER PRACTICES

How frequently do you purchase branded goods?
174 responses



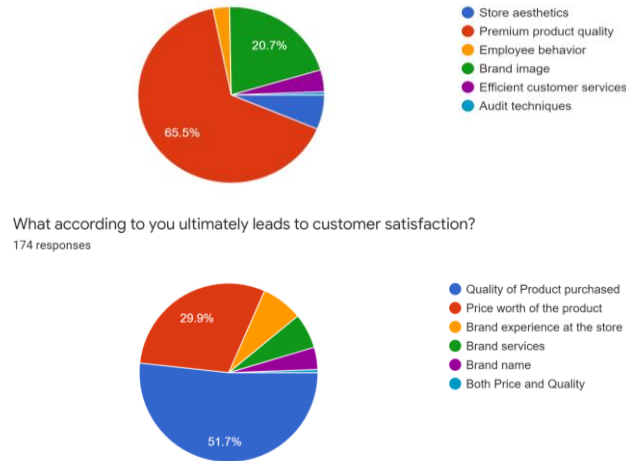
Beginning with brand related questions, respondents were asked how frequently they buy branded goods. (weekly, monthly, yearly or very rarely). Around 70% of them purchase branded goods monthly. The least selected option was “very rare”. This shows that branded goods have indeed become an essential part of consumer preferences. The frequency of purchasing such products has increased with time. Thus, catering to the luxury sector has become immensely important to build a loyal customer base.

In which sector(s) would you prefer to stick to one brand only?
174 responses



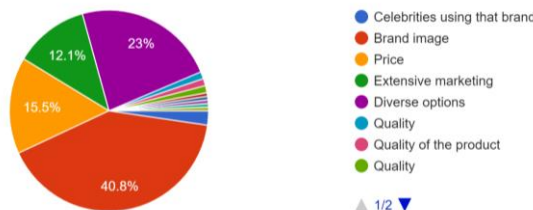
It is generally seen that consumers prefer to be loyal to brands in specific sectors. Different sectors hold different levels of importance in the lives of consumers depending on their needs and preferences. For example, for some, apparel is the most essential sector in which they are selective about certain brands only. For some others, food and beverages might hold greater importance than any other sector. As the graph above shows, apparel and footwear is the highest selected choice stating that consumers prefer to stick to particular brands and hence, show highest brand loyalty in this sector. The second most selected options are cosmetics and electronics, followed by food and beverages. The sectoral preference of consumers in exhibiting brand loyalty indicates the value these sectors have in the consumers’ lives. It doesn’t throw much light on brand practices to attract customers. It is just to record what customers prefer.

CONSUMER PREFERENCES AND EXPECTATIONS



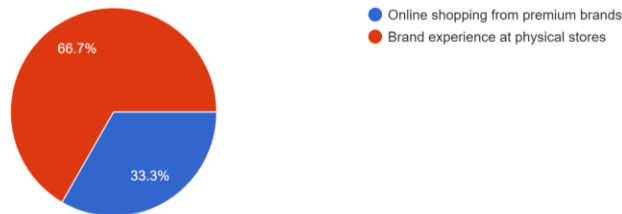
This question was aimed at understanding the practices that attract customers. The highest selected option was premium product quality. This shows that for a majority of respondents the product quality matters more than any other factor while selecting brands. Thus, (*Dhurup et al., 2014*)’s conclusions about the positive impact of product quality on customer loyalty stands true. Above 20% of the respondents feel that the brand image is the attractive element driving customers. The identity of the brand in the eyes of individuals has a major impact on customer loyalty. The dimensions to measure customer satisfaction proposed by (*Ghijssen et al., 2010*) included employee behaviour and customer services as essential elements. However, according to the survey conducted these elements have minimal impact in attracting customers. Thus, product quality and brand image form the most attractive elements of a brand.

The ultimate factor leading to customer satisfaction is the quality of product purchased for half of the respondents. Around 30% of the respondents consider the price worth of the product to be that factor. The remaining 20% are divided among brand experience, brand services and brand name. Customer satisfaction can be improved if brand practitioners enhance product quality, offer the products in the price worthy of value and improve store aesthetics (Wu et al, 2011). However, customers consider product quality and price worth the most while assessing customer satisfaction.

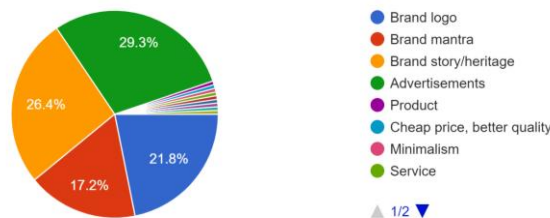


Of the 5 options (celebrities using that brand, brand image, price, extensive marketing and diverse options) given to respondents, brand image was selected by around 41% of the respondents, followed by diverse options being selected by 23% of the respondent. Brands that consider brand extensions to be beneficial for enhancement of image offer a diverse variety of products to attract customers (Meyvis and Janiszewski, 2004). However, the results of the survey show that only one-fourth of the respondents get attracted to the

diverse variety offered. A very negligible percentage of respondents selected celebrities using that brand. This itself shows that what customers personally perceive about a brand is what drives them to it. Celebrities promoting a brand will not make customers loyal to it. What the brand presents to the customers is of utmost importance. Hence, (Hogan et al., 2003)’s conclusion that brand image helps in developing trust and loyalty stands true. This question also reflects the importance of quality. Although quality was not an option provided to respondents, many of them mentioned it separately.



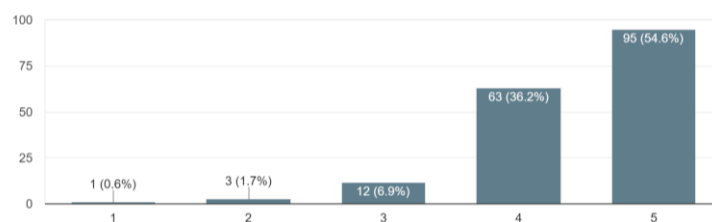
A very important part of the customer journey is the experience one gains from purchasing goods. The objective of this question was to collect data for a more specific preference area, i.e., mode of shopping (online shopping or physical stores). According to the results of the survey, around two-third of the respondents prefer the brand experience at physical stores while the remaining one-thirds prefer online shopping. As discussed before, brands are all about experience. Customers want to live the brand and not just purchase its products. Hence, improving brand experience at physical stores is an important practice to develop customer loyalty.



The various brand elements have already been described above. This question was different from the rest since it focuses only on brand elements and the extent of impact they have on customers. According to the survey, advertisements are the most attractive element of brands. However, there is almost an equal preference for the other brand elements as well, namely, brand logos, brand mantras and brand heritage. The aim of a logo is to enhance awareness about the destination and to build a profitable brand image (Hem and Iversen, 2004). Thus, customers do interpret the brand identity through logos.

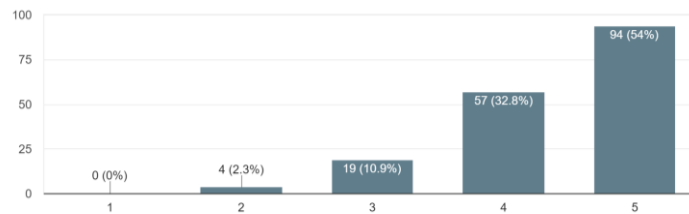
BRAND PRACTICES

On a scale of 1-5, how important do you think are the after sales services in retaining customers?
174 responses



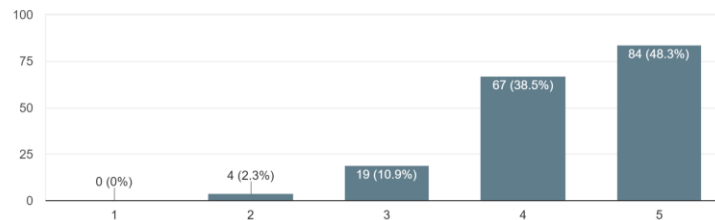
Around half of the respondents believe that after sales services are extremely important in retaining customers. Approximately 36% respondents selected 4 on the scale of 1-5. Thus, these customer services do have a great impact on a majority of customers. Only about 2.5% respondents feel that it is not important in retaining customers.

On a scale of 1-5, how important do you think is the employee behavior to attract loyal customers to a brand?
174 responses



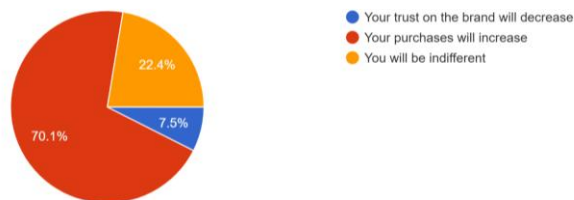
According to responses on the linear scale, around 86% respondents have ranked the importance of employee behaviour at 4 or 5. This clearly highlights the value of employee conduct in the success of a brand. Employee conduct is not just limited to how employees behave with the customers but also includes how they behave with each other. It shows their commitment and respect to the brand and to their work.

On a scale of 1-5, how important do you consider the pricing mechanism while choosing brands?
174 responses



More than 86% of respondents attach high importance to the pricing mechanism while choosing brands. Thus, product quality and brand image are not the only factors affecting customer preferences.

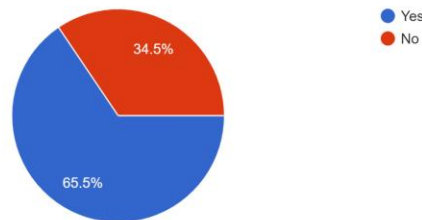
If a premium brand that you love offers price discounts or sales, what will be its impact on your purchase decision?
174 responses



Price discounts, commonly believed to have a negative impact on brand image, actually leads to an increase in the purchases from those brands. According to the survey, around 70% of the respondents will increase their purchases from a premium brand if it offers price discounts or sales. A very small percentage, 7.5%, of the respondents will lose trust on the brand that offers discounts. This itself shows that price discounts do not lead to negative influence on customers. Thus, the results of (Faryabi et al, 2012) have been proved correct stating that price discounts have a positive impact on customers' purchase intentions. If applied efficiently, price discounts can lead to increased sales for the brand.

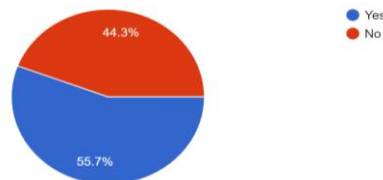
CUSTOMER LOYALTY

Will you persuade your friends/family to switch to your preferred brand if they follow a competitor brand?
174 responses



Customers can be an important asset for any brand. A majority of the respondents claim to convince others to follow their preferred brands. However, around 35% of the respondents responded in the negative. A satisfying customer can give a good referee to other people for the products and services offered by a brand (Muhammad and Artanti, 2016). Thus, studies showing that customer loyalty can reduce marketing expenses are true but to an extent. Most of the times the studies stand true, but there are times when they do not follow in the real world.

If your favorite brand is accused of following malpractices but the premium product quality remains intact, will you still purchase from the brand?
174 responses



As discussed above, various studies show that unethical practices by businesses can have a negative impact on brands. However, as per the survey conducted, more than 55% of the respondents will not stop purchasing from the brand even if it is known to be following malpractices. What matters the most is that the product quality should remain intact. Around 44% of the respondents will stop purchasing from brands following malpractices irrespective of the product quality.

If your favourite brand starts losing its brand image, how will it impact your loyalty towards the brand?
174 responses



This question shows how important the image of the brand is when it comes to showcasing one's loyalty towards it. More than 50% of the respondents will shift from their favourite brand to another premium brand if their favourite brand begins to lose its brand image. This strengthens our claim that a company becomes a brand with a good image and loyal customers. The loss of one will lead to the loss of the other. However, a considerable number of respondents will continue purchasing from the brand irrespective of its falling image and will continue to recommend the brand to others. A positive interpretation of this can be seen in the loyalty the brands have gained. Thus, true loyalty is seen when customers follow their favourite brand despite the shortcomings.

CONCLUSION:

Coming to the end of our study, we can show that the results of the survey have effectively helped in fulfilling the goals of our research. The focus was on the luxury sector to understand the various brand practices and elements that develop a strong and loyal customer base. Customer loyalty and brand satisfaction are two broad aspects which are interrelated. Loyalty is not just restricted to repeated purchases from a particular brand. It is more of an emotional attachment between brands and their customers. This is because of the psychology of emotions. An individual's preferences and actions are driven by his/her emotions. Customers can be an important asset for the organisation since satisfied and loyal customers act as brand promoters.

Loyalty can have various forms depending on the customer practices and expressions of trust and commitment towards a brand. There can be various factors which draw customers. Some of the most important ones are product quality, price worth of products, employee behaviour, after sales services, brand image and store aesthetics. Every brand has a story of its own. These stories depict what a brand aims to achieve and what a brand truly stands for, i.e., brand identity. Such stories are meant to establish a strong bond with the customers by making them feel the essence and existence of a brand. Various brand elements such as brand name, brand logos, brand mantras and advertisements are used to communicate the brand message to its customers. Not many researchers have highlighted the importance of these factors. Although the basics of these elements driving customers are known to all, a deep analysis of its effects on customers hasn't been conducted in many studies.

The impact of each practice and element varies from individual to individual since all customers are different and have different ways of perceiving a message. The extent of effects various practices can have on customer loyalty is different depending on various customer needs and preferences. Thus, brands should adopt a holistic approach while marketing since focussing on only some aspects can limit its scope of enhancing a strong customer base.

While improving brand image, companies need to ensure that they do not indulge in any sort of malpractices as well. Unhealthy and unethical practices can ruin a brand's image. However, the survey also revealed that loyal customers do not get affected by negative imagery. Loyalty in its true sense can be seen when customers follow a brand and recommend it to their acquaintances irrespective of a fall in the brand image.

Thus, it is essential for brand practitioners to be aware of every aspect of customer loyalty and brand satisfaction in order to reach the epitome of success.

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