

**Enhance Brand Loyalty through Customers Satisfaction**

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**Abstract**

Brand loyal consumers are willing to pay higher prices and are less price sensitive. Brand loyalty also provides the firm with trade leverage and valuable time to respond to competitive moves. In sum, loyalty to the firm's brands represents a strategic asset which has been identified as a major source of the brands' equity. Given the importance of brand loyalty, it is not surprising that it has received considerable attention in the marketing.

**1. Introduction**

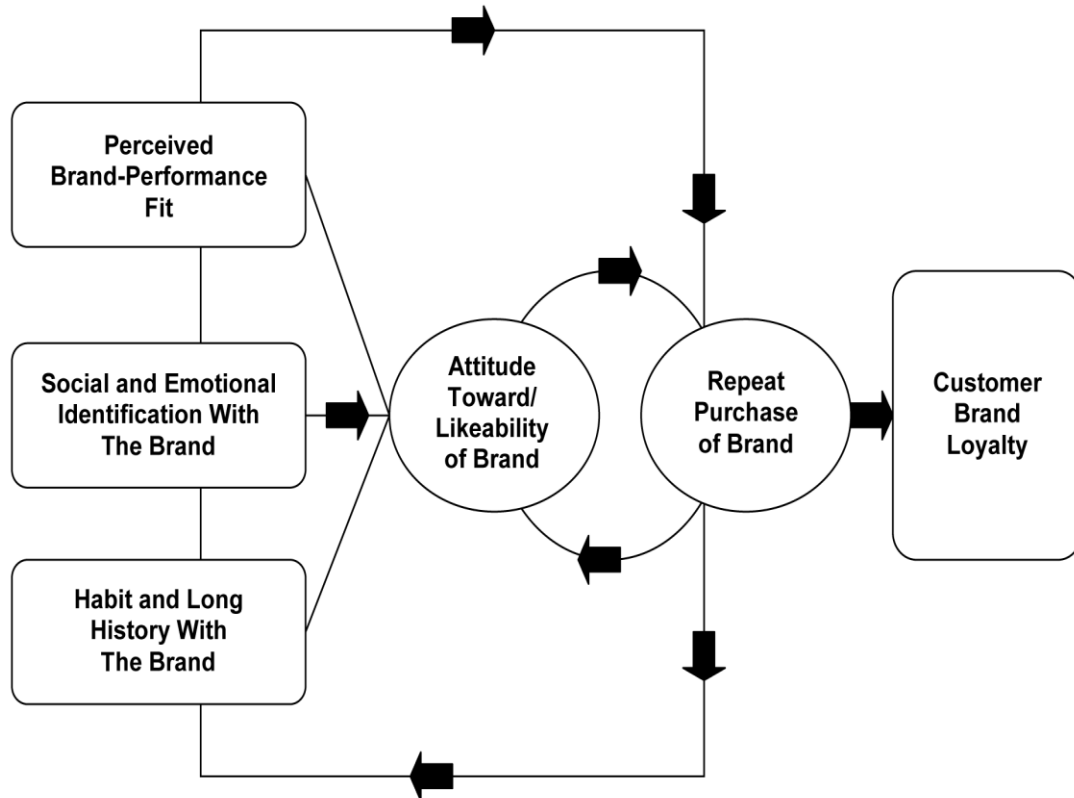
The American Marketing Association defines brand loyalty as “the situation in which a consumer generally buys the same manufacturer originated product or service repeatedly over time rather than buying from multiple suppliers within the category” or “the degree to which a consumer consistently purchases the same brand within a product class” (Moiescu, 2006).

Brands can be seen as an unconditional response to the consumer's desires and needs. At a higher level, brand is exactly what market orientation theory states. In contrast with this, it is possible that the way a brand is built can be perceived as a symbol that has meaning for the consumers. But final difference is given by the fact that brand identity is or not a platform for the company. From a company perspective it is necessary for a brand to be approached as a strategic resource. For an individual company, this approach may have consequences on the overall marketing and strategy.

If consumers purchase a brand repeatedly without attachment it is then called behavioral loyalty. When a consumer purchase repeatedly and with attachment then the consumer is both behaviorally and attitudinally loyal (Hofmeyr & Rice, 2000). Loyalty towards buying or using a specific brand of product is created when a brand becomes a consumer's preferred choice. Consumer brand loyalty is what makes brands worth millions or billions of shillings. Many top brands have been market leaders for years despite the fact that there undoubtedly have been many changes in both consumer attitude and competitive activity over a period of time. Consumers have valued these brands for what they are and what they represent sufficiently enough to stick with them and reject the overtures of competitors, creating a steady stream of revenue for the firm. Academic research in a variety of industry contexts has found that brands with a large market share are likely to have more loyal consumers than brands with a small market share.

Customer satisfaction veritably does have a positive effect on the profitability of an organization. Satisfied customers construct the fundamental of any

successful business as satisfied customers lead to repeat purchase, customer loyalty and positive word of mouth. Satisfied customers are most likely to share their experiences with other people to the order of perhaps five or six people. Equally well, dissatisfied customers are more likely to tell another ten people of their unfortunate experience. Furthermore, it is important to realize that many customers will not complain and this will differ from one industry sector to another.



Source: Adapted from Dick and Basu (1994); Sheth *et al.* (1999)

## 2. Need of Customer Satisfaction

Consumers’ satisfaction can also be built by comparing price with perceived costs and values. If the perceived values of the product are greater than cost, it is observed that consumers will purchase that product. Loyal customers are willing to pay a premium even if the price has increased because the perceived risk is very high and they prefer to pay a higher price to avoid the risk of any change.

Customer satisfaction is the result of purchase expectation and post purchase experience comparison with incurred cost Serkan & Gökhan (2005). The customer might have high, low and no expectation. It is also depends on the importance of brand as well as the cost. If the expectation for brand/product performance is high, post purchase experience will determines customer satisfaction even if the customers are low cost conscious.

Customer satisfaction can be overall satisfaction Serkan & Gökhan (2009). Overall satisfaction is the result of accumulative experience and encounter rather

than specific satisfaction or dissatisfaction, which has longitudinal by nature Serkan Aydin & Gökhan (2009). Overall customer satisfaction is longitudinal, so a customer's response is cognitive.

Paurav Shukla (2004, p. 85) states that customer satisfaction is “customer’s psychological response to his/her or her positive evaluation of the consumption outcome in relation to his/her expectation”. Satisfaction is a subjective evaluation of the consumption experience.

The argument is based on disconfirmation satisfaction theory. The theory state that customer evaluation of product/brand is based on comparison between expected performances with actual performance. Disconfirmation theory of satisfaction has conceptualized as expectation, performance, disconfirmation and satisfaction Gilbert & Carol Surprenant (1982).

Expectation indicates the customers anticipated performance. There are various expectation indicators that customers might expect from brand performance. Customers might expect brand provide functional or other expectation, but that depends on customer's interest. Although all customers might not be able to list out the entire possible brand benefits due to the fact that customers might have little awareness or motivation to do so Joss & Hans (1995).

Their brand performance rating is based on the attributes' that they are familiar with or the attributes that customers want to have from the brand. Performance is how the product or brand carries out the intended purpose or operating character Gilbert & Carol Surprenant (1982). It is highly influenced by customer expectation. Brand performance is a baseline for comparison with the customer expectation. Brand performance might exceed, meet or below expectation. The performance criteria are highly based on tangible and intangible's brand attributes. Brand specific performance attributes include hardware, software, stylishness or other attributes.

### **3. Review of Literature**

Numerous empirical studies on goods and service markets support customer satisfaction influence loyalty positively Youl & John (2010). However, satisfaction is a necessary condition to customer loyalty, but not it is sufficient condition. Even if customers are satisfied with the brand, sometime they switch to other brands. Brand loyalty is a deeply held positive attitude combine with repeat purchasing behavior Youl & John (2010). Only those satisfied customers will have a positive attitude and repeat purchasing behavior. It is hard to conceptualize dissatisfied customers might have a high positive attitude, and even if they show repeats purchasing behavior in situations where there is no alternative brand to substitute or high switching cost Youl & John (2010).

Brand satisfaction is one factor that influences brand loyalty (Youl & John 2010, Bennett & Bove 2001; Bennett, Härtel, & McColl-Kennedy 2005 and Jones & Suh 2000). The more the customer satisfied with the brand the more they are willing to use the same brand in the future. Feick, L., Lee, J. and Lee, J. (2001) stated that high level satisfaction strongly correlated with increase brand loyalty.

#### **4. Customers' Satisfaction Vs Brand Loyalty**

Several contemporary researchers have acknowledged an evolution of the concept of brand loyalty through time (Alhabeeb, 2007; Khan, 2009; Kuusik 2007; Dick & Basu 1994; Worthington, Russell-Bennett & Hartel, 2009). From the early studies, where loyalty was defined as mere repeated purchase behavior (Jacoby & Kyner, 1973; Cunningham, 1956; Farley, 1964) to the more recent characterization of loyalty as a multi-dimensional concept (Dick & Basu, 1994; Oliver, 1999; Worthington, Russell- Bennett & Hartel, 2009) the evolution has involved various stages and interpretations.

Some researchers have investigated the nature of different levels or dimensions of loyalty, while others have explored the influence of individual factors on loyalty. Customer loyalty lies at the heart of marketing science. Although loyalty research has a long tradition dating back to almost a hundred years (Copeland, 1923), customer loyalty is still a very contemporary research topic. The concept of loyalty derives from the literature of customer behavior (Chegini, 2010). As stated before, brand loyalty is a rather complex construct, which has led to numerous definitions (e.g. Fournier 1998; Oliver 1999; Pritchard, Havitz, & Howard 1999; Reichheld 2003; Sirgy and Samli 1985; Copeland, 1923; Brown, 1952). In the context of branding, loyalty is one of the most widely defined words in the marketing lexicon. It is interpreted in different ways and can often be approached with greatly differing definitions by different people (Morgan, 1999).

One of the oldest and perhaps the most used definition for loyalty comes from Jacoby and Kyner (1973) who described loyalty as “a biased behavioral response expressed over time by a decision making unit with respect to one or more alternative brands out of a set of brands and being a function of psychological processes”. Oliver (1999) has developed the definition further by describing loyalty as “a deeply held commitment to re-buy or repatronize a preferred product or service consistently in the future, causing repetitive same brand or same brand-set purchasing, despite situational influences or marketing efforts.”

Reichheld's (2001) definition emphasizes somewhat different aspects in defining loyalty as the willingness of someone to make a personal sacrifice or other investment for the strengthening of a relationship. One of the newest definitions of brand loyalty comes from Chegini (2010) who describes it as “theory and guidance leadership and positive behavior including, repurchase, support and offer to purchase which may control a new potential customer”.

#### **5. Conclusion**

Organizations should always strive to ensure that their customers are very satisfied. Based on views and investigations done by numerous researchers, it can be seen that customer satisfaction is crucial to customer loyalty which lead to the successfulness of an organizations.

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