

# Effect of Customer Satisfaction on Brand Image & Loyalty Intention: A Study of Cosmetic Product

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**Abstract-** *The Purpose of the study was to investigate the effect of customer satisfaction on brand image and Loyalty intention directly and indirectly based upon hypothetical model in the current study for a cosmetic brand (Fair lovely) at Gwalior (M.P) in India. The measures were re-standardized to make it suitable for the purpose of the study. Numbers of factors were identified through exploratory factor analysis for all the variables. Structural Equation Modeling was used in the current study through AMOS 16. The results of SEM indicate that there is a strong relationship between customer satisfaction and brand image. The result of SEM also indicates that there is a strong relationship between Brand Image and Loyalty intention and the relationship between Customer satisfaction and Loyalty intention was found little weak. While the indirect relationship between customer satisfaction and loyalty intention via brand image was found to be very strong. The measure of benefit of brand image was constituted of Functional, Social, Symbolic, experiential and appearance enhance. A survey was carried out using 250 respondents. The results also indicated that overall satisfaction does influence customers' loyalty which implies that marketers should focus on brand image benefits to achieve customer loyalty.*

**Keywords-** Brand Image; Satisfaction; Loyalty; Brand Strategy; Color Cosmetic product

## 1. INTRODUCTION

Brand Image, Customer satisfaction and Loyalty intention constraint are considered as very powerful weapons in the field of marketing. This constraint has been studied previously also respectively in the abroad and within the nation also. The current study also focuses on Brand image, Customer satisfaction & loyalty intention. Even though, these constraints are used as a marketing benchmark for the company outcome & performance (Bennett & Rundle-Thiele, 2004).

Brand Image is the perception of the customer which is perceived by customers while buying commodity and service, but brand image cannot be treated as a benchmark or guarantee for giving satisfaction to the customer. While it is likely to be said that customer satisfaction can be considered as the powerful tools in the marketing by which an image of an organization which is perceived by customers. If the customer is having satisfaction certainly it will have a strong effect on brand image. Furthermore, it is generally said and believed that a satisfied customer is more likely to display loyalty behavior, i.e. Repeats purchase and willingness to give positive word of mouth (Taylor, 1998; Bennett & Rundle-Thiele, 2004; Schultz, 2005).

Brand image is perception of customer which is persuaded while buying the commodity. It has been observed through extensive review that there is significant strong positive relationship between brand image and loyalty intention. According to the Vazquez-Carrasco and Foxall (2006) social, confident and special brand/ product image has a

positive impact on loyalty intention, if the customer received high social benefit from the salesperson then he will be more loyal with a salesperson (Reynolds and Beatty 1999). Customer satisfaction is also an indicator of customer loyalty and it is considered that if a customer is satisfied so customer would surely be loyal to the particular brand. But this concept has been tested in the current study directly or indirectly. But through the previous study it was found that customer satisfaction one of the main reasons of the customer to be loyal to the brand or the company. The current study has been conducted in context of cosmetic brand and this cosmetic brand is very famous among the economic class customer. The name of the used cosmetic brand is Fair lovely.

Here, it was trying to find out the effect of customer satisfaction on Brand Image and also on customer loyalty intention respectively. The current study also throws a light on direct effect or indirect effect of customer satisfaction on brand image and indirect effect of customer satisfaction via a brand image on loyalty intention and direct effect of customer satisfaction on loyalty intention. The selecting Cosmetic brand is always a very serious affairs for the customer because if the selection of cosmetic brand do not give the expected outcome to consumer, consumer would not prefer and never repurchase those cosmetic brand's products. Therefore the benefits of brand image are perceived by the customer always whether the customer is male or female. It has no effect because both class customers keep good awareness in the context of the outcome of cosmetic product. Hence,

Brand image is a very serious affair of the cosmetic product and the customer will take each & every step to buy a cosmetic brand seriously.

Image is defined as the sum of all thoughts, associations of ideas which are connected with the person to a particular product, brand, company, person... A brand image is how the consumers perceive the brand (Aaker 1996, 69). Aaker (1991) explained that brand image is a set of associations which might not even reflect the objective reality. Arnold (1998) said that brand image refers to the way in which certain groups decode all of the signals resonating from the product or service. Brand image is having various benefits toward the organization Functional, Symbolic, Social, Experiential and Appearance enhances. All though the current study will disclose the casual & effect relationship between brand image benefits and customer satisfaction and loyalty intention in context of the cosmetic brand. It is being seen that the market of cosmetic has become so competitive after introducing various new brands in market by major players such Hindustan Univer lever Ltd, etc., Levon, Ponds, Lux and so on.

It is also an un-ignorable issue that the men and female, both are now prospect for the cosmetic brands. Cosmetic brand used to attract only female, but now, time has completely changed. Male & Female are being targeted by cosmetic brand. Having understood, extensive growth or market opportunities, new entrants are also penetrating market using various kinds of pricing strategies, sales promotion, advertising (Electronic, Print and Voice medium). Therefore, it is important to companies and manufacturers to be focused on product differentiation from their competitors on the bases of brand image benefits. In today's society, beauty and physical attractiveness are constantly emphasized as desirable and admirable characteristics.

## **2. CONCEPTUAL FRAMEWORK**

### **2.1 Brand image**

Image is defined as the sum of all thoughts, associations of ideas which are Connected with the person to a particular product, brand, company, person... We can distinguish three main types of image:

The perceived image is the common interpretation of images, and is the picture the Target group is having about the brand. This is the most important type for marketing persons.

The desired image is equal to positioning in marketing practices. It is a strategic Intention according to which the perceived image has to be positioned in the range of consumers' idea in the way the company wants, all this distinctively from the competitor brand's image.

Presumed image means the picture the company has about the image the Customers, users perceive actually. Thus, there is usually confusion between the Different type of images the customers can have and the company may think. In order to prepare a necessary modification or refinement of the image, the differences between the types of images have to be investigated. Brand image is the

current view of the customers about a brand. It can be defined as a unique bundle of associations within the minds of target customers. It signifies what the brand presently stands for. It is a set of beliefs held about a specific brand. In short, it is nothing but the consumers' perception about the product.

Brand image is nothing but an organization's character. It is an accumulation of contact and observation by people external to an organization. It should highlight an organization's mission and vision to all. The main elements of a positive brand image are- unique logo reflects an organization's image, slogan describing the organization's business in brief and brand identifier supporting the key values. Brand image is the overall impression in consumers' mind that is formed from all sources. Consumers develop various associations with the brand. Based on these associations, they form brand image. An image is formed about the brand on the basis of subjective perceptions of associations bundle that the consumers have about the brand. Volvo is associated with safety. Toyota is associated with reliability.

### **2.2 Customer Satisfaction**

Customer Satisfaction is a comparison of expectations versus perceptions of experience. Customer satisfaction (CS) is a measure of the degree to which a product or service meets the customer's expectations. Customer Satisfaction is a measurement or an indicator of the degree to which customers or users of an organization's product or services are pleased with those products or services. Customer satisfaction differs depending on the situation and the product or service. A customer may be satisfied with a product or service, an experience, a purchase decision, a salesperson, store, service provider, or an attribute or any of these three.

### **2.3 Loyalty Intention**

Customer loyalty is the key objective of customer relationship management and describes the loyalty which is established between a customer and companies, persons, products or brands. The individual market segments should be targeted in terms of developing customer loyalty. For different reasons for loyalty should be promoted: Psychological, Economic, Technical/functional, Contractual.

## **3. REVIEW OF LITERATURE**

### **3.1 Brand image**

Kotler (2001) defined image as "the set of beliefs, ideas, and impression that a person holds regarding an object". Keller (1993) considered brand image as "a set of perceptions about a brand as reflected by brand associations in consumer's memory". Keller's & Aaker (1991), unveiled a brand image is referred to as "a set of associations, usually organized in some meaningful way". Biel (1992) however defined brand image as "a cluster of attributes and associations that consumers connect to the brand name". Hsieh, Pan, and Section (2004), Reveled "A successful brand image makes consumer enables to

understand their needs, wants & desires which can be satisfied through using specific or particular brand and to differentiate the brand from its competitors, and consequently increases the likelihood that consumers will purchase the brand".

### 3.2 Customer Satisfaction

Satisfaction is the fulfill response to customer about the service and product (Oliver 1997). Levesque and McDougall (1996) explored that satisfaction is conceptualized as an overall, customer attitude towards a service provider. Andreessen and Lindestad (1998) explored that customer satisfaction is the accumulated experience of a customer's purchase and consumption experiences. It was therefore; client satisfaction constructs in this paper will be measured through the overall satisfaction toward the cervix.

Yi (1990) discovered that the customer's satisfaction is influenced by two factors which is experienced and expectations with service performance. Operationally, satisfaction is similar to an attitude, as it can be assessed as the sum of the satisfactions with the various attributes of the product or service. Churchill and Surprenant, (1982), explained that Customer satisfaction may be defined as expectation before purchase and perception about performance after purchase. The expectancy disconfirmation paradigm suggests that consumers are satisfied when the product perform better than expected (positive disconfirmation), dissatisfied when consumers' expectations exceeded actual product performance (negative disconfirmation), and neutral satisfaction when the product performance matches expectations (zero disconfirmation/confirmation) (Oliver, 1980; Churchill & Surprenant, 1982; Oliver & Sarbo, 1988; Bearden & Teel, 1983).

Oliver (1980) identified satisfaction and dissatisfaction in terms of the disconfirmation of consumer expectation. A positive disconfirmation leads to customer satisfaction and a negative disconfirmation leads to customer dissatisfaction. According to Kumar, Kee and Manshor (2009) high quality of service can result in high customer satisfaction and increases customer loyalty. Thus customer satisfaction is the outcome of service quality (Parasuraman, Zeithaml & Berry 1988, Naeem & Saif 2009).

### 3.3 Loyalty Intention

Jacoby and Chestnut (1978) discovered more than 50 operational definitions of brand loyalty, which can be classified as behavioral, attitudinal and the composite approach in the literature. Jacoby and Chestnut's (1978) explained Behavioral loyalty has been considered as repeat purchase frequency (e. g. Brown, 1952) or proportion of purchase (e.g. Cunningham, 1956), whereas attitudinal brand loyalty included "stated preferences, commitment or purchase intentions of the customers" (Mellens, Dekimpe, & Steenkamp, 1996:). However, most of these behavioral definitions above are criticized by Oliver (1999), Jacoby and Chestnut (1978) and Day (1969) as problematic.

Oliver (1999) argued that "all of these definitions suffer from the problem that they recorded what customer did, and none tapped into the psychological meaning of loyalty". The composite definition of loyalty emphasized two different approaches of loyalty: the behavioral and attitudinal concept, which was initially proposed by Jacoby and Chestnut (1978) and later by Oliver (1997). Jacoby and Chestnut (1978) provided a conceptual definition of brand loyalty as: I) biased (i.e. non-random), (ii) behavioral response (i.e. Purchase), (III) expressed over time, (iv) by any decision-making unit, (v) with respect to one or more brands out of a set of such brands, and is a function of psychological (decision-making evaluate) processes.

### 3.4 Objective of the study

- To standardize the modified measure of brand image, customer satisfaction and customer loyalty.
- To identify the factors underlying brand image, customer satisfaction and loyalty intention
- To confirm the emerging factors using CFA analysis through AMOS 16.
- To establish the cause & effect relationship between customer satisfaction and brand image; customer satisfaction and Loyalty intention and also evaluates the indirect relationship between customer satisfaction and loyalty intention via. Brand image using structural equation modeling through AMOS 16.
- To open new vistas further research

### 3.5 Development of hypothesis

- H01: There is no direct relationship between customer satisfaction and brand image of fair lovely brand
- H02: There is no direct relationship between customer satisfaction and Loyalty Intention.
- H03: There is no indirect relationship between customer satisfaction and loyalty intention through brand image.

## 4. RESEARCH METHODOLOGY

The study was Casual in nature and the survey method was used for data collection. Sample design consists of the size of population, sample element, sampling size and sampling techniques. Population of the current study was all the customers of the cosmetic brand (Fair lovely) Sector at Gwalior region for this study.

### 4.1 Sample

Individual customers in the age range of 18 to 60 years old Were selected for the study. Most of them, 68 percent were females and the rest were males. An individual customer was treated as element of study. In all, 300 questionnaires were distributed and out of them 257 were received. Finally 248 questionnaires were selected as 09 were not filled properly.



## 4.2. Measures

The responses were collected on a Likert type scale of 1 to 5 for all the variables. The measures were tested for reliability and validity. Content validity of measures was established through a panel of judges before using the measure for collecting data for the study.

**4.2.1. Brand Image** measure was modified according to the requirement of the study and it was assessed through the five item scale of adopted from the research of The items (refer to Appendix A) used for measuring the emotional and social benefits were adapted from Sweeney and Soutar's (2001) scales, whereas symbolic benefit measurement was taken from Tsai (2005). Question 1 and 3 adopted from Del Rio, Vazquez, and Iglesias (2001) and these items were adjusted in order to fit with the context of cosmetic product. A total of 15 questions on brand image benefits were asked and the respondents responded on a scale which ranged from 1 for "strongly disagree" to 5 for "strongly agree". Measure of Brand Image include Experience of Fair & Lovely brand makes me feel good, Experience of Brand Fair & Lovely makes me feel, Experience of Brand Fair & Lovely increases my frequency of use, Experience Brand of Fair & Lovely gives me pleasure, Use of Fair & Lovely brand prevents me from looking cheap and another brand, Use of Fair & Lovely Brand enhances the perceptions that I have a desirable lifestyle, Use of Fair & Lovely Brand helps me to better fit into my social group, Fair & Lovely Brand helps me feel accepted, Fair & Lovely Brand helps me feel accepted, Fair & Lovely Brand improves the way I am perceived by others, Fair & Lovely Brand X performs as it promises, Fair & Lovely Brand makes me beautiful, Fair & Lovely Brand can be dependable for use, Fair & Lovely Brand provides a solution to my expectations, Fair & Lovely Brand makes a good impression of me on other people, Fair & Lovely Usage of brand is effective to my needs than other brands. In the current study, the value of Croanbach alpha was found 0.878 (see table no. 1).

**4.2.2. Customer satisfaction** was assessed the a five-item scale taken from (Hair et al. (2006). the cronbach's Alpha for the scale was reported as 0.791 in the previous research and for the current study it was reported as 0.750 (See table no 2). The measure of customer satisfaction include I think that I did the right thing when I used this brand, believe that using this brand is usually a very satisfying experience, I am very satisfied with my decision to use this brand, My choice to use this brand has been a wise one, This brand does a good job of satisfying my needs.

**4.2.3. Loyalty Intention** was assessed the a five-item scale taken from (Hair et al. (2006). the cronbach's Alpha for the scale was reported as 0.816 in the previous research and for the current study it was reported as 0.750 (See table no 3). the measure of Loyalty Intention include This brand X is my first choice, I intend to continue using this brand in the future, I am more likely to repurchase this brand in the future and I will encourage friends and relatives to use with this brand.

## 5. RESULTS AND DISCUSSIONS

### 5.1 Reliability of Brand Image Benefit

The reliability was computed by using SPSS software Croanbach's alpha reliability test was applied to check the reliability coefficients were computed for all the item in the questionnaire.

Table no.1- Reliability Statistics	
Cronbach's Alpha	N of Items
.878	15

It is consider that the reliability value more than 0.7 is good & it can be seen that for Croanbach's alpha reliability method was applied here and found reliability value is higher than 0.7 it was 0.878

### 5.2 Reliability of Customer Satisfaction

The reliability was computed by using SPSS software Croanbach's alpha reliability test was applied to check the reliability coefficients were computed for all the item in the questionnaire.

Table no.2-Reliability Statistics	
Cronbach's Alpha	N of Items
.783	5

It is consider that the reliability value more than 0.7 is good & it can be seen that for Croanbach's alpha reliability method was applied here and found reliability value is higher than 0.7 it was 0.783

### 5.3 Reliability of Loyalty Intention

The reliability was computed by using SPSS software Croanbach's alpha reliability test was applied to check the reliability coefficients were computed for all the item in the questionnaire.

Table no.3 - Reliability Statistics	
Cronbach's Alpha	N of Items
.776	4

It is consider that the reliability value more than 0.7 is good & it can be seen that for Croanbach's alpha reliability method was applied here and found reliability value is higher than 0.7 it was 0.776

### 5.4 Factor of Brand Image

Kaiser meyer olkin measure of sampaling adequately indicated KMO value of .895 meaning thereby that the sample size was good enough to treat the sampling data as normally distributed

Table no.4-KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.895
Bartlett's Test of Sphericity	Approx. Chi-Square	1173.152
	Df	105

	Sig.	.000
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Bartlett's test sphericity which tested the null hypothesis that the item to correlation matrix based on the responses received from respondents for all the three brands was an identity matrix. Bartlett's test was evaluated through Chi-square test having Chi-square value 1173.152 which is significant at 0.000 level of significant, indicating that null hypothesis is rejected. Therefore it is clear that the item to item correlation matrix is not an identity matrix and the data were suitable for factor analysis.

#### 5.4.1 Principal Component Analysis of Brand Image

Principal Component Analysis (PCA) was applied on the Brand Image data collected on the cosmetic product. The PCA with Kaiser normalization and Varimax Rotation converged on Four factor after five iterations.

**Table no.5-Principal component analysis**

Factor name	Initial Eigen value	Variance	Loading value	Statement
Workolic	5.585	15.730	0.731 0.693 0.633 0.542 0.514	provides a solution to my expectations good impression dependable for use makes me beautiful
Joyness	1.173	14.844	0.767 0.740 0.523	feel delighted feel good frequency of use
Fashion	1.084	14.668	0.744 0.714 0.589	looking cheap desirable lifestyle gives me pleasure
Commitment	1.029	13.896	0.780 0.574 0.539 0.515	perceived by others performs it promises feel accepted my social group

#### 5.4.2 Factor Analysis of Customer satisfaction

Kaiser meyer olkin measure of sampaling adequately indicated KMO value of 0.782 meaning thereby that the

sample size was good enough to treat the sampling data as normally distributed

**Table no.6- KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.782
Bartlett's Test of Sphericity	Approx. Chi-Square	353.978
	Df	10
	Sig.	.000

Bartlett's test sphericity which tested the null hypothesis that the item to correlation matrix based on the responses received from respondents for all the three brands was an identity matrix. Bartlett's test was evaluated through Chi-square test having Chi-square value 353.978 which is significant at 0.000 level of significant, indicating that null hypothesis is rejected. Therefore it is clear that the item to item correlation matrix is not an identity matrix and the data were suitable for factor analysis.

#### 5.4.3 Principal component Analysis

Principal Component Analysis (PCA) was applied on the Brand Image data collected on the cosmetic product. The PCA with Kaiser Normalization and Varimax Rotation converged on three factors after three iterations.

**Table no.7-Principal Component Analysis**

Factor name	Initial Eigen value total	Variance	Loading value	Statement
Customer satisfaction	2.711	54.213	.794 .785 .772 .746 .558	makes me feel delighted gives me pleasure increases my frequency of use makes me feel good prevents me from looking cheap and another brand

#### 5.4.4 Factor Analysis Of Loyalty Intention

Kaiser meyer olkin measure of sampaling adequately indicated KMO value of .740 meaning thereby that the

sample size was good enough to treat the sampling data as normally distributed.

Table no. 8 - KMO and Bartlett's Test			
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			.740
Bartlett's Test of Sphericity	Approx. Chi-Square	281.448	
	Df	6	
	Sig.	.000	

Bartlett's test sphericity which tested the null hypothesis that the item to correlation matrix based on the responses received from respondents for all the three brands was an identity matrix.

Bartlett's test was evaluated through Chi-square test having Chi-square value 281.448 which is significant at 0.000 level of significant, indicating that null hypothesis is rejected. Therefore it is clear that the item to item correlation matrix is not an identity matrix and the data were suitable for factor analysis.

#### 5.4.5 Principal component Analysis

Principal Component Analysis(PCA) was applied on the Brand Image data collected on the cosmetic product. The PCA with Kaiser normalization and Varimax Rotation concurred on three factor after three iterations.

Table no.9-Principal Component Analysis

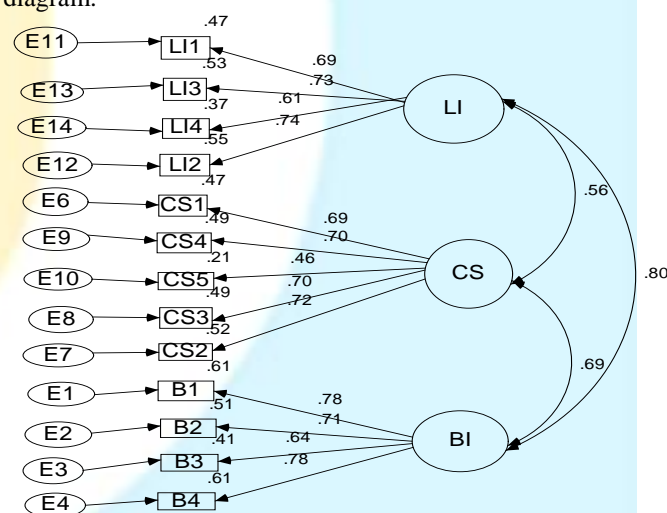
Factor name	Initial Eigen value total	Variance	Loading value	Statement
Loyalty Intention	2.411	60.266	.840	makes me feel delighted
			.806	increases my frequency of use
			.765	makes me feel good
			.685	gives me pleasure

#### 5.4.6 Confirmatory Factor Analysis

Confirmatory factor analysis (CFA) was used to help the selection process of the scale items. The use of CFA requires knowledge of the underlying latent variable structure (Byrne, 2001, p.6). A model or relationship of the observed variables must be specified before the factor analysis, whose task then is to test the goodness of fit between the model and observed data (Byrne, 2001, p.6; Hatcher, 1994, p. 289). In essence, CFA is a way to test how measured variables represent a smaller number of constructs (Hair et al. , 2010, p . 693). The analysis helps to identify the factor loading of individual items. Cross loadings can be studied with the help of CFA. The analysis

also helps to define the optimal number of items. In this research, CFA was also employed to test the clarity of the factor structure of the Loyalty intention, Customer satisfaction and Brand Image.

The path diagram now displays the standardized regression weights (factor loadings) for the common factor and each of the indicators. The squared correlation coefficients between Loyalty intention and Brand Image was found ( $R^2=0.80$ ), the squared correlation coefficient between Loyalty Intention and Customer satisfaction was found to be ( $R^2=0.56$ ), and the squared correlation coefficient between customer satisfaction and brand image was found to be ( $R^2=0.69$ ), describing the amount of variance the common factor accounts for in the observed variables, are also displayed. Additionally, a  $\chi^2$  (chi-square) statistic is listed in the column between the tools and the path diagram.



#### Standardized Regression Weights: (Group number 1 - Default model)

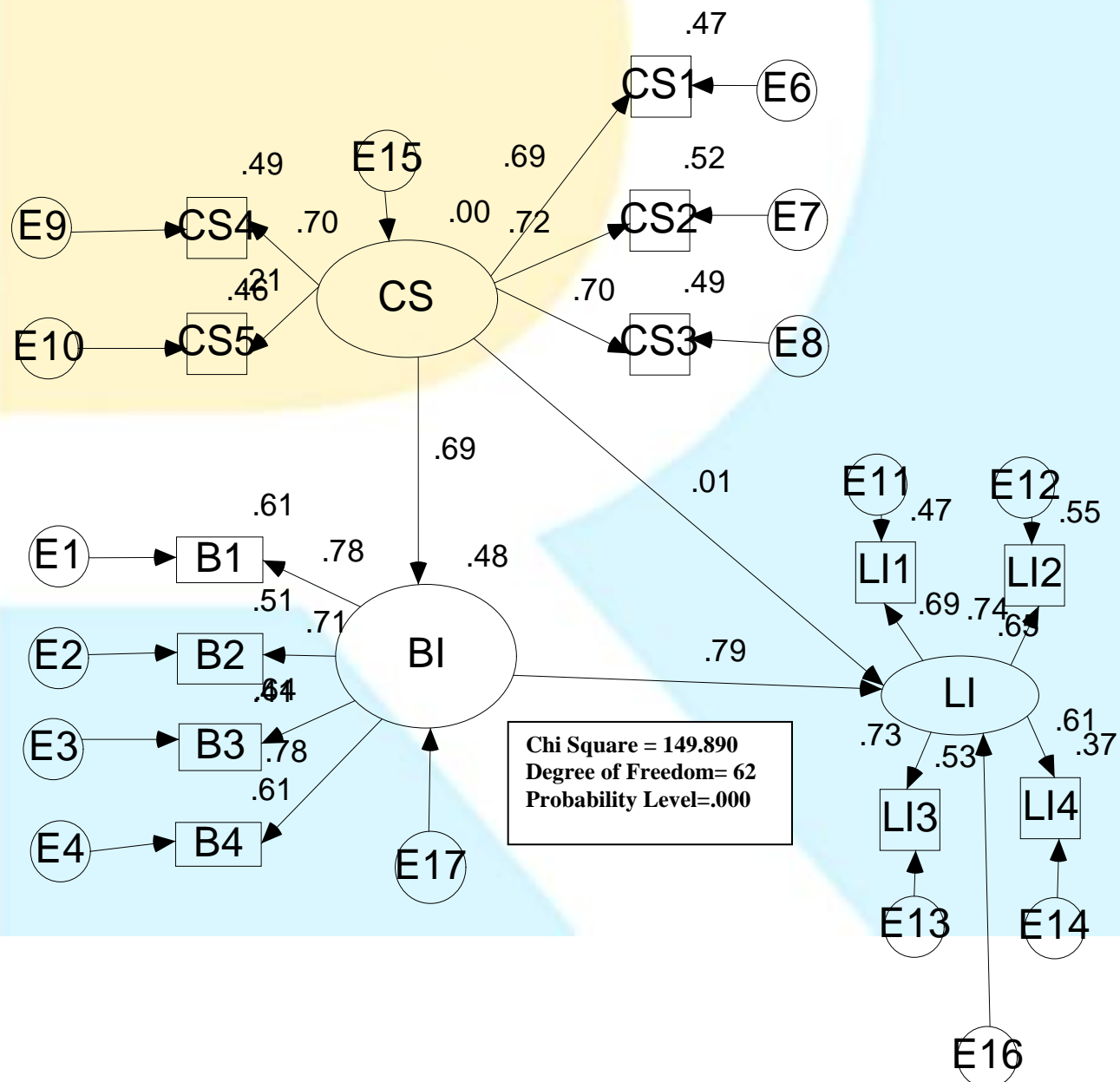
It is evident that Four item related to Loyalty Intention that load on the common factor while the standardized regression weights for the four items are good in case of LI1 is 0.605, LI2 is 0.739, LI3 is 0.727 and LI4 is 0.687, LI2 and LI3 both the sub variable appear to be the best indicator of Loyalty intentions. This means that Loyalty Intention explains about 60.5% of the variance in LI1, 73.9% of the variance in LI2 and 72.7% of the variation in LI3 and 68.7% of the variation in Loyalty Intention. The  $\chi^2$  statistic of 149.890 (df=62) is very large. The null hypothesis that the model is a good fit to the data is valid.

It is also evident that five items related to Customer satisfaction depicts itself that load on the common factor while the standardized regression weights for the five morality items are good in case of CS1, CS2, CS3, CS4 and CS5 which are respectively 0.701, 0.685, 0.457, 0.699 and 0.725. The CS5, CS1, CS4, CS2 and CS3 Sub-variable appears to be the best indicator of Customer satisfaction. This means that statement of CS2 Wherein Customer satisfaction explain 72.5% variance in CS2; Customer satisfaction explain 70.1% variance in CS3; Customer satisfaction explain 69.9% variance in CS4; Customer

satisfaction explain 68.5% variation in CS1 and Customer satisfaction explain 45.7% variance in CS5, Which is absolutely weak.

It is also evident that four items related to Brand Image depicts itself that load on the common factor while the standardized regression weight for the four morality items are good in case of BI1, BI2, BI3 and BI4 which are respectively 0.713, 0.639, 0.783 and 0.781. The BI4, BI1, BI2 and BI3 Sub variable appear to be the best indicator of customer satisfaction. This means that statement of BI4 wherein Brand image explain 78.3% variance in BI4; Brand Image explain 78.1% variance in BI1; Brand Image explain 71.3% variance in BI2 and Brand Image explain 63.9% variance in BI3, which is absolute weak in context of brand image.

The fit indices of CFA are showing Goodness of Fit Index (GFI) 0.915 even the Adjusted goodness of the fit Index (AFGI) show a value of 0.875 implying approximate good models. The parsimonious goodness of fit index (PGFI) is 0.623 which is slightly higher than standard value 0.50. Values of PGFI should be laying between 0.50 or 0.60 indicate a good parsimony fit. Although the values of Root mean Square of Residual and Root mean Squared Residual (RMR) were more than .155 so the model cannot be treated as the best model. The structural model has been formed to support the original proposed model. The goodness of fit index for the structural model again indicates that the variables studied fit in the data well hence showing a good fit.





### Goodness of Indices

Goodness of fit indices (or fit indices) indicate the goodness of fit between the hypothesized model and the observed data, in this sub-chapter, the most commonly used goodness of fit indices, and then cut off (or suggested) value of those indices are presented.

#### Chi-square

Chi-square ( $\chi^2$ ) is a traditional measure of overall model fit (Howell, 1997, p. 137; Hu and Bentler, 1999), Chi-square tests the validity of the specifications of factor loadings, factor covariance, and error variances for the studied model (Byrne, 2001, p. 79). The chi-square statistics is associated with a probability. Low probability indicates a poor fit of the model (Byrne, 2001, p. 80). For a good model fit, the probability should be no significant, that is, greater than .05 (Hatcher, 1994, p. 339). There is also a guideline for the ratio of chi-square and degree freedom (DF). According to Hatcher (1994, p. 339), the chi-square/DF ration should be at least 2. The use of chi-square has major drawback; for example, with larger sample sizes the chi-squares can reject a valid model (Bentler and Bonnet, 1980; Cole, 1987; Kline, 2005, p. 136). Chi-square ( $\chi^2$ ) statistic of 149.890 (d f=62) which is very large therefore the null hypothesis that the model is not good fit was rejected, indicating that the model is a good fit.

#### Structural Equation Modeling Using AMOS 16.

Structural Model with maximum-likelihood-estimation procedures was utilized in order to examine the hypothesized relationships among customer satisfaction, Brand Image and Loyalty Intention.

#### Absolute fit Indices

Absolute fit indices determine how well an a priori model fits the sample data (McDonald and Ho, 2002) and demonstrates which proposed model has the most superior fit. These measures provide the most fundamental indication of how well the proposed theory fits the data. Included in this category are the Chi-Squared test, RMSEA, GFI, AGFI, the RMR and the SRMR

#### Model chi-square ( $\chi^2$ )

The Chi-Square value is the traditional measure for evaluating overall model fit and, 'assesses the magnitude of discrepancy between the sample and fitted covariances matrices' (Hu and Bentler, 1999: 2). A good model fit would provide an insignificant result at a 0.05 threshold (Barrett, 2007), thus the Chi-Square statistic is often referred to as either a 'badness of fit' (Kline, 2005) or a 'lack of fit' (Mulaik et al, 1989) measure. While the value of Chi-Squared test was found 149.890 which is significant at 0.000 level of significance and degree of freedom was 62. Hence, a statistic that minimises the impact of sample size on the Model Chi-Square is Wheaton et al's (1977) relative/normed chi-square ( $\chi^2/df$ ). Although there is no consensus regarding an acceptable ratio for this statistic, recommendations range from as high as 5.0 (Wheaton et al, 1977) to as low as 2.0 (Tabachnick and Fidell, 2007).

Table No. 10- Mesures of SEM

S.no	Goodness of fit statistics	Value	Desired range of value for a good fit
	<b>Absolute fit measures</b>		
1	Chi-square test $p>.05$	$\chi^2$	149.890
2	Degree of freedom $\geq 0$	Df	62
3	Chi-square / degree of freedom ratio (2to 5)	$\chi^2/df$	2.4175
4	Root mean square error of approximation $<.08$	RMSEA	0.076
5	Root Mean Square Residual $<.08$	RMR	0.155
6	Goodness of fit index $>.90$	GFI	0.915
	<b>Incremental fit Measures</b>		
7	Adjusted good-of-fit index $>.90$	AGFI	0.875
8	Turker-Lewis index $>.90$	TLI	0.910
9	Normed fit index $>.90$	NFI	0.886
10	Comparative fit index $>.90$	CFI	0.929
	<b>Parsimonious fit measures</b>		
11	Parsimonious normed fit index $<.50$	PNFI	0.704
12	Parsimonious goodness-of-fit index $<.50$	PGFI	0.623

#### Path Analysis with Latent Variables

The results of model indicates that most of the goodness-of fit indices were found to be satisfactory with their relative recommended thresholds ( $\chi^2 = 149.890$ ; Chi square/ degree of freedom =2.4175; GFI=.915; AGFI= .875; RMSEA=.076; CFI= .929, NFI =.886; and TLI=0.910 ). The results implied that it has a good model fit. Therefore, goodness-of-fit results supported Hypothesis indicated that each dimension of Customer satisfaction, Brand Image benefit and Loyalty intention have a positive relationship between Customer satisfaction, Brand Image and indirect relationship of customer satisfaction and loyalty intention was found to be positive through brand image. The model fit results of CFI, GFI, RMSEA, NFI, TLI, PGFI indicated the model sufficiently good. And the sample, and all of the goodness- fit- indices- fit, except RMR PNFI; PGFI



were not found to be satisfactory with their relative recommended thresholds (RMR = .155; PNFI= .704; PGFI=.623) . Although the value of RMR, PNFI and PGFI did not meet the thresholds, their value was very close to the threshold. The results of goodness of fit results completely supported Hypothesis and indicated that each dimension of Customer satisfaction had a positive direct relationship with brand image and indirect relationship with Loyalty intention but not direct relationship was seen through this model in context of cosmetic product.

**Table.No11- Standardized Regression Weights: (Group number 1 - Default model)**

			Estimate
BI	<---	CS	.692
LI	<---	BI	.795
LI	<---	CS	.013
LI3	<---	LI	.727
LI2	<---	LI	.739
LI1	<---	LI	.687
LI4	<---	LI	.605
CS4	<---	CS	.699
CS5	<---	CS	.457
CS1	<---	CS	.685
CS2	<---	CS	.725
CS3	<---	CS	.701
B4	<---	BI	.783
B3	<---	BI	.639
B2	<---	BI	.713
B1	<---	BI	.781

\*\*\*  $p \leq .01$ ; \*\*  $p \leq .05$  (Standardized Direct Effects, Indirect Effects, and Total Effects of the Hypothesized Model) Note- Customer Satisfaction = Brand Image; Brand Image = Loyalty Intention; Customer satisfaction = Loyalty intention; Customer satisfaction via brand image = Loyalty intention; LI,L2,L3 & L4 = LI; CS1,CS2,CS3,CS4,&CS5= CS; B1,B2,B3, & B4=BI.

In above Table, all the fifteen direct effects were significant: Customer satisfaction to Brand Image (0.692); Brand Image to Loyalty Intention (0.795); Loyalty Intention to LI3 (0.727); LI TO LI2 (0.739); LI to LI1(0.687); LI to LI4 (0.605); CS to CS4(0.699); CS to CS5 (0.457); CS to CS1 (0.685); CS to CS2 (0.725); CS to CS3 (0.701); BI to B4 (0.783); BI to B3 (0.639); BI to B2 (0.713); and BI to B1 (0.781). There was only one effect was found to be insignificant between Customer satisfaction and Loyalty Intention in the Current model (0.013). Current model indicated that there is no direct

effect of customer satisfaction on loyalty intention. but when the effect was evaluated through brand image. Results of the current model was just contrary from earlier hypothesis testing. There was very strong and positive relationship was found to be when the effect of customer satisfaction was tested through Brand image on Loyalty Intention. it indicate that alone, customer satisfaction can not stimulate to customer for repeat purchasing. until or unless there is good brand image because there was indirect relationship was found in the current study.

### Hypothesis Testing

**H01: There is no direct relationship between customer satisfaction and brand image of fairlovely brand.**

The hypothesis was tested through results of SME using AMOS 16. Where the standardized resgression weight was found to be 0.692 that indicate that the relationship between customer satisfaction and brand image was 69.2% which is significant at the level of significance 5%. which was found quite satisfactory. Hence, the Null hypothesis which is rejected, indicating there is strong positive cusal effect relationship between customer satisfaction and brand image.

**H02: There is no direct relationship between customer satisfaction and Loyalty Intention.**

The hypothesis was tested through SME Using AMOS16. Where the standardized regression weight was found to be 0.013 that indicate the relationship between customer satisfaction and Loyalty intention was 1.3% only. Which is not significant 5% level of of significance. hence there is no direct relationship was found to be between customer satisfaction and loyalty intention. Result of the current study can also be justified that alone customer satisfaction can not create loyalty intention.

**H03: There is no indirect relationship between customer satisfaction and loyalty intention through brand image.**

The hypothesis was tested through SME using AMOS 16. Where the standardized regression weight was found to be 0.795 that indicate the relationship between customer satisfaction and loyalty intention through Brand image was found 79.5%, Which is significant 5% level of significance. hence there is direct relationship was found between customer satisfaction and loyalty intention through Brand image. The result of the current study can be justified as when customer would have satisfaction than customer take brand image in very optimistic manner. The effect of this on loyalty intention would be very strong.

### Discussion

The objective of this study is to investigate the effect of customer satisfaction on brand image and loyalty among the Indian customers as Male and Female with regard to their evaluation on cosmetic on cosmetic products. The statistical results showed that Customer satisfaction may affect on brand image and being satisfactory customer brand image is treated differently and loyalty among those customer those are having satisfaction in terms of brand image were found to be more loyalty rather than those customer who were evaluated directly withouth evaluating

their brand image. There were found among very weak relationship between Customer satisfaction and Loyalty intention among the respondents of the study with the regard to cosmetic product. as predicted. Satisfaction had a strong positive impact on loyalty as well as brand image. The results of Reynolds and Beatty's (1999) was found in line with finding of the current study where research er had explored the behavior of saler person gives additional satisfaction the customer through this the brand image is built among the customer and not only have effect on brand image but also loyaty of customer was also affected. These results seemed to support other findings found in the literature. For instance, Reynolds and Beatty (1999) found only social and functional benefits to be positively related to satisfaction. Similarly, Carpenter and Fairhurst (2005) found that both utilitarian and hedonic shopping benefits have a positive impact on customer's satisfaction. The implication is that, cosmetic users were more satisfied with the brand when they perceived high experiential, social, functional benefits occurred from using the brand.

The results also showed appearance enhances image does indeed have both direct and an indirect effect that loyalty through overall customer's satisfaction, thus providing support for only a partially mediated effect of overall satisfaction. This underlines the importance of appearance enhances benefit to cosmetic users as a determinant of brand loyalt y as well as customer's satisfaction. Therefore, the results suggest that to improve customer's loyalty and customer's satisfaction in the context of beauty product, marketers should improve the brand appealing strategy that relates to aspects of how the branded product can provide a solution to their customer's needs and expectation, the good impression of using their brand, and the effectiveness of the brand.

#### **Limitation**

There are a number of limitations in this study. Firstly, the small sample size used limit the ability to generalize what is found in this study to the general industry (i.e. not enough to capture the images of the brand particularly the benefits appeal). Future research should opt for a larger sample size.

The data was received from whom and they may not be the ultimate users remains and may have an impact on the study's results. Thus, using actual users for future research is advisable.

#### **Managerial Implication**

The identification of brand image benefits of the branded product will help practitioners to establish effective marketing strategies. It is very important to understand brand image dimension judgments from customers' point of view, and whether these image dimensions are parallel to their perceptions, expectations, needs and goals. Knowing this, may assist managers to develop a marketing strategy based on consumers' perceptions and meanings of the product.

With regard to satisfaction and loyalty, it is important for companies to measure customers' satisfaction in order to analyze their product or service image performance and

whether their satisfied customers are willing to recommend their branded product to others as well as having the intention to purchase their product/services in the future. Finally, in order to create a successful brand, marketing managers should be more devoted on building brand image, customers' satisfaction and brand loyalty as part of their branding strategy. By maintaining and strengthening the brand images and values, it will hopefully position the brand positively in the minds of consumers.

## **6. CONCLUSION**

The current study can be concluded in such manner that the strong relationship was found between customer satisfaction and brand brand image; surpisingly, the result of the current study do not support the generation perception that customer satisfaction may crate the loyalty intention in the absence of Brand image, therefore, the marketing manager must understand that first of all, they need to build a good brand image neither they should try to create customer satisfaction nor expect that customer satisfaction may create loyalty intention.

Current study also reveled that there is a very strong and positive relationship between customer satisfaction and loyalty intention in the presence of the brand image only so it should be very important and powerful marketing strategies. First focus should be on brand image than satisfaction and loyalty intention.

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