

Brand Equity And Brand Loyalty: The Mediating Effect Of Customer Satisfaction

A Comparative Study On Companies With Brand Change

Kovintharajah Thanushan, F. B .Kennedy

Department of Management
Faculty of Commerce and Management
Eastern University, Sri Lanka.

DOI: 10.29322/IJSRP.10.12.2020.p10850
<http://dx.doi.org/10.29322/IJSRP.10.12.2020.p10850>

Abstract: The study investigates the impact of brand equity on brand loyalty with the mediation of customer satisfaction in X Company and Y Company in Batticaloa city branch. The study uses five dimension of brand equity, which include perceived quality, perceived value of cost, brand identification, trust and lifestyle congruence. Questionnaire has been used to collect the data from the customers in using X Company and Y Company in Batticaloa city branch. The data has been collected from 267 respondents and analyzed through SPSS.

The existing level of the independent variable brand equity and customer satisfaction indicated that there is a high level of brand equity and customer satisfaction. Further the finding of this study shows that there is a high level of brand loyalty in the selected customer in X Company and Y Company in Batticaloa city branch.

The study shows a positive significant impact of brand equity on brand loyalty. All hypotheses have been supported to the study and the customer satisfaction partially mediates the relationship between brand equity and brand loyalty. The study will enable the managers to change policies and to train the staff so they can satisfy the customers which in turn would make customers loyal with the organization. The study is limited only to the selected two finance sector in Batticaloa city only. Future studies can be conducted across different type of businesses and cultures.

This paper provides a basis to study the effect of trust on brand loyalty with mediation of customer satisfaction and offers practical help for managers to train employees which could enhance customer satisfaction and loyalty.

Keywords: Brand Equity, Customer Satisfaction and Brand Loyalty

1.1 INTRODUCTION

The brand is considered as a highly distinguished and valuable asset for a Company. The brand is a strategic tool for marketers, and it diminishes the effect of price sensitivity in market competition (Helmig, Huber, and Leeflang, 2007). Customers are inclined to spend additional money for a preferred brand because they believe that no competitor can deliver the value provided by the preferred brand. The premium price paid by the customer is partially justified by brand loyalty. Hence, brand loyalty is considered as a requisite for an organization's profitability and sustainability (Chaudhuri & Holbrook, 2001), "The chain of effects from brand trust and brand affect

to brand performance: the role of brand loyalty". With reducing product differentiation and the short maturity period and increasing unpredictability of the product market, the conservation and growth of brand loyalty is the focal interest of marketers (Kataria and Saini, 2019).

Brands are one of the vital assets of a firm (Keller & Lehmann, 2003; Lehmann & Srinivasan, 2014). Brand equity has been one of the most important marketing concepts in both academia and practice (Srinivasan, Park, & Chang, 2005). By the 1980s, marketing researchers discovered brand equity had an influence on customer satisfaction (Lanza, 2008). For many years, customer satisfaction has been a major goal of business organizations (Hansemark and Albinsson, 2004). Brand loyalty describes marketing phenomena, and is typically associated with customer satisfaction (Bennett, 2001). Although scholars often study brand equity, brand loyalty and consumer satisfaction issues, only a few of them have focused on the relationship of brand equity, consumer satisfaction and brand loyalty in recent years. Using partial least squares structural equation modeling approach (PLS-SEM) statistical methods and taking advantage of first-hand data from 1840 Chinese sports brands customers, the aims of this study are: confirming the significant dimensions of brand equity and main factors influencing brand loyalty, investigating the relationship between brand equity, consumer satisfaction and brand loyalty.

1.2 Research Problem

Limited attention has been devoted to the inter-relations among loyalty, brand equity and customer satisfaction. Although the literature suggests that brand loyalty is directly influenced by brand equity, the mediating role of customer satisfaction in the relationship between loyalty and equity has not been analyzed by researchers for the low-involvement product category. Despite the significance of the topic and the numerous studies published on loyalty, brand equity and customer satisfaction; there exists a scarcity of studies on the relationship among these three variables.

Previous studies have not been able to reach a common consensus regarding the relationship of brand loyalty with customer-based brand equity. Researchers Aaker, Aaker, and Biel, (1993) suggested that loyalty is one of the principal elements for brand equity, whereas Keller (1993) believes that loyalty is the outcome of brand equity rather than a determinant of it (Aaker, 2009; Keller, 1993; Lei & Chu, 2015). In his study, Nam, Ekinici, and Whyatt, (2011) supported Keller's viewpoint by mentioning that loyalty is not one of the element of equity but rather a consequence of it because brand equity is a perception, whereas loyalty is a behavioral construct related to the intentions of repurchase. Expanding on the perspective of Nam et al. (2011), the current study considers loyalty as an outcome of brand equity. Hence, brand loyalty is observed as a dependent variable for brand equity rather than its component.

According to the interview conducted by the researcher with the manager of the selected financial company in Batticaloa, stated that their company loose certain amount of brand name and switched to competitive companies in recent time.

Based on the conversation with the manager, it is possible to realize that the brand equity plays a crucial role in determining customer satisfaction which paves the way to brand loyalty. Finally to the best knowledge of the researcher, this study has provided support for the mediating impact of customer satisfaction on the relationship between brand equity and brand loyalty.

1.3 Research Questions

The following research questions have developed to carry out this research,

1. What is the level of brand equity, brand loyalty and customer satisfaction in X Company and Y Company?
2. What is the relationship of brand equity, brand loyalty and customer satisfaction in X Company and Y Company?

3. Whether the customer satisfaction will mediate the relationship between brand equity and brand loyalty in X Company and Y Company?

1.4 Research Objectives

The objectives of the study were,

1. To identify the level of brand equity, brand loyalty and customer satisfaction in X Company and Y Company.
2. To identify the relationship between brand equity and brand loyalty in X Company and Y Company.
3. To investigate whether the customer satisfaction will mediate the relationship between brand equity and brand loyalty in X Company and Y Company.

LITERATURE REVIEW

2.1 Brand Equity

Various researchers have provided different perspectives on brand equity, with most of them being similar to the definition provided by Farquhar (1989), Park and Srinivasan (1994), Baldinger and Rubinson (1996) and Aaker (1996) that “brand equity is the value addition done by a brand through customers association and perception towards a particular product”. Brand equity is generated from the higher faith that consumers have in a particular brand compared with others. This built-in trust translates into brand loyalty and premium pricing for the brand. The Brand Equity that influencing on Purchase Intention (Devendra 2017). Brand equity is the overall utility, including both functional and symbolic utility, associated by the customer with purchase of the brand (Lopez-Vazquez et al., 2002).

Dimensions of Brand Equity

2.1.1. Perceived Quality

Netemeyer et al. (2004) defined perceived quality as the customer’s assessment of the overall supremacy of the brand compared with that of alternative available brands. This measure is subjective in nature due to it being based on customer’s perception regarding quality, product benefits and need fulfillment. Attributes attached to a brand, such as the cost, physical appearance, features, advertisements and brand name, also influence a purchaser’s perception of quality. Perceived quality forms a selective brand image in consumers mind and hence leads to product differentiation (Aaker, 1991). Keller (1993) differentiated quality from perceived quality. He defined quality as actual superiority or excellence over competitor’s brands and perceived quality as consumer’s intangible perceptions of superiority of a product.

2.1.2. Perceived Value of Cost

According to Tzeng and Huang (2011), perceived value as the outcome of assessing the relative value of benefits received and amount sacrificed in relation with purchase. Due to its simple approach, this definition was highly criticized by other researchers for not being multidimensional. Netemeyer et al. (2004) provided a more holistic approach and described perceived cost as customer evaluation of rewards obtained from the brand based on the perception of benefits secured and sacrifices incurred. Consumer behavior can be better analyzed through the perceived value approach because perceived value is a basis for all marketing strategies, like: market segmentation, policy positioning and product differentiation.

2.1.3. Brand Identification

Consumers indicate their social identity by connecting to or consuming a particular brand. This leads to integration or dissociation of consumers with a particular class of individuals, who form a social circle. Schiffman, Christianson, Jacobsen, Hirsch, and Reis (2000) indicated that the consumption of a brand is influenced by customer social identity. The relationship of brand identification and brand loyalty was empirically supported by Bhattacharya and Sen (2003). Nam et al. (2011) indicated that customer satisfaction partially mediates the relationship between brand identification and brand loyalty. They stated that strong brand identification leads to high satisfaction.

2.1.4. Brand Trust

Trust is logically and experientially an important factor in the relationship between a buyer and seller (Komund and Osarenkhoe, 2012). Customers who lack trust are unlikely to be brand-loyal and switch from one brand to another, whereas a trusted brand enjoys increased market share and sales revenue, premium price, increased purchasing power. A few studies have suggested trust to be an intention (Gefen & Straub, 2003), whereas others have suggested it to be a belief (Ganesan, 1994). In their study on the mediating role of values in the relationship between trust and loyalty, Sirdeshmukh et al. (2002) concluded that organizations should primarily focus on competence, benevolence and the problem solving attitude for building trust with consumers.

2.1.5. Lifestyle Congruence

The lifestyle concept reveals consumer's daily needs and wants. It also indicates how particular brands help consumers in their pursuit of a particular lifestyle. Moreover, consumers develop a preference for and repurchase a particular brand when its consumption helps them express their uniqueness by pursuing their desired lifestyle (Quintal, Thomas, and Phau, 2015). In a wider sense, lifestyle indicates demographic characteristics, attitudes towards life, beliefs, and aspirations and is an integral component of consumer's daily life (Brassington and Pettitt, 2003). However, no such widely accepted definition of lifestyle is available in literature.

2.2 Customer Satisfaction

Customer satisfaction has been characterized from numerous viewpoints (Dimitriades, 2006). However, the most broadly acknowledged definition of customer satisfaction in the literature is provided by the expectancy disconfirmation theory (McQuitty, Finn, and Wiley, 2000), where satisfaction level is defined as a consequence of the difference between the expected and perceived performance (Oliver, 1999). Customer satisfaction may directly and indirectly influence business sustainability, competitiveness and profitability (Ratcliff, Thapar, Gomez, and McKoon, 2004; Luo and Homburg, 2007).

2.3 Brand Loyalty

Brand loyalty is a major topic in consumer behavior literature. The significance of brand loyalty can be estimated by the fact that this factor is a measure of the business performance which influences the financial performance of an organization.

It brings numerous uncountable benefits, such as substantial entry barriers for competitors, increased market share and sales revenue, increased company's capacity to react to competitive threats and low sensitivity of customers towards the marketing efforts of a competitor having the potential to cause switching behavior (Elena & Jose, 2001).

2.4 Hypotheses Development

In this section, there are four hypotheses to be presented based on each relationship established developed through conceptual framework.

H1: There is a positive relationship between brand equity and brand loyalty.

H2: There is a positive relationship between brand equity and customer satisfaction.

H3: There is a positive relationship between customer satisfaction and brand loyalty.

H4: Customer satisfaction mediates the relationship between brand equity and brand loyalty.

2.4.1 Relationship between Brand Equity and Brand Loyalty

Brand loyalty is seen in product brand equity discussions as an element of brand equity referring to the loyalty of stakeholders for the organization and its brand. In other words, traditionally loyalty is seen as a component of brand equity (Aaker, 1991) and some of recent studies (Rios and Riquelme, 2008; Rauyruen, Miller, and Groth, 2009) support this view. However, researchers are now saying that loyalty is an outcome of brand equity (Berens, Van Riel, and Van Bruggen, 2005). It is argued that brand equity has a strong impact on customer's loyalty intentions and it is likely to influence a customer's willingness to stay, repurchase, and recommend the brand.

Research shows that when a museum's brand is evaluated positively, customer loyalty toward the museum is greater (Garanti and Kissi, 2019). Therefore, the study proposes the following hypothesis:

H1: There is a positive relationship between brand equity and brand loyalty.

2.4.2 Relationship between Brand Equity and Customer Satisfaction

Ali and Muqadas (2015) have comprised brand loyalty has the relationship with customer satisfaction. Brand equity plays a key role in the customer satisfaction (Lei and Chu, 2015).

Aaker (1991) was the first to establish the relationship between perceived quality and brand equity. Darsono and Junaedi (2006) supported the view that perceived quality is an antecedent for customer satisfaction and shares a direct and positive relationship with satisfaction. As the perception of value increases in consumer mind, satisfaction also increases (Dorai and Varshney, 2012). There exists a high possibility that customer satisfaction can be an antecedent or a result of perceived value; however, the literature supports the view that satisfaction is a result of perceived value, that is, perceived value significantly influences satisfaction.

Therefore, the following hypothesis is proposed:

H2: There is a positive relationship between brand equity and customer satisfaction.

2.4.3 Relationship between Customer Satisfaction and Brand Loyalty

Relationship between satisfaction and loyalty is documented in previous researches within the context of services (Back and Parks, 2003). Kim et al. (2008) have established the relationship among these constructs with in restaurants industry. Satisfaction is also studied as the predictor to loyalty (Faullant, Matzler, and Fuller, 2008). Furthermore, evidence to support the positive relationship between customer satisfaction and loyalty formed in the study of Yoon and Uysal (2005).

Therefore, the following hypothesis is proposed:

H3: There is a positive relationship between customer satisfaction and brand loyalty.

2.4.4 Customer Satisfaction Mediates the Relationship between Brand Equity and Brand Loyalty

The study aims at examining the mediating role of customer satisfaction on the relationship between customers based brand equity and brand loyalty. Bloemer, Ruyter, and Peeters (1998) revealed that customer satisfaction mediates the effect of service quality on brand loyalty. Caruana (2002) confirmed the mediating role of satisfaction on service quality and service loyalty in the retail banking sector. Moreover, Karatepe (2011) also confirmed that there is a mediating role of satisfaction on the relationship between the two constructs. Moreover, Ekinci, Dawes, and Massey (2008) have also confirmed that the effect of service quality and ideal self-congruence on brand loyalty, intention to return is mediated by the customer satisfaction.

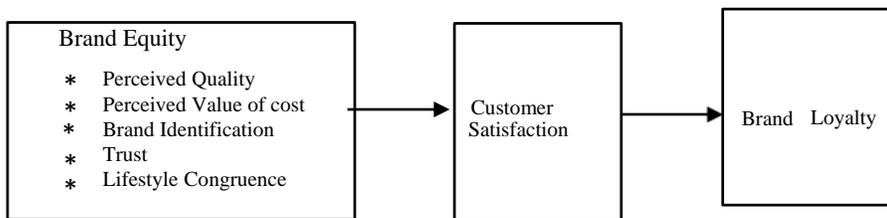
Therefore, the following hypothesis is proposed:

H4: Customer satisfaction mediates the relationship between brand equity and brand loyalty.

CONCEPTUALIZATION AND OPERATIONALIZATION

3.1 Conceptual Framework

A conceptual framework represents the researcher's synthesis of literature on how to explain phenomenon. The conceptual framework is the researcher understands of how the particular variables in the study connect with each other. Conceptual framework use to illustrate the relationship between the variables. The research conceptual framework developed by Katarina and Saini (2019). This conceptual framework link among brand equity, customer satisfaction and brand loyalty



(Source; Katarina and Saini 2019)

3.2 Operationalization

Operationalization is the process of taking a conceptual definition and making it more precise by linking it to one or more specific, concrete indicators or operational definitions. These are usually things with numbers in them that reflect empirical or observable reality. The process of operationalization is specifying the procedure that will be employed to measure that concept. Operationalization always encompasses measurement.

The outcome of operationalization will be indicators that represent that concept. There are four important steps in the process of operationalization, such as: firstly formulate concepts into variables, then formulate variables into dimensions, formulate dimensions into indicators and source.

Table 01 Summary of Operationalization

Variables	Indicators	Statements	Measurement
Brand Loyalty	Repeat Purchase	Q1	Five Point Likert's scale
	Continue Purchase	Q2	
	Brand Superiority	Q3	
	Word of mouth	Q4	
	Word association	Q5	
Customer Satisfaction	Goodness	Q6	
	Need	Q7	
	Expectation	Q8	
Brand Trust	Trustworthy	Q9	
	Consuming interest	Q10	
	Honesty	Q11	
	Safety	Q12	
Perceived value of cost	Attractive cost	Q13	
	Price	Q14	
	Value	Q15	
Perceived Quality	Quality	Q16	
	Features	Q17	
	Functionality	Q18	
	Reliability	Q19	
	Good Quality	Q20	
	Brand Appearance	Q21	
Brand Identification	Familiarity	Q22	
	Embarrassment	Q23	
	Emotional	Q24	
Lifestyle Congruence	Brand Reflected	Q25	
	Brand Congruence	Q26	
	Well Being	Q27	

(Source: Kataria and Saini, 2019)

4. Methodology of Study

According to Hanson, Creswell, Clark, Petska and Creswell (2005), the term population is defined as a group of persons having a common characteristic. Study population for this research identified as customers who are customers in X Company and Y Company in Batticaloa branch. A population is considered to be any group of people, event, or things that are of interest to the researchers and that they wish to investigate (Sekaran, 2000). Researcher mentioned that a sample is a subset of the population in question and consist of a selection of members from the particular population (Sekaran, 2000). Population of this study is known by the researcher.

Probability sampling is used in this study. When, elements in the population have a known chance of being chosen as subject in the sample, researcher resort to probability sampling design (Sekaran, 2000). In this study, Simple random sampling method is used to choose the sample size in X Company and Y Company. Because it's mutually exclusive both organization.

Simple random sampling, each element in the population has a known and probability of selection. Furthermore, each possible sample of a given size (n) has a known and probability of being the sample actually selected. The sample is drawn by the random procedure from the sampling frame (Malhotra, 2004). Only 300 customers were selected as sample based on simple random sampling method will proportionate method. The sample will be selected as random basis on stipulated time.

The sample size is 300 customers in X Company and Y Company in Batticaloa branch. Each single internet user is considering as a respondent of this study. The following equation was used to calculate the sample size,

$$\text{Sample amount} = \frac{\text{Each company population}}{\text{Total population}} \times \text{Total sample (300)}$$

$$\begin{aligned} \text{X Company sample} &= \frac{\text{Each company population}}{\text{Total population}} \times \text{Total sample (300)} \\ &= \frac{2000}{5000} \times 300 \\ &= 120 \text{ samples} \end{aligned}$$

$$\begin{aligned} \text{Y Company sample} &= \frac{\text{Each company population}}{\text{Total population}} \times \text{Total sample (300)} \\ &= \frac{3000}{5000} \times 300 \\ &= 180 \text{ samples} \end{aligned}$$

Liker's five points rating scale is used to require respondents to order their answers. The Likers scale is widely used to measure individual attitudes. A five point Likert's scale is used to measure the variables and this scale consist of five boxes ranging from strongly disagree to strongly agree. Further the respondents administrated to mark (X) their options regarding the statement in the questionnaire.

DISCUSSION OF FINDINGS

5.1 Discussion -Objective One

To identify the level of brand equity, brand loyalty and customer satisfaction in X Company and Y Company

Level of Brand Loyalty

Brand loyalty is the dependent variable of this study which measured with five indicators. The overall mean value of brand loyalty is 4.21 and it is deviated from 0.625. It shows that the brand loyalty is in higher level in the selected customers. In Y Company, The overall mean value of brand loyalty is 3.88 and it is deviated from 0.637. It shows that the brand loyalty is in higher level in the selected customers.

5.2 Discussion – Objective Two

Objective Two: To identify the relationship between brand equity and brand loyalty X Company and Y Company.

Coefficient Correlations between Brand equity and Brand Loyalty

The results of Pearson correlation between brand equity and brand loyalty in X Company. The correlation coefficient (r) value is 0.746 between brand equity and brand loyalty. In Y Company, The correlation coefficient (r) value is 0.687.

H1: There is a strong positive and significant relationship between brand equity and brand loyalty in both X Company and Y Company.

Correlation Analysis between Brand Equity and Customer Satisfaction

The results of Pearson correlation between brand equity and customer satisfaction in X Company. The correlation coefficient (r) value is 0.672 between brand equity and customer satisfaction in Y Company. The correlation coefficient (r) value is 0.446 at the 0.01 significance level (2-tailed) is 0.000.

H2: There is a strong positive and significant relationship between brand equity and customer satisfaction in X Company and there is a medium positive and significant relationship between brand equity and customer satisfaction Y Company.

Correlation Analysis between Customer Satisfaction and Brand Loyalty

The results of Pearson correlation between brand loyalty and customer satisfaction in X Company. The correlation coefficient (r) value is 0.495 at the 0.01 significance level (2-tailed) is 0.000.

H3: There is a medium positive and significant relationship between customer satisfaction and brand loyalty in X Company and there is a strong positive and significant relationship customer satisfaction and brand loyalty Y Company.

5.3 Multivariate Analysis – Mediation Analysis

Objective Three: To investigate whether the customer satisfaction will mediate the relationship between brand equity and brand loyalty in X Company and Y Company.

5.3.1 Simple regression of Brand Equity and Brand loyalty

The indicates that R Square statistic value is 0.557 which means 55.70% of the variation in dependent variable of brand loyalty can be is explained by the independent variable of brand equity in X Company. And The indicates that R Square statistic value is 0.472 which means 47.20% of the variation in dependent variable of brand loyalty can be is explained by the independent variable of brand equity in Y Company.

5.3.2 Simple regression of Brand Equity and Customer Satisfaction

The indicates that R Square statistic value is 0.245 which means 24.50% of the variation in dependent variable of customer satisfaction can be is explained by the independent variable of brand equity in X Company And The indicates that R Square statistic value is 0.199 which means 19.90% of the variation in dependent variable of customer satisfaction can be is explained by the independent variable of brand equity in Y Company.

5.4 Multiple regression of Brand loyalty on both Brand equity and Customer Satisfaction

5.4.1 Multiple Regression Analysis in Y Company

The illustrates that R Square statistic value is 0.579 which means 57.90% of the variation in brand loyalty is explained by brand equity and customer satisfaction in X Company. And The illustrates that R Square statistic value is 0.618 which means 61.80% of the variation in brand loyalty is explained by brand equity and customer satisfaction in Y Company.

H4: Customer satisfaction mediates the relationship between Brand equity and brand loyalty in X Company and Y Company

Mediation Effect

5.4.2 Mediation Effect in X Company

In summaries for testing mediation using SPSS, for partial, the direct effect from brand equity to brand loyalty with customer satisfaction as mediating variable is 0.539 and significant at 95% confident level too. The results of this study show that brand loyalty partially mediates the relationship between brand equity and brand loyalty.

Mediation Effect in Y Company

In summaries for testing mediation using SPSS, for partial, the direct effect from brand equity to brand loyalty with customer satisfaction as mediating variable is 0.404 and significant at 95% confident level too. The results of this study show that brand loyalty partially mediates the relationship between brand equity and brand loyalty.

5.5 Hypothesis Testing

Table 2 Summary of Hypotheses Testing

Hypothesis		Decision
H1	There is a strong positive and significant relationship between brand equity and brand loyalty	Accepted
H2	There is a strong positive and significant relationship between brand equity and customer satisfaction	Accepted
H3	There is a medium positive and significant relationship between brand equity and customer satisfaction	Accepted
H4	Brand Loyalty mediates the relationship between Brand equity and Customer satisfaction	Accepted

(Source: Developed for study purpose)

CONCLUSION AND RECOMMENDATION

6.1 Conclusion

The first objective of this study is to identify the levels of brand equity, customer satisfaction and brand loyalty of selected customer in X Company and Y Company in Batticaloa city branch. The existing level of the independent variable brand equity and customer satisfaction indicated that there is a high level of brand equity and customer satisfaction. Further the finding of this study shows that there is a high level of brand loyalty in the selected customer in X Company and Y Company in Batticaloa city branch.

The second objective of this study is related with to examine the relationships among brand equity, customer satisfaction and brand loyalty in selected customer. To find the relationship between brand equity and brand loyalty in the selected customer the Pearson correlation technique was applied. It indicated that there is a strong positive relationship between the two variables, brand equity and

brand loyalty. When assessing the relationship between brand equity and customer satisfaction. The findings from the Pearson correlation technique indicated a strong positive relationship between the brand equity and customer satisfaction. As well as the relationship between customer satisfaction and brand loyalty selected customer, express Pearson correlation as an evidence for a strong positive correlation between customer satisfaction and brand loyalty.

The final and third objective of this study is identifying whether the relationship between brand equity and brand loyalty mediated by customer satisfaction. The study shows a positive significant impact of brand equity on brand loyalty. The result of the multiple regression analysis indicated that, customer satisfaction partially mediates the relationship between brand equity and brand loyalty.

6.2 Limitations of the Study

The study consists with several limitations. The first limitation is that the survey was limited to one geographic city Batticaloa branch of a single country that is selected customer X Company and Y Company which prevents generalization of the findings.

This study surveyed only 267 respondents. Selected sample respondents have been relatively small if any study consist more than this sample size the findings would be further confirmed. From the overall collected samples, 267 respondents are insufficient to represent the overall Sri Lankan consumer's population. The sample representation did not fairly represent the overall Sri Lanka's demographics.

The male and female ratio did not represent a fair comparison among the gender group and it was difficult to distinguish which gender group is highly active on social media platforms, and more brand consciousness when purchasing a product or service.

And the other limitation of this study is that the data was collected through a single measurement tool it is survey-based questionnaires of the quantitative approach, using qualitative research approach such as interviews and observation will be effective to get more explanation.

The scale used to measure the research questions were five-point likert's scale. Instead, if a seven-point scale were used, measurement that is more accurate would have been taken for each variable. Due to analyses complexity it was avoided.

6.3 Direction for Future Studies

Future research could be done to collect data from the whole country in order to enhance generalizability of the data. Furthermore, no cross gender, cross group, and cross culture comparisons were made, future research studies can be conducted to have comparison among different groups, cultures, age ranges, etc. Lastly the study has been conducted in one service sector future study can be conducted in other service sectors to check the behavior of customers in those sectors.

This research provides some preliminary exploration into the relationships between consumer-based brand equity, consumer satisfaction, and brand loyalty. Future research may seek to replicate these findings with a border brand categories study and provide further insights into the nature of these relationships between different regions or countries.

Reference

- [1] Aaker, D. A. (1996). Measuring brand equity across products and markets. *California management review*, 38(3).
- [2] Aaker, D., Aaker, D. A., & Biel, A. (1993). Are brand equity investments really worthwhile? Brand equity and advertising: Advertising's role in building strong brands, 333-341.

- [3] Ali, F., & Muqadas, S. (2015). The impact of brand equity on brand loyalty: The mediating role of customer satisfaction. *Pakistan Journal of Commerce and Social Sciences (PJCSS)*, 9(3), 890-915.
- [4] Back, K. J., & Parks, S. C. (2003). A brand loyalty model involving cognitive, affective, and conative brand loyalty and customer satisfaction. *Journal of Hospitality & Tourism Research*, 27(4), 419-435.
- [5] Baldinger, A. L., & Rubinson, J. (1996). Brand loyalty: the link between attitude and behavior. *Journal of advertising research*, 36(6), 22-35.
- [6] Bennett, R. (2001). A study of brand loyalty in the business-to-business services sector (Doctoral dissertation, University of Queensland).
- [7] Berens, G., Van Riel, C. B., & Van Bruggen, G. H. (2005). Corporate associations and consumer product responses: The moderating role of corporate brand dominance. *Journal of marketing*, 69(3), 35-48.
- [8] Bhattacharya, C. B., & Sen, S. (2003). Consumer-company identification: A framework for understanding consumers' relationships with companies. *Journal of marketing*, 67(2), 76-88.
- [9] Bloemer, J., De Ruyter, K., & Peeters, P. (1998). Investigating drivers of bank loyalty: the complex relationship between image, service quality and satisfaction. *International Journal of bank marketing*.
- [10] Brassington, F., & Pettitt, S. (2003). *Principles of Marketing Pitman*. London: pg, 312-24.
- [11] Caruana, A. (2002). Service loyalty. *European journal of marketing*.
- [12] Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and brand affect to brand performance: the role of brand loyalty. *Journal of marketing*, 65(2), 81-93.
- [13] Darsono, L. I., & Junaedi, C. M. (2006). An examination of perceived quality, satisfaction, and loyalty relationship: Applicability of comparative and noncomparative evaluation. *Gadjah Mada International Journal of Business*, 8(3), 323-342.
- [14] Devendra, S. (2017). Influence of Brand Equity on Purchase Intention in Colombo District. *International Journal of Entrepreneurship and Development Studies*, 4(3), 313-322.
- [15] Dimitriadis, Z. S. (2006). Customer satisfaction, loyalty and commitment in service organizations. *Management Research News*
- [16] Dorai, S., & Varshney, S. (2012). A multistage behavioural and temporal analysis of CPV in RM. *The Journal of Business and Industrial Marketing*, 27(5), 403-411.
- [17] Ekinci, Y., Dawes, P. L., & Massey, G. R. (2008). An extended model of the antecedents and consequences of consumer satisfaction for hospitality services. *European Journal of Marketing*.
- [18] Elena, D. B., & Jose, L. M. A. (2001). Brand trust in the context of consumer loyalty. *European journal of Marketing*, 35(11-12), 1238-1258.
- [19] Farquhar, P. H. (1989). Managing brand equity. *Marketing research*, 1(3).
- [20] Faullant, R., Matzler, K., & Füller, J. (2008). The impact of satisfaction and image on loyalty: the case of Alpine ski resorts. *Managing Service Quality: An International Journal*.
- [21] Ganesan, S. (1994). Determinants of long-term orientation in buyer-seller relationships. *Journal of marketing*, 58(2), 1-19.
- [22] Garanti, Z., & Kissi, P. S. (2019). The effects of social media brand personality on brand loyalty in the Latvian banking industry. *International Journal of Bank Marketing*.
- [23] Gefen, D., & Straub, D. (2003). Managing user trust in B2C e-services. *E-Service*, 2(2), 7-24.
- [24] Hansemark, O. C., & Albinsson, M. (2004). Customer satisfaction and retention: the experiences of individual employees. *Managing Service Quality: An International Journal*.

- [25] Hanson, W. E., Creswell, J. W., Clark, V. L. P., Petska, K. S., & Creswell, J. D. (2005). Mixed methods research designs in counseling psychology. *Journal of counseling psychology*, 52(2), 224.
- [26] Helmig, B., Huber, J. A., & Leeflang, P. (2007). Explaining behavioural intentions toward co-branded products. *Journal of Marketing Management*, 23(3-4), 285-304.
- [27] Karatepe, O. M. (2011). Service quality, customer satisfaction and loyalty: the moderating role of gender. *Journal of Business Economics and Management*, 12(2), 278-300.
- [28] Kataria, S., & Saini, V. (2019). The mediating impact of customer satisfaction in relation of brand equity and brand loyalty. *South Asian Journal of Business Studies*.
- [29] Keller, K. L., & Lehmann, D. R. (2003). The brand value chain: Optimizing strategic and financial brand performance. *Marketing Management*, 26–31.
- [30] Kim, D. J., Ferrin, D. L., & Rao, H. R. (2008). A trust-based consumer decision-making model in electronic commerce: The role of trust, perceived risk, and their antecedents. *Decision support systems*, 44(2), 544-564.
- [31] Komunda, M., & Osarenkhoe, A. (2012). Remedy or cure for service failure?. *Business Process Management Journal*.
- [32] Lanza, K. M. (2008). The antecedents of automotive brand loyalty and repurchase intentions (Doctoral dissertation, University of Phoenix).
- [33] Lopez-Vazquez, A., Rodrigo, L., Fuentes, D., Riestra, S., Bousoño, C., Garcia-Fernandez, S., & Lopez-Larrea, C. (2002). Allele is associated with atypical forms of celiac disease in HLA-DQ2-negative patients. *Immunogenetics*, 53(10-11), 989-991.
- [34] Luo, X., & Homburg, C. (2007). Neglected outcomes of customer satisfaction. *Journal of Marketing*, 71(2), 133-149.
- [35] Malhotra, N. K. (Ed.). (2004). *Review of marketing research*. ME Sharpe.
- [36] McQuitty, S., Finn, A., & Wiley, J. B. (2000). Systematically varying consumer satisfaction and its implications for product choice. *Academy of marketing science Review*, 10(1), 231-254.
- [37] Nam, J., Ekinici, Y., & Whyatt, G. (2011). Brand equity, brand loyalty and consumer satisfaction. *Annals of tourism Research*, 38(3), 1009-1030.
- [38] Netemeyer, R. G., Krishnan, B., Pullig, C., Wang, G., Yagci, M., Dean, D., & Wirth, F. (2004). Developing and validating measures of facets of customer-based brand equity. *Journal of business research*, 57(2), 209-224.
- [39] Oliver, R. L. (1999). Whence consumer loyalty? *Journal of Marketing*. 1999.
- [40] Park, C. S., & Srinivasan, V. (1994). A survey-based method for measuring and understanding brand equity and its extendibility. *Journal of marketing research*, 31(2), 271-288.
- [41] Quintal, V. A., Thomas, B., & Phau, I. (2015). Incorporating the winescape into the theory of planned behavior: Examining 'new world' wineries. *Tourism Management*, 46, 596-609.
- [42] Ratcliff, R., Thapar, A., Gomez, P., & McKoon, G. (2004). A diffusion model analysis of the effects of aging in the lexical-decision task. *Psychology and aging*, 19(2), 278.
- [43] Rauryuen, P., Miller, K. E., & Groth, M. (2009). B2B services: linking service loyalty and brand equity. *Journal of Services Marketing*.
- [44] Rios, R. E., & Riquelme, H. E. (2008). Brand equity for online companies. *Marketing Intelligence & Planning*.
- [45] Schiffman, R. M., Christianson, M. D., Jacobsen, G., Hirsch, J. D., & Reis, B. L. (2000). Reliability and validity of the ocular surface disease index. *Archives of ophthalmology*, 118(5), 615-621.
- [46] Sekaran, U. (2000). *Research methods for business: A skill-building approach*. John Wiley & Sons.

- [47] Sirdeshmukh, D., Singh, J., & Sabol, B. (2002). Consumer trust, value, and loyalty in relational exchanges. *Journal of marketing*, 66(1), 15-37.
- [48] Srinivasan, V., Park, C. S., & Chang, D. R. (2005). An approach to the measurement, analysis, and prediction of brand equity and its sources. *Management science*, 51(9), 1433-1448
- [49] Tzeng, G. H., & Huang, J. J. (2011). *Multiple attribute decision making: methods and applications*. CRC press.
- [50] Yoon, Y., & Uysal, M. (2005). An examination of the effects of motivation and satisfaction on destination loyalty: a structural model. *Tourism management*, 26(1), 45-56

Author Biography

First Author

Kovintharajah Thanushan

Reading for Degree of Bachelor of Business Administration (BBA), Specialization in Marketing Management.

Eastern University, Sri Lanka.

E-mail – thanus1712@gmail.com

Second Author

Dr. F.B Kennedy,

Ph.D., MBA (RJ), BBA (Hons) (EUSL), MAAT

Senior Lecturer,

Faculty of Commerce and Management,

Eastern University, Sri Lanka.

E-mail - kennedyb@esn.ac.lk

Correspondence Author

Kovintharajah Thanushan

E-mail – thanus1712@gmail.com

Contact number - +94756877768