

# **A Study to Diagnose the Effect of Customer-Based Brand Equity on Brand Loyalty**

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## ABSTRACT

This dissertation proposes and evaluates a model to investigate the dimensions of customer-based, brand equity which are staff behaviour, physical quality, lifestyle-congruence, ideal self-congruence and brand identification and their relations with consumer satisfaction and brand loyalty in Famagusta, North Cyprus.

A quantitative research methodology was used in the study, and a total of 186 questionnaires were administered in English and Turkish languages respectively. The response of the analysis showed that there was a clear understanding of the respondents.

The outcome of the investigation showed that the CBBE dimensions are important factors in determining consumer satisfaction. Although the results were low, they still had positive relationships. Also, it was established that consumer satisfaction has a positive relationship with brand loyalty. Evidently, the results were low in terms of its level of effect signifying that there are other factors that affect brand loyalty and consumer satisfaction. Customers are capable of being loyal to a brand without been satisfied, and this fact gives way to more research prospects.

This study recommends that advanced researches should be conducted in the service industry in North Cyprus to determine the other factors that affect these variables and also to identify the level of significance.

**Keywords:** customer based brand equity, consumer satisfaction, brand loyalty

## ÖZ

Bu çalışma, Gazimağusa’da müşteri tabanlı marka değerini oluşturan çalışan davranışı, fiziksel kalite, yaşam tarzı uygunluğu, ideal benlik uygunluğu ve marka kimliği boyutlarının müşteri tatmini ve marka sadakati ile ilişkilerini değerlendiren modeli incelemektedir.

Araştırmada kantitatif araştırma yöntemi kullanılarak toplam 186 kişiden analiz edilebilir veri elde edilmiştir. Anket yöntemi kullanılarak elde edilen veriler güvenilirlik testi sonucunda deneklerin soruları tutarlı bir şekilde algıladıklarını göstermektedir. Anket hem Türkçe hem de İngilizce dilinde yapılmıştır.

Analiz bulguları “Müşteri Odaklı Marka Denkliği” boyutlarının müşteri tatminini belirlemede önemli bir etken olduğunu bulmakla beraber ilişki düzeyi beklenenden az düzeyde çıkmıştır. Diğer yandan müşteri tatmini marka sadakatini pozitif yönde etkilediği sonucuna varılmıştır. İlişki düzeyinin beklenenden düşük çıkma sebebinin diğer faktörlerin de etkisinin olduğu sonucunu göstermektedir. Müşterilerin tatmin olmadan da marka sadakati gösterebileceği bulgusunun ileriye yönelik araştırma konularını oluşturacaktır.

Çalışmamızda yapılan önerilerde hizmet sektöründe daha fazla araştırma yapılması gerçeğini ortaya çıkarmıştır. Böylece modelimizdeki değişkenleri etkileyebilecek olası etmenler de tespit edilebilecektir.

**Anahtar Kelimeler:** Müşteri Odaklı Marka Denkliği, Müşteri Tatmini, Marka sadakati.

I dedicate this work to God Almighty the author and finisher of my Faith because without Him I will not have come this far therefore I rest in His finished works.

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## **LIST OF ABBREVIATIONS**

CBBE	Customer-Based Brand Equity
PQ	Physical Quality
SB	Staff Behaviour
ISC	Ideal Self-Congruence
BI	Brand Identification
LC	Lifestyle Congruence
BL	Brand Loyalty
CS	Consumer Satisfaction

# Chapter 1

## INTRODUCTION

### 1.1 Background of the study

Consumer-based brand equity, brand loyalty, and consumer satisfaction have been studied and cited for many years. In recent years, the increase in global market competition has presented a renewed drive in this aspect of research in order to understand different consumer behaviors.

More recently, customer based brand equity (CBBE) has gained substantial awareness that has given rise to the existence of several conceptualisations of consumer-based brand equity. This theory offers an important understanding of the various methods that are considered by consumers in evaluating and choosing of brands in a certain product or service category. Though, many customer-based brand equity components researches are not particularly accurate as they lack the ability to measure or concretely support their claims within a theoretical structure. Thus, Keller (2003) defined consumer based brand equity as a memory lodged in the subconscious of a consumer that is often associated with a particular product or brand. Keller (1993) and Aaker's (1991) conceptualisation of brand equity is consistent with several other researchers (Plank and Washburn, 2002; Donthu and Yoo, 2001, 2002; Yoo et al., 2000; Pappu and Sinha, 1998) who regarded it as consumer-based brand equity rather than simply brand equity.

From a global view point, it is evident that most companies' priority is to satisfy their consumers. Cronin and Taylor, (1992) argue that consumer satisfaction is only dependent on the immediate transaction between the consumer and the product/service supplier. On the other hand, Anderson et al., (1994) supported that consumer satisfaction is a holistic experience that starts at the purchase transaction and ultimately cumulates at consumption. It is worthwhile to mention that any product or service provider keep its consumers satisfied because the company's economic and financial viability is dependent on it. And past researches have proven that a high level of satisfaction from a customer influences the customer's level of retention (Day, 1994) and a repeat in purchase behaviour (Sasser and Reichheld, 1990; Mazursky and Lababera, 1983). This postulation is supported by Huber et al., (2001) that revealed consumers might be prepared to pay a higher price if they are satisfied. Indeed when a consumer is satisfied with services rendered and is willing to repurchase and pay a higher price it builds up loyalty. This implies that the importance of brand loyalty cannot be over emphasized. Over the last thirty years market research has demonstrated a constant improvement in the company market share regardless of situational limitations (Assael, 1998).

According to Aaker (1991), brand loyalty is the connection a consumer holds towards a brand. On the other hand, Oliver (1997) defined brand loyalty more broadly as an intensely maintained dedication to re-patronize or re-buy a chosen service or product constantly in the future in spite of situational pressure and marketing strategies having switching behavioural potentials. Percy and Rossiter (1987) stated that brand loyalty is frequently illustrated by a positive disposition towards a product or service by a consumer who chooses to continually purchase a product. In this view, Aaker (1991) argued customer loyalty to be a brand that

directly influences dependable marketing benefits by reducing the cost of marketing and also the firms with significant consumer brand loyalty have a greater advantage also in trade and in gaining new consumers.

## **1.2 Research Gap**

Research in the past has critically looked into the effects of customer based brand equity (CBBE) on manufacturing and on physical goods and less on services. This study aims at investigating customer-based brand equity using a service nature construct, and focuses on North Cyprus as a case study.

## **1.3 Research Questions**

The research questions of this study are as follows:

- Does physical quality have an impact on consumer satisfaction?
- Is there a relation amongst staff behaviour and consumer satisfaction?
- Does brand identification have an impact on consumer satisfaction?
- Does ideal self-congruence have an impact on consumer satisfaction?
- Does lifestyle congruence have an impact on consumer satisfaction?
- Does consumer satisfaction have an impact on brand loyalty?

## **1.4 Research Objectives**

Below are the following objectives of this study;

- To analyse the impact of physical quality on consumer satisfaction.
- To examine the effect of staff behaviour on consumer satisfaction.
- To analyse the effect of brand identification on consumer satisfaction.
- To analyse the impact of ideal self-congruence on consumer satisfaction.
- To analyse the effect of lifestyle congruence on consumer satisfaction.
- To analyse the effect of consumer satisfaction on brand loyalty.

## **1.5 Research Hypotheses**

The hypotheses proposed for this study are as follows:

H1: Physical quality positively reflects on consumer satisfaction.

H2: Staff behaviour positively reflects on consumer satisfaction.

H3: Ideal self-congruence positively reflects on consumer satisfaction.

H4: Brand identification positively reflects on consumer satisfaction.

H5: Lifestyle congruence positively reflects on consumer satisfaction.

H6: Consumer satisfaction positively reflects on brand loyalty.

## **1.6 Significance of the Study**

This study is the first of its kind with the various dimensions to be carried out in the telecommunication sector in North Cyprus and the outcome of this research will be useful in obtaining secondary data needed for future research and will also provide an important understanding to measure CBBE in a Nomo logic structure.

## **1.7 Scope of the Study**

This study is limited to the residents of North Cyprus that uses Telsim or Turckcell mobile telecommunications provider.

## **1.8 Structure of the Study**

This dissertation includes five chapters as presented below:

Chapter one:

This chapter includes a broad summary of this study and it entails the background of the study, research objectives, significance of the study, research questions and structure of the research.

Chapter two:

Literature review: This chapter takes a critical look at the previous researches based on the subject matter and it entails the research previously on consumer based brand equity, brand loyalty and consumer satisfaction.

Chapter three:

Research methodology: This includes the quantitative structure applied in the collection of the data and the measurement and also contains the results and findings of the SPSS analysis with a view of determining the different perceptions of the telecommunication service users in North Cyprus.

Chapter four:

Results and analysis: This chapter includes the outcomes of the various analyses done and they are the reliability, factor and regression analysis.

Chapter five:

Conclusion and recommendation: This chapter includes the conclusion arrived at and the recommendations for future prospects and the limitations encountered during the research.



## **Chapter 2**

### **LITERATURE REVIEW**

#### **2.1 Brand Equity**

Branding and brand management have been the strategic aims and management priorities of firms for many years (Post, 2008; Keller, 2008; Kapferer, 2008). The brand of a company is the life of the company and it is the air a company breathes to survive, and also it is what a company is known as and known for. It is what separates it from other companies within the same market. As Murphy (1990) states, a company's brand is simply not just a tangible product, but it is also an exceptional possession of a particular owner. Building up a company's brand is regarded as one of the most elite and intelligent way to do business especially in the rapidly changing market environment (Lannon, 1993; Aaker, 1996; King, 1991) and the building of a successful brand improves the chances of a service or product provider and its competitive position to resist the rapidly multiplying strength of retailers (Srinivasan and Park, 1994). Brands can have the advantage of resisting competitions in the market which helps improve market share and performance (Adams, 1995). As a result, we can say that a good brand plays a very important role in building up the assets or liabilities of a company.

Competition is a factor that is considered important in the market and as a result, it is fundamental for a specific product or service to be distinguished notably in the minds of the customers. Therefore the ability to separate your product or service from the

competition is the key to getting an advantageous position as proposed by Porter (1990). Branding as a powerful means of differentiation makes a strong brand which bestows a trustworthy position for customers (Richards, 1998). According to Keller (1998), the value of a branded product been negative or positive is determined by the reaction of the consumer, be it more or less, to the marketing mix of an indistinguishable product though unbranded.

The value of a customer is an important factor in the image of the services or products so in line with Swait and Erdem (1998), we can say that a good brand will often create the following consumer value;

- Reduce perceived risk
- Reduce consumer knowledge costs
- Produce favourable distinctions towards the product

Like Erdem et al. (2006) puts it, the name of a brand functions as indicators for the consumers which in turn develops into the summation of that particular brand's present and past marketing accomplishments.

Brand equity is a key and relevant part of building a brand (Keller, 1998) as its purpose is bringing advantages to firms. Also high levels of brand equity leads to higher purchase intentions and consumer preferences (Cobb-Walgren et al., 1995) which sequentially brings high returns on stock (Jacobson and Aaker, 1994). For companies, the growth in brand equity is the main goal attained through obtaining more beneficial relations and attachments among consumers with purchase intentions (Falkenberg, 1996), and this means that building equity is the main aim of any organization.

Brand equity from a financial point of view is centred on the increase in future discounted cash flow which is as a result of a brand-named product's income over the income of an unbranded-named product (Sullivan and Simon, 1993; Farquhar et al., 1991; Haigh, 1999) and this accrued asset is recorded in the company's asset on the balance sheet. However, the customer's perspective is established on how the customer perceives the different services or products.

Brand equity by Aaker (1991), was defined as liabilities and assets associated with a particular brand, by its symbol and its name which increases or decreases from the benefits offered by a service or product to an organization and/or that organization's customers (De Chernatony et al., 2004; Keller, 1993; Vazquez et al., 2002; Christodoulides et al., 2006; Yoo and Donthu, 2001; Aaker, 1991; Pappu et al., 2005). Though no comprehensive definition of brand equity is being generally accepted, there happens to be some unanimity in the fact that brand equity connotes the added benefits of the product which were provided by the brand (Farquhar, 1989). Brand equity is an array of behaviours and relations that allows a brand to receive larger margins or larger volumes than it possibly will without the brand name by the channel members, brand's consumers and parent corporation and furthermore provide a sustainable, firm and distinctive advantage (Shocker and Srivastava, 1991) and also, stated clearly and broadly by Farquhar (1989), it is said to be the benefit endowed to the product by the brand. Keller (1993) also defined brand equity from a consumer's psychological standpoint as the distinctive impact on the marketing structure of a brand due to the response of the customers from the knowledge gotten from the brand.

Researchers investigated and discovered that the brand equity attained by a product influences its future term cash flow and expected profits positively (Shocker and Srivastava, 1991), success of the marketing structure (Ambler, 1997), prices of stocks (Sullivan and Simon, 1993; Jacobson and Lane, 1995), the inclination of a consumer to pay a price that is exceptional (Keller, 1993), competitive advantage sustenance (Bharadivaj et al., 1993) and the making of decisions on procurements and mergers (Mahajan et al., 1994). As stated by Berthon et al., (2001), “Possibly the only issue that has not been concluded is the study with regards to brand equity”.

The building of a firm’s brand equity is deemed as a significant role in the building of a brand (Keller, 1998) and also, high levels of brand equity are acknowledged as the guide to higher purchase intentions and the preferences of consumers (Cobb-Walgren et al., 1995). For companies, according to Falkenberg (1996), growing brand equity is a significant purpose attained through obtaining more favourable relations and reactions amongst intended consumers. Therefore, understanding the facets of brand equity is a major principle. Keller (1993) suggested two dimensions of consumer-based brand equity i.e. brand knowledge and brand image. Aaker (1991, 1996) on the other hand, conceptualized its dimensions as brand loyalty, perceived quality, brand associations, brand awareness and other privately owned assets. From the broad research and studies, the most important dimensions of brand equity as of the consumer’s perspective are given as:

- Brand awareness: This is the first stage in building equity and it is the capability of a prospective customer to recall or understand that a brand is an element of a specified product group (Aaker, 1991). When a customer is aware of a specific brand it prompts a positive reaction.

- Brand image: This is a circle of connections typically structured in some profound way in the consumer's memory which denotes insights which could identify objective actuality or not (Aaker, 1991; Keller, 1993).
- Perceived quality: This is the customer's discernment of the total quality or uniqueness of a service or product with regards to the anticipated intention as an unquantifiable overall impression about the brand (Aaker, 1991; Keller 2003).
- Brand loyalty: This is an extension of the connection to a brand that a customer develops with a brand (Aaker, 1991). Loyal customers are liable to pay a high cost without being price sensitive (Keller, 1993; Holbrook and Bello, 1995; Aaker, 1991, 1996; Srinivasan and Park, 1994; Holbrook and Chaudhuri, 2001).

The dimensions as mentioned earlier have been approved and used by numerous researchers (Donthu and Yoo, 2001; Keller, 1993; Dev and Prasad, 2000; Lamb and Low, 2000; Montameni and Shahrokhi, 1998). Past studies recognised the outcomes of brand equity on consumer purchase intentions and preferences to be positive (Cobb-Walgren et al., 1995). Also on consumer assessment of product value (Dodds et al., 1991), market share (Rao and Agarwal, 1996), consumer assessment of brand expansions (Keller and Aaker, 1990; Doyle and Bottomley, 1996; Rangaswamy et al., 1993), resistance to product-harm crisis (Pillutla and Dawar, 2000), shareholder benefits (Sethuraman and Kerin, 1998) and the insensitivity of consumer price (Erdem et al., 2002). In other words, building a successful and effective brand image is the primary aim of any organization to increase value.

With regards to the measurement of customer-based brand equity, researchers (Crimmins, 1992; Farquar, 1989; Cobb-Walgren et al., 1995) positively maintained that there are benefits to the shareholder, the retailer, and the manufacturer only if there is benefit for the customer. Customers are regarded as the stakeholders of corporations and the focus of marketing relations (Moriarty and Durcan, 1998). Many approaches to customer-based brand equity and its measurement have been suggested and applied by several researchers. Customer-based brand equity as defined by Lassar et al., (1995) is the improvement in the effectiveness and interest perceived by the customer that the name of a brand bestows on a service or product. On the other hand, Vazquez et al., (2002) defined consumer based brand equity to be the complete utility that is linked to the utilizing and consumption of the brand by the consumer which includes connections that expresses the symbolic and functional services respectively.

In service marketing, the brand of the company is the principal brand, but in manufacturing marketing, the principal brand is often regarded as the product brand (Lamb and Low, 2000). The products grant consumers with the functional values while the brand itself grants consumers with the functional values and also emotional values thus giving satisfaction (Cowking and Hankinson, 1996). Branding has an important role in service corporations because a strong brand enhances customers' confidence in the invincible purchase. Research carried out by Aaker's (1991) included perceived quality as one of the facets of brand equity, but didn't indicate whether it implied to products or services and which dimensions ought to be incorporated in brand equity to adequately measure the consumer-based brand equity. Therefore, in this study, the model consists of the following dimensions:

- Physical quality
- Staff behaviour
- Ideal self-congruence
- Brand identification
- Lifestyle-congruence.

Ekinci et al., (2008) and Gronroo's (1984) components of service quality facets which are physical quality and staff behaviour and also Johnson, Huber and Herrmann, 2006 and Kim, Han and Park's (2001) facets which are ideal self-congruence, lifestyle congruence and brand identification. These recognise the attributes of services which are heterogeneity, inseparability and intangibility, which emerged while assessing service leading brands (Kalafatis and Blankson, 1999; Grace and O'Cass, 2004; Kayaman and Arasil, 2007).

## **2.2 Customer-Based Brand Equity (CBBE)**

Customer based brand equity examines brand equity at the level of the consumer and customers are determined to be the stakeholders of the corporations and the object of marketing relations (Moriarty and Duncan, 1998). Customer-based brand equity arises as soon as acquaintance with the brand is acknowledged by the consumer who retains some substantial, favourable and unique brand relations in the minds of the customers (Kamakura and Russell, 1991). Richer than any other measure for a consumer's brand impression and adoption, customer-based brand equity is considered imperative in developing a competitive advantage that is maintainable for the firm and is essential in creating a point of differentiation to achieve competitive advantages (Yoo et al., 2000). CBBE has been proposed to be a multi-dimensional

concept subsuming all the major measures of different levels of brand performance constituting a significant component of the study model (Aaker, 1996).

From the perspective of the customer, it usually represents the significance that customers perceive or bestows on the brand, and it could be assumed that brand equity is a representation of the relationship involving the customers and the organization's contributions (Farquhar, 1989 and Fournier, 1998).

### **2.3 Measuring Customer-Based Brand Equity**

In measuring customer based brand equity, we need to recognize the appropriate variables used in measuring products and goods likewise measuring the value of services rendered. In this study, and with regards to Zeithaml (1997), the incongruity amongst services and goods is essential because when services are measured up to goods, they encompass experience characteristic elements which can simply be valued in the course of consumption or afterwards. Therefore, alterations are needed on the models that are based on goods branding to adapt to the distinctive features of services (inseparability, intangibility and heterogeneity) due to the unique dimensions related to brand equity that emerges when investigating service leading brands (Grace and O'Cass, 2004; Arasil and Kayaman, 2007; Kalafatis and Blankson, 1999). Compared to the facets for goods and services, the frequently mentioned dimensions for the service corporations are the experiences, word of mouth, the employees and the facilities (Grace and O'cass, 2004).

With reference to the previous investigation within the service industry, (Gronroos, 1984; Ekinici et al., 2008) there emerged two facets concerning the service quality which are physical quality and staff behaviour and they are integrated into the model



of the consumer based brand equity and based on services having symbolic and functional needs.

### **2.3.1 Service Quality**

Service quality since the 1980s has symbolized a reference point for marketers and has been regarded as an essential for company's differentiation strategy. Previous studies based on service quality have been inconclusive based on the distinctive specific dimensions, and this has resulted in the domination of the North American and the Nordic schools of thought.

Parasuraman et al., (1985) discovered that ten facets of service quality were originally recognized by the North American school which was known as SERVQUAL and which was afterward decreased to five dimensions: responsiveness, tangibles, reliability, empathy, and assurance (Parasuraman et al., 1988). Due to the dimensions of services, evaluating service quality proves to be highly challenging and complex than reviewing the concept of product quality. In contrast, the Nordic school identified two or three dimensions i.e. output quality, physical quality, and interaction quality. The other two dimensions were described as what customers find as an outcome of contact with a service firm and in what way the customers gets the services (Lehtinen and Lehtinen, 1991). These dimensions were more valid and put into practice in multiple service industries (Lasser and Mittal, 1996; Cronin and Brady, 2001; Ekinici, 2001). Also, according to Lovelock and Wirtz, (2004), service quality has different meanings to customers and that depends on their service delivery perception. Cetina (2009) stated that a well-delivered service is a profitable strategy for the company which offers greater satisfaction to the customer.

With regards to the advancing literature research in service production, this study aims at two facets of service quality for evaluation: staff behaviour and physical quality (Parasuraman et al., 1998; Ekinici et al., 2008; Brady and Cronin, 2001). Globally, research has discovered that customer-oriented members of staff who understands the consumers' problems or tries to understand the consumers' problem build a positive image of and improve the chance of consumer relationship beyond the point of the initial transaction (Van Dolen et al., 2004). Therefore, we can say that the experiences customers encounter in their day to day communication with employees in the service industry play a vital role in their perceptions about the brand and affect their satisfaction.

### **2.3.2 Brand Identification**

One primary benefit, according to Du et al. (2007), of a protracted relationship between a consumer and a service or product is the creation of a consumer-brand identification and it is defined as the specific consumer's observation of the correspondence between the consumer and the brand (Sauer et al., 2012; Stokburger, 2012; Dholokia and Bagozzi, 2006; Tuskej et al., 2013; Bagozzi and Bergami, 2000). Studies have shown that consumers that have formed identification with a brand would act more favourably towards the product or service to which they have identified with and also cultivate a better self-esteem (Donavan et al., 2006).

Brand identification and its origin were gotten from social identification which ascertains that humans seem to have an innate need to separate themselves from other people. This is a need to be unique and this often results in them linking themselves with groups that might share the same attributes they are trying to portray (Dimitriadis and Papista, 2012; Mael and Ashforth, 1989). Research in the past has confirmed that there is a positive relationship between consumer brand identification

and consumer satisfaction (Stokburger-Sauer, 2010; He et al., 2012) and also according to Kim et al., (2001) and Ferreira, (1996), consumers are especially contented with a brand as soon as their brand identification presents them favourably in social circles or when they attain a level of social security that has previously eluded them. Therefore the knowledge of past studies shows that the stronger a consumer identifies with a brand, results in a higher level of satisfaction.

### **2.3.3 Lifestyle-Congruence**

Presently consumption is not just about buying a product but alternatively has turned out to be more of a means of self-expression and individual identity creation (Gabriel and Lang, 2008). There is no established definition of lifestyle but it generally connotes a person's distinctive pattern of life which manifests in his activities, opinions, and interests and they all reveal differences between individuals (Solomon, 2002; Goldsmith et al., 1998). It has been accentuated that lifestyle concept is one of the most widely used concepts in marketing activities and this presents a way to understand consumer's everyday wants and needs. This is a method to allow a product or service to be found in terms of how it will allow a person to pursue a desired lifestyle (Michman and Maze, 2009). Lifestyle centres on the consumer's goals, aspirations, and attitudes that concentrate on the social values which are not covered by self-congruence that focuses on consumer's thoughts and feelings that enhance their self-esteem.

Existing research and literature encourage multinationals to employ the information on lifestyle to understand the consumers in different cultures (Plummer, 1974) because when a consumer is satisfied with a particular brand by identifying with the lifestyle and expresses his values and patterns, it increases his intention to purchase more, thereby increasing loyalty.

### **2.3.4 Ideal Self-Congruence**

In view of self-concept, consumers are inclined to purchase goods that reflect their individual self-concepts. Studies suggest that self-congruence influences behaviour in distinctive consumption conditions for instance, cultivating positive opinions to brands, (Zinkhan and Hong, 1995; Graeff, 1996), house preferences (Malhotra, 1998) and the acquiring of retail goods (Samli and Sirgy, 1985). According to Sirgy (1982), self-congruence is a suitable match relating to the product image and self-image which will influence the customer's plans to return. In investigative studies involving employees communicating with customers on a one on one basis, it was discovered that when employees successfully emulate the personalities of their customers, there is a tendency for them to be extra efficient and convincing (Davenport and Woodside, 1979). The perception of self-congruence asserts that individuals own or buy brands to uphold or boost their sense of worth (Graeff, 1996).

In the service industry, with regards to the situations surrounding self-concept, consumers who view the service company's vision to be related to their ideal self-congruence are expected to experience more satisfaction. And based on previous researches, it's been argued that there is a positive connection between ideal self-congruence and consumer satisfaction for instance, Ekinici et al., (2008) proved a positive relationship amongst ideal self-congruence and actual self-congruence with consumer satisfaction. This was carried out in the hospitality industry and Chon (1992) also proved a positive relationship in his study with tourist satisfaction and other researchers did same in different studies.

## **2.4 Consumer Satisfaction**

Past researchers identified some significant diversity in the definitions of consumer satisfaction and at least two mutual formulations exist: transient satisfaction or transaction-specific satisfaction, and cumulative satisfaction or overall satisfaction. The formulation of transient satisfaction comes after the assessment of experiences and behaviours that ensue in the course of a single interaction at a service meet, and it should be acquired and assessed instantaneously after every service dealings, and therefore, gets a sentimental feedback to the most current encounter with a company (Oliver, 1993). This particular method, therefore, proposes that satisfaction takes place on the phase of post-consumption, which is right after a particular meeting with the service source or the service employee (Suh and Jones, 2000).

Cumulative or overall satisfaction alternatively functions as various transient satisfactions with the services or providers when the experience is measured up to one or more evaluation specifications therefore, it is a post-choice evaluating assessment of a particular purchase occurrence (Hubbert and Bitner, 1994). Fornell and Anderson (1994) highlighted that most satisfaction studies have implemented the overall satisfaction theory because it is a preferably essential and also it is a useful indicator of future allegiance and also business accomplishments. But in contrast, as presented by Oliver (1980), he stated that the overall satisfaction is not always convenient to quantify and not always appropriate for services. This is because it rapidly degenerates into the consumer's overall mind-set towards a service corporation, after which it becomes practically challenging for consumers to recall whatever their level of initial satisfaction was, where and when they must have experienced numerous encounters with a service company and the consumers are not

opportune to continually experience multiple encounters with a particular service company owing to the unavailability of time and ease of access.

Customer satisfaction is one of the most broadly investigated topics in marketing (Klee and Henning, 1997; Oliver, 1999) therefore recognizing the emotional nature of satisfaction, Oliver's (1997) defined consumer satisfaction as a complete sentimental reaction to an entire service encounter for a specific business transaction at the post purchasing location. Positive consumer satisfaction can enhance re-purchase (Cardozo, 1965), multiply market share and profits and also help attain financial and marketing aims (Sajeev, Oliver and Roland, 1997; Anderson, Lehmann and Fornell, 1994) and Oliver (1997) vehemently specified that the long accumulated memory of a consumer's experience will have an impact on consumer's loyalty and satisfaction and also the consumer satisfaction will impact the attitude and affect consumer repurchase intentions (Oliver, 1980).

In the assessment of the value of the service attained which is established upon the experience, consumers are required to depend greatly on their individual experiences through the consumption procedure (Zeithaml, 1981; Lovelock, 1996; Zeithaml et al., 1993). The knowledge that the consumer satisfaction and brand loyalty are related in a positive way, have been revealed in a series of previous studies (Lemmink and Bloemer, 1992; Garfein, 1987; Kraft et al., 1973; Mazursky and Labarbera, 1983; Burmann, 1991; Werbel and Newman, 1973; Kasper, 1988). According to Levesque and Mcdougall (1994), there is positive customer satisfaction effect on brand loyalty in several service industries.

## **2.5 Brand Loyalty**

Brand loyalty over the years has been studied based on two different perspectives: behavioural loyalty and attitudinal loyalty (Bandyopadhyay and Amrtell, 2007; Dick and Basu, 1994; Staw 1980; Gee et al., 2008, Jacoby and Chestnut, 1978). Behavioural loyalty is based on the regularity of re-purchase while attitudinal loyalty is based on the psychological allegiance that a consumer creates in the purchase deed for example, the intentions to buy and to recommend without necessarily considering the account of an actual re-purchase behaviour (Wilcox and Jarvis, 1976; Jacoby, 1971). Consumers that are loyal to a brand may be eager to pay further for a brand for the reason that they recognize some distinctive importance with the brand that no substitute can offer (Reichheld, 1996; Chestnut and Jacoby, 1978; Pessemier, 1959).

Building brand equity sets off prospective profits for a corporation (Aaker, 1991; Keller and Lehmann, 2006), primarily because the recruiting costs for new customers are higher than the maintaining costs for existing customers (Hallberg, 1995).

Oliver (1997) defines customer loyalty as a profound and actual behaviour that reliably aids in the repurchasing desire in services or products in spite of competitors marketing attempts to change their behaviour. In most brand equity models, brand loyalty is identified to either be a factor (Aaker, 1991) or be a result (Swait and Erdem, 1998) thus making it a valuable asset for brands. Studies have discovered that generated profits obtained from loyal customers are increasing considerably over time (Sasser and Reichheld, 1990). A customer that have identified with brands and are loyal to brands are known to publicize the brand's services by the use of active and efficient word-of-mouth, introduce business recommendations, functions on the company's advisory panel and serves as character references. Therefore, as stated by

Raman (1999), customers that are loyal to a particular company or brand serve as ‘a tremendous marketing team by offering good word, commendations and circulating a positive word-of-mouth. These kind of customers stand out as the best advertising medium a corporation can have. For that reason loyal customers tend to return to the brand with affirmative attitudes and this, in turn, results in an increase in consumer-based brand equity.

### **2.5.1 Word-of-Mouth**

The concept of word of mouth is an interactive avenue to transfer information (Voyer and Bansal, 2000; Arndt, 1967). The instant a consumer associates with a brand either through the level of satisfaction or the company’s social responsibility, it results in loyalty which sets up a sense of commitment and for that reason results in positive feedback and recognition. According to Kaufmann et al. (2012), the consumer becomes a dedicated representative of the brand and turns out to be a communication instrument which sets in motion an advantage to encourage new fans or consumers by means of word-of-mouth and protecting the reputation of the brand from judgments and rivals and also, companies can nurture brand-loyal customers for potential word-of-mouth communications (Zeithaml et al., 1996).

Product information can go from one place to the other utilizing word-of-mouth interactive exchange which is essential in marketing investigation and developing into a valuable tool for the integration of marketing communication as it is an important influence on consumers’ behaviours and attitudes (Harrison-walker, 2001). This type of communication can be carried out in two ways, and they are ‘social communication’ which is a situation whereby the consumers who associate with the brand makes an appropriate recommendation about the company and its services or products to the outside world and the second being ‘physical communication’ which



is the enthusiastic utilization of the brand's logos, images, graphic representation of the brand and brand's emblems (Bhattacharya and Sen, 2003). Therefore, it is not faltering to say that positive word-of-mouth has a remarkable impact on product assessment and it also brings about brand loyalty (Litvin et al., 2008; Arndt, 1967). Comparatively, limited experimental verification can be established regarding the consumer-based equity of service brands because a good number of papers have been related with product and manufacturing and have employed a non-altered structure to propose brand equity value in services (Smith, 1991).

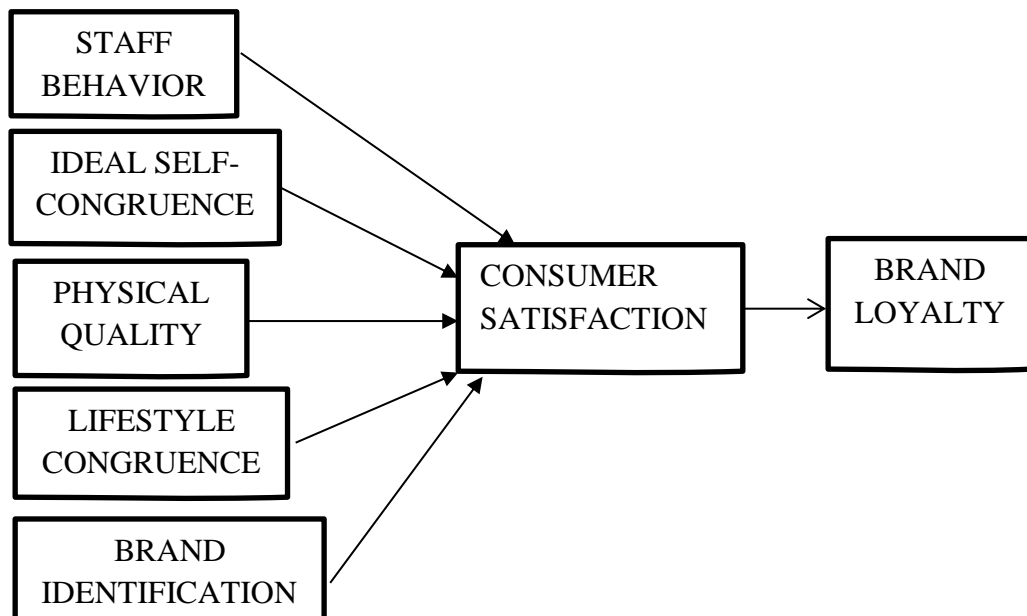


Figure 1: The Conceptual Model

Research Hypotheses:

H1: Physical quality positively reflects on consumer satisfaction.

H2: Staff behaviour positively reflects on consumer satisfaction.

H3: Ideal self-congruence positively reflects on consumer satisfaction.

H4: Brand identification positively reflects on consumer satisfaction.

H5: Life-style congruence positively reflects on consumer satisfaction.

H6: Consumer satisfaction positively reflects on brand loyalty.

## **Chapter 3**

### **METHODOLOGY**

#### **3.1 Research Design**

The present study is a case study of individuals in North Cyprus and questionnaires were administered to 200 respondents, and 186 filled questionnaires were collected, and this was carried out in the summer of the year 2015.

The significance of a case study in research cannot be overestimated, and it gives a shape to the research. A case study is the preferred tactics of how and where questions should be asked in social science research. Case studies can be individuals, groups, community, an institution or even a country as the case may be. A case study helps people to relate to a particular research. It is better said that a case study also helps researchers to be more concentrated to a more specific goal (Yin, 2003).

#### **3.2 Population and Sample**

This present study was carried out in the city of Famagusta in North Cyprus. The researcher carefully selected participants randomly from the strata in one of the busiest road in Famagusta, which is salamis road. This careful selection was done through a sampling strategy called non-proportional stratified random sampling, and it is what researchers use when they are faced with unequal sizes of the sample. This was used because the majority of the respondents of the telecommunication mobile network used KKTC Turkcell network.

### **3.3 Data Collection Instrument**

Questionnaires are considered as the most utilized methods for the collection of data in research amongst others, and the structure of all questionnaires follows a series of questions which is arranged to get information about the attitude and opinions of people. Also in some cases, some questions seek answers to what people think about a particular issue. Questionnaires are arranged for the full understanding of the respondents. This is targeted at getting a well-grounded finding (result). Also, choosing the sample to represent the population must follow a careful process (Watson and Hill, 2006 p. 237).

The questionnaire prepared for the purpose of the research contained 32 questions, and it is divided into eight parts. All questionnaires were administered without supervision and out of the 200 questionnaires distributed, 186 were retrieved. The questionnaire was divided into eight parts and the questions were presented on a 5 point Likert scale that ranges from strongly disagree to strongly agree.

### **3.4 Pilot Study**

The researcher gave 20 copies of the questionnaire to respondents for the purpose of a pilot study keeping in mind the end goal of testing the reliability of the instruments before carrying out the full survey. This helped to ensure that the instrument was reliable, and no suggestions or corrections were gotten from the pilot study.

### 3.5 Measures of the Study

Table 1: Variables for the questionnaire.

VARIABLES	NUMBER OF ITEMS	ADAPTED FROM
Physical Quality	4	Nam, J., Ekinici, Y. and Whyatt, G. (2011)
Staff Behaviour	3	
Ideal Self Congruence	3	
Brand Identification	3	
Life Style Congruence	3	
Brand loyalty	3	
Consumer Satisfaction	3	Deng, Z., Lu, Y., Wei, K., and Zhang, J. (2010)

### 3.6 Hypotheses Development

There have been several empirical and conceptual evidences that have supported a positive outcome in the relationship between consumer satisfaction and service quality. Researchers like Tam (2000), Qu, Heung and Wong, (2002) and Heung and Lam, (1998) investigated and discovered a positive reflects on service quality in the restaurant sector on consumer satisfaction. This research paper concentrates on two distinct facets of service quality which are staff behaviour and physical quality, and it

was studied in the hospitality sector by Ekinici et al. (2008) and a positive reflect between the variables was discovered. Hence this study proposes that:

**H1:** Physical quality positively reflects on consumer satisfaction.

**H2:** Staff behaviour positively reflects on consumer satisfaction.

Past studies by Chon (1992); Sanchez and Shanchez, Bigne (2001) demonstrated positive reflects on the different experiences amongst customers and their level of satisfaction with regards to their self-congruence in the tourism sector and the hospitality industry. In the hospitality sector, Ekinici et al. (2008) investigated the influence of ideal self-congruence and actual self-congruence on the satisfaction of consumers and ideal self-congruence was discovered to have a positive impact on consumer satisfaction. Hence, this study proposes that:

**H3:** Ideal self-congruence positively reflects on consumer satisfaction.

When a customer identifies strongly with a brand, it increases the level of satisfaction and also identifying with a brand goes a long way to differentiate the social identity of a consumer from the social identities of others (Kim et al., 2001). Past researchers have investigated and proven that brand identification ignites a bond between the consumer and the brand which increases the level of satisfaction (Olson and Peter, 1993). Hence, this study proposes that:

**H4:** Brand identification positively reflects on consumer satisfaction.

The objective behind the setting of brands is to express one's lifestyle (Solomon, 2002) and the level of satisfaction grows higher as much as the level of the image of the brand fits into the lifestyle of the consumer, therefore, marketers of the brand strives towards creating satisfaction for the consumer with a brand that identifies

their way of life (Solomon, 2002; Foxall et al., 1998). Hence, this study proposes that:

**H5:** Life-style congruence positively reflects on consumer satisfaction.

Past studies have proven that in the service sector, there exists a positive reflect of consumer satisfaction on brand loyalty (Parks and Back, 2003; Levesque and McDougall, 1994; Wang and Lin, 2006; Uysal and Yoon, 2005; Zahorik and Rust, 1993). This was investigated in various service sectors like hospitality, dentistry, retail banking, restaurants, and tourism and so on. Hence this study proposes that:

**H6:** Consumer satisfaction positively reflects on brand loyalty.

### **3.7 Research Techniques**

The present study was based on quantitative research and in this study, a survey was developed, and findings were presented through descriptive statistics. Quantitative research as the word implies, is a research that deals with quantity. The word quantitative is taken from the affix quantity which means the amount or number of something especially that can be measured or is fixed (Cambridge dictionary, 2014). Therefore, a research that follows the quantitative methodology is one that is represented in the figures. This type of research uses statistical representations for better and greater results (Keyton, 2006).

Sukamolson explains quantitative research as the measurement of the realness of our everyday life or a particular happening. Quantitative questions and researches seek to establish research numerically while examining for quantities. Therefore, strict guides are extremely important during the course of the compilation of data and

analysis because quantitative researchers interpret the world as a reality which can be ascertained objectively (Sukamolson, 2007).

The tools used for the measurement of this study are reliability analysis, correlation, factor analysis and regression analysis below:

- **Reliability Analysis:** Reliability is a fundamental requirement while evaluating a measurement instrument and reliability analysis establishes the fact that a scale consistently reflects the construct it is measuring. The reliability analysis is a statistical measurement used to describe the reliability of an item or a scale and it is mostly used when we have multiple Likert questions in a questionnaire/survey that form a scale.
- **Correlation:** this is a measure of the strength and direction of association that exists between two variables measured on at least an interval scale.
- **Factor Analysis:** Factor analysis is a correlation method used in finding and describing the underlying factors driving data values for a large set of variables. It is a useful tool for investigating variable relationships for complex concepts and also covers a set of multivariate that investigates the interrelationships or correlations amongst groups.
- **Regression Analysis:** Regression analysis is an important statistical method that identifies and characterizes relationships among multiple factors.



## Chapter 4

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Reliability Analysis

The Cronbach Alpha should not be too high as it should have a maximum value of 0.90 because then rather than the homogeneity, it can signify redundancy between the items and pointless duplication of subjects across the items (Streiner, 2003). In this study, the reliability test which is the Cronbach Alpha was computed on all the variables on the questionnaire and according to Nunnally (1978), who recommended 0.70 or better, but not much beyond 0.80 for a basic research as satisfactory, the result of the factors was 0.74, and it indicates that 74% of the variance in the scores is reliable variance and which according to Cronbach's scale of internal consistency makes it a good scale. This means that the questionnaire we used for the survey has a high level of reliability. The table below shows the individual dimensions of customer-based brand equity and their Cronbach Alpha and the highest Cronbach Alpha was staff behaviour which was 80% reliability while the lowest is lifestyle congruence which is 61%.

Table 2: Reliability Analysis of the dimensions

	Cronbach's Alpha	Number of Items
Physical quality	.772	4

<b>Staff Behaviour</b>	.807	3
<b>Brand Identification</b>	.720	3
<b>Ídeal self-Congruence</b>	.691	3
<b>Lifestyle Congruence</b>	.617	3
<b>Consumer Satisfaction</b>	.787	3
<b>Brand Loyalty</b>	.724	3

## 4.2 Correlations

The bivariate Pearson correlation produces a sample correlation coefficient R which measures the strength and direction of linear relationships between pairs of continuous variable and there were statistically significant linear relationships between the variables.

Table 3 below shows the correlation between the variables.

Table 3: Correlation Table

		PQ	SB	ISC	BI	LC	BL	CS
PQ	Pearson Correlation	1	.417**	.286**	.170*	.211**	.218**	.329**
	Sig. (2-tailed)		.000	.000	.020	.004	.003	.000
	N	186	186	186	186	186	186	186
SB	Pearson Correlation	.417**	1	.220**	.082	.154*	.279**	.370**
	Sig. (2-tailed)	.000		.003	.264	.036	.000	.000
	N	186	186	186	186	186	186	186
ISC	Pearson Correlation	.286	.220**	1	.280**	.252**	.122	.250**
	Sig. (2-tailed)	.000	.003		.000	.001	.098	.001
	N	186	186	186	186	186	186	186
BI	Pearson Correlation	.170	.082	.280**	1	.352**	.056	.240**
	Sig. (2-tailed)	.020	.264	.000		.000	.447	.001

	N	186	186	186	186	186	186	186
LC	Pearson Correlation	.211**	.154*	.252**	.352**	1	.259**	.245**
	Sig. (2-tailed)	.004	.036	.001	.000		.000	.001
	N	186	186	186	186	186	186	186
BL	Pearson Correlation	.218**	.279**	.122	.056	.259**	1	.2
	Sig. (2-tailed)	.003	.000	.098	.447	.000		.000
	N	186	186	186	186	186	186	1861
CS	Pearson Correlation	.329**	.370**	.250**	.240**	.245**	.284**	1
	Sig. (2-tailed)	.000	.000	.001	.001	.001	.000	
	N	186	186	186	186	186	186	186

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Correlation is significant at the 0.05 level (2-tailed).

\*\*Notes: PQ = physical quality, SB= staff behaviour, ISC= ideal self-congruence, BI= brand identification, LC=lifestyle congruence, BL= brand loyalty and CS= consumer satisfaction.

There was a strong positive relationship between physical quality and staff behaviour at .417 which means that changes in physical quality strongly correlates to a change in staff behaviour therefore as one increase in value, the other does and as one decrease in value the other does. And there was a weak relationship between brand loyalty and brand identification at .056.

### 4.3 Factor Analysis

Factor analysis is a method of data reduction which is an exploratory analysis that groups similar variables into dimensions. Table 4 below shows the matrix of the factor loadings for each variable unto each factor.

Table 4: Factor Loadings

Statistical Factor Analysis	Factor Loadings (Unrotated) Principal Components				
	Factor1	Factor 2	Factor 3	Factor 4	Factor 5
PQ1	.733				
PQ2	.836				
PQ3	.763				
PQ4	.611				
SB1		.852			
SB2		.877			
SB3		.737			
ISC1			.762		
ISC2			.803		
ISC3			.705		
BI1				.754	
BI2				.780	
BI3				.769	
LC1					.682
LC2					.837
LC3					.613

Extraction Method: Principal Component Analysis  
 Rotation Method: Varimax with Kaiser Normalization  
 a. Rotation converged in 6 iterations

\*\*Notes: PQ = physical quality, SB= staff behaviour, ISC= ideal self-congruence, BI= brand identification, LC= lifestyle congruence, BL= brand loyalty and CS= consumer satisfaction.

Variables PQ 1-4 loaded strongly on factor 1, variables SB 1-3 loaded strongly on factor 2, variables ISC 1-3 loaded strongly on factor 3, variables BI 1-3 loaded strongly on factor 4, variables LC 1-3 loaded strongly on factor 5. Therefore, this analysis seems to reveal that the questionnaire on the CBBE dimensions is composed of 5 subscales. This means that the questions actually measured the construct it was intended for therefore making the questionnaire and its measurement valid.

Table 5 below lists the eigenvalues associated with each linear component (factor) before extraction. The eigenvalues associated with each factor represents the variance explained by that particular linear component and the eigenvalue in terms of

the percentage of variance explained. Component 1 explains 25% of the percentage of variance and components 1 – 5 explains a total of 66% of the total variance.

Table 5: Total Variance Explained

Component	Initial Eigen Values		
	Total	% of Variance	Cumulative %
1	4.111	25.694	25.694
2	2.349	14.684	40.378
3	1.512	9.449	49.827
4	1.379	8.617	58.444
5	1.227	7.666	66.110
Extraction Method: Principal Component Analysis			

Component 1 to 5 was significant and more important because they cover about 66% of the variance explained measured with component 1 being the highest at 4.111.

#### 4.4 Regression Analysis

Linear regression analysis is used to predict the value of a variable based on the value of another variable.

From table 6 below, the regression analysis was carried out to analyse the relationship between the variables and test the proposed hypotheses. There were significant positive relationships between the variables and the results were as follows:

Table 6: Physical Quality, Staff Behaviour, Ideal Self-Congruence, Brand Identification, and Lifestyle Congruence Regressed on Consumer Satisfaction.

Model	R	R square	Unstandardized coefficient $\beta$	Sig.	t	F
1	.329 <sup>a</sup>	.108	.340	.000	4.729	22.359
2	.370 <sup>b</sup>	.137	.351	.000	5.406	29.222
3	.250 <sup>c</sup>	.062	.288	.001	3.495	12.218
4	.240 <sup>d</sup>	.057	.229	.001	3.346	11.197
5	.245 <sup>e</sup>	.060	.277	.001	3.426	11.739

a Predictors: (Constant), physical quality

b Predictors: (Constant), staff behaviour

c Predictors (Constant), ideal self-congruence

d Predictors (Constant), brand identification  
e Predictors (Constant), lifestyle congruence  
\*\*Dependent variable: consumer satisfaction

Below are the results of the tested hypotheses.

**H1:** The effect of physical quality on consumer satisfaction has a statistically significant positive relationship where  $R = .329$ ,  $R^2 = .108$ ,  $\beta = .340$ ,  $t = 4.729$ ,  $F = 22.359$  and  $p = .000$  which implies that 10.8% of customer satisfaction is accounted for by physical quality, therefore, there is a positive effect of physical quality on consumer satisfaction which makes the hypothesis valid and accepted.

**H2:** The effect of staff behaviour on consumer satisfaction has a statistically significant positive relationship where  $R = .370$ ,  $R^2 = .137$ ,  $\beta = .351$ ,  $t = 5.406$ ,  $F = 29.222$  and  $p = .000$  which implies that 13.7% of customer satisfaction is accounted for by staff behaviour, therefore, there is a positive effect of staff behaviour on consumer satisfaction which makes the hypothesis valid and accepted.

**H3:** Ideal self-congruence and its influence on consumer satisfaction have a statistical significant positive relationship where  $R = .250$ ,  $R^2 = .062$ ,  $\beta = .288$ ,  $t = 3.495$ ,  $F = 12.218$  and  $p = .001$  which implies that 6.2% of consumer satisfaction is accounted for by ideal self-congruence, therefore, there is a positive effect of ideal self-congruence on consumer satisfaction which makes the hypothesis valid and accepted.

**H4:** There exists an outcome of brand identification on consumer satisfaction and it has a significant positive relationship  $R = .240$ ,  $R^2 = .057$ ,  $\beta = .229$ ,  $t = 3.346$ ,  $F = 11.197$  and  $p = .001$  which implies that 5.7% of consumer satisfaction is accounted

for by brand identification, therefore, there is an effect of brand identification on consumer satisfaction which makes the hypothesis valid and accepted.

**H5:** Lifestyle congruence and its effect on consumer satisfaction has a significant positive relationship  $R = .245$ ,  $R^2 = .060$ ,  $\beta = .277$ ,  $t = 3.426$ ,  $F = 11.739$  and  $p = .001$  which implies that 6.0% of consumer satisfaction is accounted for by lifestyle congruence, therefore, there is a positive effect of lifestyle congruence on consumer satisfaction which makes the hypothesis valid and accepted.

Consumer satisfaction as stated above is positively influenced by staff behaviour, physical quality, ideal self-congruence, lifestyle congruence and brand identification. Customer satisfaction is highly influenced by staff behaviour and least influenced by brand identification. The customer based brand equity dimensions above accounts for about 42.4% of consumer satisfaction.

Table 7 below shows the result obtained from the regression carried out on consumer satisfaction and brand loyalty.

Table 7: Consumer Satisfaction regressed on Brand Loyalty

Model	R	R square	Unstandardized coefficient $\beta$	Sig.	t	F
6	.284 <sup>f</sup>	.080	.356	.000	4.012	16.097

f. Predictors (Constant), consumer satisfaction

\*\*Dependent variable: brand loyalty

**H6:** The effect of consumer satisfaction on brand loyalty has a positive relationship  $R = .284$ ,  $R^2 = .080$ ,  $\beta = .356$ ,  $t = 4.012$ ,  $F = 16.097$  and  $p = .000$  which implies that 8.0% of brand loyalty is accounted for by consumer satisfaction, therefore, there exists a positive influence on brand loyalty from consumer satisfaction which makes the hypothesis valid and accepted.

In conclusion, we can say that there is enough evidence to support the theories whereby there exists a positive connection amongst the dependent and independent variables. Overall, the outcome reveals that the customer-based brand equity facets which are staff behaviour, physical quality, lifestyle congruence, ideal self-congruence, and brand identification are valuable determinants of consumer satisfaction associated with brands and brand loyalty. It also goes further to verify that consumer satisfaction has an influence on brand loyalty.



## Chapter 5

### CONCLUSION AND RECOMMENDATION

#### 5.1 Findings Summary

In the beginning of this study, the research question and objective of this study were stated, therefore, according to it and the analyses that were carried out, below are the findings:

It was investigated that there is a positive relationship between customer based brand equity and consumer satisfaction. Physical quality and staff behaviour played a positive role in determining consumer satisfaction and from the results gotten; it shows that 10.8% and 13.7% of consumer satisfaction were accounted for by physical quality and staff behaviour respectively. This goes further to explain that customers take into account their encounters with the service representatives, and though it does not go a long way in determining their satisfaction, it affects their perceptions of the brand.

6.2% of consumer satisfaction was accounted for by ideal self-congruence and there showed a positive relationship between the variables. This suffices to say that satisfaction is also determined by how well the consumer perceives and fits the brand image to his or her ideal self-concept. Consumers are dedicated to a brand when there is a sense of belonging and they can relate to individuals and groups that use the same service. In this study, 5.7% of consumer satisfaction was accounted for by brand identification and there was a positive relationship between the variables.

When a brand supports a customer's lifestyle in achieving their goals, it encourages re-purchase and in this study there was a positive relationship between lifestyle congruence and consumer satisfaction and a 6.0% was accounted for. Therefore, the dimensions all accounted for 42.4% of consumer satisfaction and this implies that although these factors affect consumer satisfaction positively, there are other factors that can affect a consumer's level of satisfaction.

There exist past studies that support a positive connection between brand loyalty and consumer satisfaction and in this study, there is a significant positive relationship between consumer satisfaction and brand loyalty. 8% of brand loyalty was accounted for by consumer satisfaction.

## **5.2 Conclusion**

This study investigated the effect of customer based brand equity on consumer satisfaction and its impact on brand loyalty. It provided different definitions of the dependent and independent variables and studied different views from the various researchers. The arguments in the literature review have proved that customer based brand equity has an effect on consumer satisfaction which in turn has a positive impact on brand loyalty.

This study proposes that physical quality, staff behaviour, ideal self-congruence, lifestyle congruence and brand identification are determining factors of consumer-based brand equity where physical quality and staff behaviour captures the functional facets and ideal self-congruence, lifestyle congruence and brand identification captures the symbolic aspects of brand equity. The study proposed that the determinants of customer based brand equity have an effect on consumer satisfaction

and although they had relatively low effects individually on consumer satisfaction, together they account for 42.4% which is an impressive number. However, it means that there are other factors that affect the level at which a consumer gets satisfied. The effect of consumer satisfaction on brand loyalty was also relatively low, and that implies that although there is a positive effect, consumers can be loyal to a brand without been satisfied, and this can be because of the image or other factors.

### **5.3 Recommendation**

From the study made, the customer-based brand equity (CCBE) studied accounts for a total of 42.4%. Therefore, there are other factors that constitutes majorly to consumer satisfaction. It would be important for future studies to investigate these factors and their significance and to what degree it affects consumer satisfaction.

Also consumer satisfaction had a very low effect on brand loyalty therefore it is also expedient that studies should be done to know the factors that greatly affect brand loyalty.

### **5.4 Limitations of the study**

The limitations of this study were:

- The high level of reluctance to participate in the survey from the Cypriots due to the language barrier which hindered their understanding of the research purpose.
- This study was specific to just one service sector which is the telecommunication sector.
- The sample size of the study was quite small and was confined to a sample region of North Cyprus. I feel the study can be greatly improved if more research is carried out with a much larger sample size.

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## **APPENDIX**

## Appendix A: Questionnaire

### EVALUATION OF CUSTOMER BASED BRAND EQUITY, CUSTOMER SATISFACTION, BRAND LOYALTY AND CORPORATE SOCIAL RESPONSIBILITY IN THE SERVICE INDUSTRY.

Thank you for agreeing to take this survey. The survey is carried out by a student of the department of business administration for the purpose of academic research only. All of the answers you provide in this survey will be kept confidential. The survey data will be reported in a summary and will not identify any individual person. The response range from 5 to 1 which shows strongly agree (5), agree (4), neutral (3), disagree (2), strongly disagree (1).

Please tick (✓) the right box to show level of agreement

#### TELECOMMUNICATION PROVIDER

TELSIM       TURKCELL

		Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
CBBE1	My mobile (telecommunication ) service provider has modern-looking equipment					
CBBE2	My mobile (telecommunication ) service provider's					

	facilities are visually appealing					
CBBE3	Materials associated with the service provider's offices (furniture) are visually appealing					
CBBE4	My mobile (telecommunication ) service provider gives me visually attractive promotional materials (brochures, documents)					
CBBE5	Employees of this service provider listen to me					
CBBE6	Employees of this service provider are helpful					
CBBE7	Employees of this service provider are friendly					

CBBE8	The typical users of this mobile telecommunication service provider has an image similar to how I like to see myself					
CBBE9	The image of this service provider is consistent with how I like to see myself					
CBBE10	The image of this service provider is consistent with how I would like others to see me					
CBBE11	If I talk about this service provider I usually say 'we' rather than 'they'					
CBBE12	If a story in the media criticizes this service provider, I would feel embarrassed					

CBBE1 3	When someone criticizes this service provider, it feels like a personal insult					
CBBE1 4	This service provider reflects my personal lifestyle					
CBBE1 5	This service provider is totally in line with my lifestyle					
CBBE1 6	Staying in this service provider supports my lifestyle					
BL1	I will recommend this service provider to someone who seeks my advise					
BL2	In years to come I will remain in this service provider					
BL3	I will switch to					

	other service providers if I experience a problem with this service provider					
CS1	My choice to this mobile service is a wise one					
CS2	I think I did the right thing when I subscribed to this mobile service					
CS3	Overall, my feeling to this mobile service is satisfactory					

**AGE:**

18 -25

26-35

36-50

51-65

66 and above

**GENDER:**

Male

Female

**EDUCATION LEVEL:**

High school graduate

Associate degree/bachelor degree

Graduate degree (Masters/PhD)

**MONTHLY FAMILY INCOME:**

1000usd and below

1001-2000

2001-4000

4001-6000

6000usd and above

**NATIONALITY:**

.....

**MARITAL STATUS:**

Single

Married

Divorced