Brand Equity, Brand Loyalty and Customer Satisfaction  
(Case study consumer goods of brand Samsung in shops of Khuzestan)

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Abstract

The brand is a strategic imperative that helps organizations in order to create more value for customers and create sustainable competitive advantage and customer satisfaction. The importance of the brand and its impact on the company's sales have increasingly been expanding and brand equity and its dimensions are important for organizations due to the influence on satisfaction, perceived value and customer loyalty. Wide acceptance the people of consumer goods of Samsung brand in stores of Khuzestan and its product rank among the families has made the importance of evaluating the role of Samsung brand equity and customer satisfaction in stores, a matter of necessity in Khuzestan province.

Wide acceptance the people of consumer goods of Samsung brand in stores of Khuzestan and its product rank among the families has made the importance of evaluating the role of Samsung brand equity and customer satisfaction in stores a matter of necessity in Khuzestan province. The present study is applied and the nature of the study is descriptive-causal. And it aims to examine the role of brand equity of Samsung with customer satisfaction dependent variable in stores of Khuzestan and independent variables of physical quality, employee behavior, ideal egoism, brand characteristic, individualism lifestyle, and the mediating variable of loyalty.

Data collection method is questionnaire. In this regard, the number of 385 questionnaires was distributed randomly among all consumers of home appliances of Samsung brand and then they were collected. Analysis of data was done according to the relationship of cause and effect of variables using Bartlett's test, confirmatory factor analysis and structural equation modeling and using SPSS and LISREL and EXCEL. And to ensure the reliability of the questionnaire, Cronbach's alpha and SPSS software are used.

The results show that the physical quality, employee behavior, brand recognition and customer satisfaction along with the brand experience have a positive effect on brand loyalty. And ideal egoism and individualism lifestyle, with the brand experience does not have a positive effect on customer satisfaction.

Keywords: brand, brand equity, customer satisfaction, brand loyalty, products for household appliances.
1_1_ Introduction

In today's world business is in ultra-competitive era. The era in which strong international brands have entered various field of manufacturing, and the survival of large companies is threatened by competitors. To deal with the problem, world famous companies should assess the current state of the brand and consumers understanding of it, and also seek to maintain and strengthen its position and raise consumer awareness of their brands. Brand as one of the pillars of competitive play of today is an element that must be carefully defined, created and managed so that organizations and companies can achieve profitability with relying on strategic and important role that they play in key decisions and creating product differentiation and activity.

The problem today is that the current markets that are becoming more competitive, are getting smaller and smaller and maintaining old customers and attracting new ones is much more difficult and in these conditions, organizations are successful if they are able to properly explore the expectations of customers, take steps order to promote brand equity value of the company, and by making customers loyal to the brand reduce the costs, which is a sort of customer acquisition and it is five to ten times higher than customer retention.

In this study, the aim is to investigate the relationship between customer satisfaction with variables and factors affecting it such as independent variables of physical quality, employee behavior, egoism ideal, brand characteristic, rationalist lifestyle, and the mediating variable of loyalty.

1_7_ research hypotheses

1. Physical Quality has positive impact on customer satisfaction with the experience of Samsung brand.
2. Employee Behavior has positive impact on customer satisfaction with the experience of Samsung brand.
3. Ideal egoism thinking has positive impact on customer satisfaction with the experience of Samsung brand.
4. Bench of brand has positive impact on customer satisfaction with the experience of Samsung brand.
5. Individualism lifestyle has a positive impact with the use of the brand.
6. Consumer satisfaction with the brand experience has a positive impact on loyalty to the Samsung brand.

2-2-3- Research literature theoretical foundations

Researchers believe that a brand is a symbol that is purpose according to a name.

Trademarks are valuable to consumers for two reasons:

1. Because they reduce perceived consumer risk
2. Because they can save in making spending decisions.
Brand adds value to the company in two ways. First, by attracting new customers by developing and focusing on knowledge, but then remind existing customers to think about the company and do it properly. In second case the concept of promoting the relationship with the brand becomes meaningful. Branding plays a special role in manufacturing companies, because strong brands increase customer confidence to buy invisibly. Strong brands enable customers to better visualize and understand intangible products.

**Brand loyalty**

Philip Kotler in terms of brand loyalty divides customers into four levels:

Fiercely loyal customers (Hard Core Loyals): They always prefer "a brand" in their purchases and decisions.

Shared loyal customers (Split Loyals): They are loyal to two or three brands (for example do all their banking busing with Tejarat or Pasargad).

Loyal customers with changing tastes (Shifting Loyals): brand loyalty is among their personal characteristics, but at any point they may be loyal to another brand.

Disloyal customers (Switchers): For every purchase and decision, decide independently. These customers based on price, or variety-seeking or advice of others, may simply change their decision.

**2.5_ Brand equity**

In this regard many models are offered and various components are defined. This is if brand equity is viewed from different aspect. Brand equity, which since 1980 has become an important concept in marketing, is the added value that is created by the brand name for the organization.

In recent years, with the development of research and conferences in branding fields in Iran, brand equity as one of the most important and decisive subset of this discussion is taken into consideration and various research in this field has been done. Keller (1993) in general provides two main reasons the study of brand equity.

First, financial incentives for estimation of brand value for accounting purposes for recognizing companies, second, incentives to increase productivity strategy-focused marketing activity.

**2.6_ Customer satisfaction**

**2.6.1_ satisfaction**

Customer satisfaction is the overall consumer attitude which is based on the experience after the purchase and use of a product or service takes place in the consumer.
Customer satisfaction means: customer responses to evaluate the differences perceived between previous expectations or some performance standards and actual performance of products, which can be perceived after use.

2.8 Operational background of research

Karbasivari and Yardel (2011), in a study entitled Assessing brand equity and the factors affecting it from a consumer perspective, using brand equity model David Aaker reached these conclusions that factors of brand loyalty and brand associations factors directly impact on brand equity and operating factors perceived quality and brand awareness indirectly through brand loyalty influence brand equity.

- Hussaini and Heyrati (2007) in a study entitled increase in the profitability through customer loyalty survey attempted to measure the satisfaction and loyalty of clients in Iran's Superstar Restaurant and concluded that the most important effective characteristic on customer satisfaction, is employee behavior in Superstar restaurant. And also customer satisfaction ultimately leads to commitment and loyalty.

- Mohammedan and colleagues (2010) in study entitled as personality assessment of Toshiba brand compared with the categories of four global brands in the market generally achieved these results in terms of competence, passion, integrity and honesty; brands of Sony, Toshiba, Samsung, Canon and Sharp have achieved the first to fifth ranks, and in terms of strength, Sony, Toshiba, Canon, Sharp and Samsung respectively have the first to fifth place.

Walt Florence and colleagues (2011), in his article entitled "The impact of sales promotion on brand personality and brand equity" attempted to measure customer perception of brand promotional activities and express a model for the effects of these two important characters on brand equity. In their study they achieved the positive relationship between the brand personality and brand equity and inverse relationship between sales promotion and brand equity. They also found that the geographic and demographic characteristics of clients influence their perception regarding promotional activities and brand personality.

Roy and Chow in his study entitled "Consumer based brand equity and positioning seeking inspiration for a global brand in the local " was carried out in 2010 for global brands and local brands in Australia attempted to identify situations where the consumer psychologically is willing to pay in favor of a local or global brand. In this study, a multi-dimensional concept of brand equity, mainly as a collection of assets, brand awareness, brand loyalty, perceived quality that adds to the value of the product or service offered, are considered. The results of leads to brand loyalty but these impacts are perfectly adjusted by perceived quality.

3.2 Methodology

In fact, research methodology, is methodology of conducting the study which is appropriate to the subject and population. Scientific research in terms of purpose, nature and methods are classified. In various studies depending on the type of study, various methods may be used. The
method used in this study in terms of the purpose is functional and in terms of nature is descriptive casual.

It is Functional in the sense that it is looking at a problem and offering a solution to that problem, and it is descriptive because it is describing what there is and includes descriptions, analyze and change the status quo and its causal because it investigates the causal relationship between two or more variable. The study also seeks to describe, analyze and evaluate the role of brand equity and its relation with customer satisfaction.

3-3: population

In this study population consisted of all customers and users of Samsung products in Khuzestan Province stores in April 2014. Determination of the sample size was done by visiting the stores and it was estimated daily about 300 clients (customers) that in a month made about 7800 clients.

Statistical sample

To estimate the size of the sample, Morgan table is used. According to the table sample size is up to 367 people. Also for the questionnaires, available sampling method is used.

3-5: Methods of data collection

In this study, methods applied to collect information and data, include library and field methods.

- library studies: in this method for data collection in the field of theoretical and literature the primary and secondary sources, including books, articles, theses and the World Wide Web has been used.
- Field research: This procedure involves collecting data to verify the hypothesis.

3-6: Data collection tool

The main method of collecting data in this study is using a questionnaire. Questionnaire is a common research tool and is a direct method to obtain research data. In order to obtain information to confirm or refute the hypothesis, and standard questionnaire is provided that provides useful information in the field of research.

To adjust the questionnaire the five-point Likert scale is used which includes I totally disagree, I disagree, I neither disagree nor agree, I agree, I strongly agree. Any of these scales have been given a point from one to five. Questions are set in such a way that the hypotheses are assessed about them, and answers to questions are evaluated as follows:
Table 3-2: Method of valuation of questionnaire

<table>
<thead>
<tr>
<th>Options</th>
<th>I totally disagree</th>
<th>I disagree</th>
<th>I neither disagree nor agree</th>
<th>I agree</th>
<th>I strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>scores</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

The questionnaire consisted of 22 questions the number of questions related to each of the variables in the table given below.

Table 3.3: Questions

<table>
<thead>
<tr>
<th>Number</th>
<th>Title of variables</th>
<th>Questions about it</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>physical quality</td>
<td>1 to 4</td>
</tr>
<tr>
<td>2</td>
<td>employee behavior</td>
<td>5 to 6</td>
</tr>
<tr>
<td>3</td>
<td>ideal egoism</td>
<td>7 to 9</td>
</tr>
<tr>
<td>4</td>
<td>Brand identification</td>
<td>10 to 13</td>
</tr>
<tr>
<td>5</td>
<td>individualism lifestyle</td>
<td>14 to 16</td>
</tr>
<tr>
<td>6</td>
<td>Consumer satisfaction with the brand experience</td>
<td>17 to 19</td>
</tr>
<tr>
<td>7</td>
<td>Loyalty to brand</td>
<td>20 to 22</td>
</tr>
</tbody>
</table>

3-8: Methods of data analysis

The process of analyzing and interpreting data and research information is possible with the help of appropriate statistical methods.
Appropriate statistical methods for the analysis of this study are of two types: Descriptive statistics: general descriptive statistics to provide effective ways to organize data, summarize them, graphical representation of data, and extracting index are for regular study.

Inferential statistics: inferential statistics are inferred using the features of community features and concluded. In this way a small group of society is selected with appropriate methods and results of this study are extending it to the entire community.

Bartlett's test with SPSS 17:
Bartlett is one of the ways of identifying appropriate data. Bartlett test, tests the hypothesis that the observed correlation matrix belongs to the society of independent variables. For a functional model to be useful and significant, it is necessary that the variables are correlated. So Bartlett's test hypotheses are like this:

H0: data are uncorrelated.
H1: the data are correlated.

So it is appropriate that hat the null hypothesis is rejected. If the null hypothesis is not rejected the utility of factor analysis is questioned and should be reconsidered.

**Structural equation analysis with software LISREL 8.8:**

In this study, to investigate the relationship between the components of model, structural equation modeling was used. In addition, the researcher used structural equation modeling for confirmatory factor analysis. LISREL software was used to analyze the hypothesis, a structural model that describes the possible causal relationship between variables. In this process, first a causal hierarchy is proposed in which some variables may be a potential cause of other variables but cannot be its effect for sure.

In other words, the order of variables is in such a way that the variable at the top of the hierarchy maybe the cause of a lower rank variable but is unlikely to be a due to higher ranked variable.
Also to evaluate the significance of each of the coefficients, t test is used. The results of the test are shown in Figure 4-5.

Table 4-7: coefficient $\lambda$ and significant t-statistic values

<table>
<thead>
<tr>
<th>Latent Variables</th>
<th>Observed variables</th>
<th>Parameters</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Physical Quality)</td>
<td>Q1</td>
<td>0/66</td>
<td>11/03</td>
</tr>
<tr>
<td></td>
<td>Q2</td>
<td>0/79</td>
<td>13/52</td>
</tr>
<tr>
<td></td>
<td>Q3</td>
<td>0/81</td>
<td>13/56</td>
</tr>
<tr>
<td></td>
<td>Q4</td>
<td>0/31</td>
<td>5/55</td>
</tr>
<tr>
<td>(Staff Behavior)</td>
<td>Q5</td>
<td>0/85</td>
<td>14/55</td>
</tr>
<tr>
<td></td>
<td>Q6</td>
<td>0/98</td>
<td>18/13</td>
</tr>
<tr>
<td></td>
<td>Q7</td>
<td>0/67</td>
<td>12/31</td>
</tr>
<tr>
<td>(ideal Self-Congruence)</td>
<td>Q8</td>
<td>0/87</td>
<td>14/19</td>
</tr>
<tr>
<td></td>
<td>Q9</td>
<td>0/95</td>
<td>18/58</td>
</tr>
<tr>
<td></td>
<td>Q10</td>
<td>0/78</td>
<td>14/40</td>
</tr>
<tr>
<td>(Brand identification)</td>
<td>Q11</td>
<td>0/01</td>
<td>11/17</td>
</tr>
<tr>
<td></td>
<td>Q12</td>
<td>1/11</td>
<td>22/25</td>
</tr>
<tr>
<td></td>
<td>Q13</td>
<td>0/91</td>
<td>17/21</td>
</tr>
<tr>
<td>(Lifestyle- Congruence)</td>
<td>Q14</td>
<td>0/22</td>
<td>7/93</td>
</tr>
<tr>
<td></td>
<td>Q15</td>
<td>0/41</td>
<td>9/01</td>
</tr>
<tr>
<td></td>
<td>Q16</td>
<td>0/31</td>
<td>7/00</td>
</tr>
<tr>
<td>(Consumer Satisfaction)</td>
<td>Q17</td>
<td>0/52</td>
<td>..........</td>
</tr>
<tr>
<td></td>
<td>Q18</td>
<td>0/59</td>
<td>7/07</td>
</tr>
<tr>
<td></td>
<td>Q19</td>
<td>1/13</td>
<td>8/90</td>
</tr>
<tr>
<td>(Brand Loyalty)</td>
<td>Q20</td>
<td>0/74</td>
<td>..........</td>
</tr>
<tr>
<td></td>
<td>Q21</td>
<td>1/08</td>
<td>12/71</td>
</tr>
<tr>
<td></td>
<td>Q22</td>
<td>0/87</td>
<td>11/02</td>
</tr>
</tbody>
</table>
The output of structural equation is as follows:
Satisfaction = 0.43 * Ph.Quality + 0.13 * StaffBah + 0.10 * Ideal Self-Con + 0.28 * Brand + 0.04 * Lifestyle + 0.62 
Loyalty = 0.87 * Satisfaction +0.17 

For example, according to the second equation it can be seen that for every one unit increase in consumer satisfaction, loyalty 87/0 increases (87%) units. The following table summarizes the direct effects of independent latent variables on dependent variables.
As is clear from the results of Table 4-13, the impact on consumer satisfaction and brand loyalty is 0/88, and given that the coefficient is positive, the relationship is direct. It means with increase in consumer satisfaction, brand loyalty will increase or with decrease in consumer satisfaction, brand loyalty will decrease, and according to t statistics 7/89 this coefficient is significant, (According to 95% confidence level if t value is more than 1/96 than index can be used for the significance of components).

4-6-Testing hypotheses

Structural equation modeling was used to assess the hypotheses 1 to 6.

Description of the hypotheses test is given below.

4.6.1- Testing the first hypothesis

First hypothesis: Physical Quality has positive impact on customer satisfaction with the experience of Samsung brand.

H0: Physical Quality does not have positive impact on customer satisfaction with the experience of Samsung brand

H1: Physical Quality has positive impact on customer satisfaction with the experience of Samsung brand.

According to structural equation obtained in Table 4-7 and 4-8, the path coefficients between the physical qualities and customer satisfaction with the brand experience is 0/43, which according to test 4/52>1/96 at significance level of 0.05, null hypothesis is rejected. As a result, researchers
claim has been supported with 0.95 confidence level. And the error rate of 5%, we can say that the physical quality has positive impact on customer satisfaction with the brand experience.

4-6-2-Testing the second hypothesis

Second hypothesis: Employee Behavior has positive impact on customer satisfaction with the experience

H0: Employee Behavior does not have positive impact on customer satisfaction with the experience

H1: Employee Behavior has positive impact on customer satisfaction with the experience

According to structural equation obtained in Table 4-7 and 4-8, the path coefficients between the employee Behavior and customer satisfaction with the brand experience is 0/13, which according to test 5/74>1/96 at significance level of 0.05, null hypothesis is rejected. As a result, researchers claim has been supported with 0.95 confidence level. And the error rate of 5%, we can say that the employee Behaviour has positive impact on customer satisfaction with the brand experience.

4-6-3- Testing third hypothesis

Third hypothesis: Ideal egoism thinking has positive impact on customer satisfaction with the experience

H0: Ideal egoism thinking does not have positive impact on customer satisfaction with the experience

H1: Ideal egoism thinking has positive impact on customer satisfaction with the experience

According to structural equation obtained in Table 4-7 and 4-8, the path coefficients between the Ideal egoism and customer satisfaction with the brand experience is 0/10, which according to test 1/60<1/96 at significance level of 0.05, null hypothesis is confirmed. As a result, researchers claim has not been supported with 0.95 confidence level. And the error rate of 5%, we can say that the ideal egoism does not have positive impact on customer satisfaction with the brand experience.

4-6-4- Testing fourth hypothesis

Fourth hypothesis: Bench of brand has positive impact on customer satisfaction with the experience

H0: Bench of brand does not have positive impact on customer satisfaction with the experience

H1: Bench of brand has positive impact on customer satisfaction with the experience

According to structural equation obtained in Table 4-7 and 4-8, the path coefficients between the Bench of brand and customer satisfaction with the brand experience is 0/28, which according to
test $4/65 > 1/96$ at significance level of $0.05$, null hypothesis is confirmed. As a result, researchers claim has not been supported with $0.95$ confidence level. And the error rate of $5\%$, we can say that the Bench of brand has positive impact on customer satisfaction with the brand experience.

4-6-5- Testing fifth hypothesis

Fifth hypothesis: Individualism lifestyle has a positive impact on customer satisfaction with the brand experience

H0: Individualism lifestyle does not have a positive impact on customer satisfaction with the brand experience

H1: Individualism lifestyle has a positive impact on customer satisfaction with the brand experience

According to structural equation obtained in Table 4-7 and 4-8, the path coefficients between the individualism lifestyle and customer satisfaction with the brand experience is $0.04$, which according to test $0.73 < 1.96$ at significance level of $0.05$, null hypothesis is confirmed. As a result, researchers claim has not been supported with $0.95$ confidence level. And the error rate of $5\%$, we can say that the Individualism lifestyle does not have positive impact on customer satisfaction with the brand experience.

4-6-6- Testing sixth hypothesis

Sixth hypothesis: Consumer satisfaction with the brand experience has a positive impact on loyalty

H0: Consumer satisfaction with the brand experience does not have a positive impact on loyalty

H1: Consumer satisfaction with the brand experience has a positive impact on loyalty

According to structural equation obtained in Table 4-7 and 4-8, the path coefficients between customer satisfaction with the brand experience and brand loyalty is $0.87$, which according to test $7.89 > 1.96$ at significance level of $0.05$, null hypothesis is confirmed. As a result, researchers claim has not been supported with $0.95$ confidence level. And the error rate of $5\%$, we can say customer satisfaction with the brand experience has a positive effect on brand loyalty.

5.4 The research proposal

According to the results of research to the practical suggestions are offered below. This study showed that physical quality, employee behavior, ideal egoism, identifying the brand and lifestyle are key aspects of consumer thinking. Physical quality and employee behavior have functional aspects, while, ideal egoism, brand identification and lifestyle, are symbolic aspects of consumer thinking which according to the findings, have more impact than functional aspects on consumer satisfaction.
This study shows that the ideal egoism, brand identification and lifestyle, has a positive effect on brand loyalty. In other words, for consumers to create brand loyalty is not only originated from practical value of brand, but also its symbolic value, such as ideal egoism, brand identification and individualism lifestyle.

This study shows that consumer satisfaction is due to the effects of consumers thinking on loyalty to the brand. It also confirms that consumer satisfaction with specific branded products is dependent on both functional (for example, physical attractiveness, competence of staff) and symbolic benefits (fun, excitement, fantasy). Therefore, this research rejects previous studies showing that consumer satisfaction is just the success in marketing campaigns on brand and brand image.

Given that egoism has a positive impact on brand loyalty Samsung Product Marketing should have a study on the characteristic of the brand from the standpoint of consumers and develop the brand image in accordance with the ideals of the consumer. Findings of egoism and identification of brand shows that consumers are motivated through previous experience thus previous experience of brand should lead to customer retention and be a stimulus for brand loyalty.

Some marketing tactics should be applied with success on Samsung stores. For example, by changing the layout and decor a certain type of character (for example, extraversion) might be portrayed and an iconic symbol or a fantasy can be created.

The findings show that customers maintain the brand loyalty because on previous experience, the brand had a good fit with their lifestyle and social identity. Therefore previous brand experience, in order to strengthen brand equity and brand loyalty should have the power to make the customers a partner or separate them from a particular social group. To do this, Samsung representatives must develop new products to enhance social identity of customers.

Managers, marketers and sellers must use intangible assets such as color, layout, music, celebrities or phrases as a symbol for the development of their brand equity to support their brand loyalty. It is essential that managers, brand marketers and retailers to strategically think about how they can strengthen their brand identity. For example, through investments in networking opportunities and social events such as charities or organize and participate in conferences, seminars in a way that matches the social identity of the customers.

The lifestyle of people is not fixed because they constantly change the consumer life cycle. Managers, marketers and sellers should constantly monitor on should current and potential lifestyles of consumers, to understand their needs and interest, and to develop appropriate services in order to enhance brand equity.

Although physical qualities and behavior of employees are rejected hypothesis of this research, but given that their positive role in increasing customer satisfaction is undeniable, attention to them is important and essential for organizations and marketers. For this reason, managers and marketers should ensure that they have the appropriate facilities and physical environment.
because it is the first item that comes to the eyes of the customer and to develop a strong brand image and brand loyalty they should create an excellent environment. The front line staff (sellers and those who communicate directly with the client) will play a key role in the development of the brand. Quality employee behavior can be strengthened through appropriate training and employment programs.
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