

## Investigating the Effects of Customer's Perception about the Quality on Customers' Brand Loyalty in Footwear Industry of Pakistan (The case of Bata and Servis shoes)

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### ABSTRACT

*This research study investigates the customers' perception about the quality and customers' brand loyalty through different routes by considering customers' satisfaction and customers' trust. For this purpose questionnaire was distributed to one hundred and fifty customers in three cities of Pakistan including male and female. Regression, Descriptive tests of means and ANOVA were used as the most appropriate statistical techniques to analyze the relationship between the variables customers' perception about the quality and customers' brand loyalty. The results of this study supported all the hypotheses.*

**KEYWORDS:** *Customers' perception about the quality, customer's satisfaction, customers' trust and customers' brand loyalty*

### INTRODUCTION

Customer loyalty is defined as "the degree to which a customer exhibits repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service arises" (Akbar & Pervaz, 2009). Also the ultimate marketing goals and objectives for any business are to create, maintain and improve customer loyalty toward their brands, products or services (Aydin and Ozer, 2005). It is more expensive for most firms to attract a new customer than it is to service or retain existing ones (Kotler, 2006).

There is a route one which is customers' perception about the quality having relationship with customers' satisfaction and customers' satisfaction having relationship with customers' brand loyalty. There are researchers showing the relation between customers' perception about the quality and customers' satisfaction in their studies Cronin and Taylor (1992) add "Perceived quality" as a casual factor of satisfaction. Customer satisfaction is perceived as a relative judgment that considers the qualities versus the costs and efforts obtained through a purchase (Kotler and Keller, 2006). Despite the understanding of the customer loyalty, many of the conducted researches only focus on the link between the customers' satisfaction and customers' loyalty. Similarly some scholars started to question the relevance between satisfaction and loyalty (Aydin and Ozer, 2005). Traditionally, marketing literature has viewed customer satisfaction as the most important factor leading to repurchase intent (Oliver, 1980).

There is a route two which is customers' perception about the quality having relationship with customer's trust and customers' trust having relationship

with customers' brand loyalty. The studies have also shown that customers' perception about the quality and customers' trust are significantly related. The classic definition of trust was suggested by Porter and Claycomb (1997) who said that trust is "a generalized expectancy held by an individual that the word of another, can be relied on". The study of Tartu (2007) state in order to trust a brand, customers should perceive quality as being positive, the findings show that customer satisfaction, trust and switching cost significantly and positively affect customer loyalty. The role of trust in building and maintaining brand loyalty has been researched extensively in both consumer and business-to-business buying situations (Qing, 2012). The study of Lin (2011) suggested that underlying loyalty is always trust, a willingness to act without calculating immediate costs and benefits. Therefore, loyalty to a brand can't be isolated from trust to the brand.

The existing literature shows there are different variables (customer perception about the quality, satisfaction, trust) which determine the customer's loyalty towards certain brand. The current research will therefore attempt to investigate the relationship between customers' perception about the quality and customers' brand loyalty.

As described earlier, there have been studies on the relationship between customers' quality perception and different variables including customers' satisfaction and customer trust which have further relation with customers' brand loyalty (Aydin and Ozer 2005), (Kotler and Keller, 2006), Morgan & Hunt (1994). However, research on the relation between customers' perception about the quality and customers' brand loyalty is minimal. The current research will therefore attempt to investigate the relationship between customers'

perception about the quality and customers' brand loyalty. To find out relationship between customer's

quality perception and customers' brand loyalty, footwear industry of Pakistan has been selected.

**METHODOLOGY**

The research study was based on quantitative technique for research. The primary data was gathered through the distribution of questionnaires among different customers in three cities of Pakistan. In order to analyze the variables of customer's perception about the quality and customer's brand loyalty, the research study conducted the research analysis, firstly Descriptive analysis was measured and then Correlation of the different dependant variables and independent variables are measured accordingly included Customer's perception about the quality, customer's satisfaction, customer's trust and customer's brand loyalty. Regression was calculated between these variables and on the basis of t-test value decision of the hypothesis was taken and concluded the research study.

The population for this study comprised on three cities ( Islamabad,Peshawar and Kohat). The total 150 questionnaires were distributed, a total of 90 usable questionnaires were returned, giving a response rate of 75%. The final sample consists of 90 students including male and female. The following table summarizes the sample statistics. Respondents ranged in age from their early 18s to over 43, although the majorities were in their 18s and 24s. The Male represents 56 of the total sample 90 which shows 62.2%, and Female represents 34 of the total sample 90 which represents 37.7%. There were more men than women in the sample.

**Age \* Gender Cross tabulation**

Count

		Gender		Total
		Male	Female	
Age	18-24 years	51	26	77
	25-30 years	5	8	13
Total		56	34	90

The above table shows the cross tabulation of age and gender, which show male and female respondent's age and gender. The age is categorized in 1, 2, 3 and 4 numbers, 18-24 years of age are adjusted in 1, 25-30 years of age are adjusted in 2, 31-42 years are adjusted in 3, 43 and above years of age are adjusted in 4.

The data was collected from the three cities (Islamabad,Peshawar and Kohat) of Pakistan. The collected data was Primary data. The instruments used to gather data was questionnaire. The questionnaire was based on five point Likert-scales (Strongly disagree = 1, Disagree = 2, Sometimes = 3, Agree = 4, strongly agree = 5

**RESULT AND DISCUSSION**

Analysis and interpretation of the regression tests conducted to test the hypotheses of the study.

**FIRST HYPOTHESIS**

**H1:** There is a significant positive relationship between customer's quality perception and customer's satisfaction.

The above hypothesis stated that there is a significant positive relationship between customer's perception about the quality and customer's satisfaction. Based on the respondents' data, the relationship between customers' perception about the quality and customers' satisfaction was analyzed through linear regression.

Before taking the decision about first hypothesis the ANOVA test was conducted to measure the significant difference among the mean of customer's perception about the quality and mean of customer's satisfaction, as shown in table 1.

**Table 1. ANOVA table of customer's perception about the quality and customer's satisfaction**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19.819	1	19.819	113.649	.000 <sup>a</sup>
	Residual	15.346	88	.174		
	Total	35.165	89			

a. Predictors: (Constant), Customer's Perception about the Quality

b. Dependent Variable: Customer's Satisfaction

The significance level is = .000 which is less than 0.05. Therefore first hypothesis will accepted. This also implies that the correlation between dependent variable and independent variables is statistical significant and the regression model is valid.

Table 2 presented the descriptive analysis, mean of customer's perception about the quality and mean of customer's satisfaction.

**Table 2. Descriptive analysis table of customer's perception about the quality and customer's satisfaction.**

	Mean	Std. Deviation	N
Customer's Satisfaction	3.9711	.62858	90
Customer's Perception about the Quality	3.9467	.57577	90

The above table 2 showed results that the mean value of customer's satisfaction is 3.97 and mean value of customer's perception about the quality is 3.94. Which means that customer's satisfaction is more dependent on customer's perception about the quality. It showed that first hypothesis was supported.

The summary of the model is given in table 3.

**Table 3. Model Summary of customer's perception about the quality and customers' satisfaction**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.751 <sup>a</sup>	.564	.559	.41760	.564	113.649	1	88	.000

a. Predictors: (Constant), Customer's Perception about the Quality

Table 3 represents the Regression coefficient 'R<sup>2</sup>' = 0.564 which show that 56.4% of variation in customer's satisfaction is explained by customer's perception about the quality.

**SECOND HYPOTHESIS**

**H2:** There is a significant positive relationship between customers' quality perception and customers' trust.

The above hypothesis stated that there is a significant positive relationship between customers' perception about the quality and customers' trust. Based on the respondents' data, the relationship between customers' perception about the quality and customers' trust was analyzed through linear regression.

Before taking the decision about second hypothesis the ANOVA test was conducted to measure the significant difference among the mean of customers' perception about the quality and mean of customers' trust, as shown in table 4

**Table 4. ANOVA table of customer’s perception about the quality and customer’s trust**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.604	1	14.604	104.290	.000 <sup>a</sup>
	Residual	12.323	88	.140		
	Total	26.926	89			

a. Predictors: (Constant), Customer's Perception about the Quality

b. Dependent Variable: Customer's Trust

The significance level is = .000 which is less than 0.05. Therefore second hypothesis will be accepted. This also implies that the correlation between dependent variable and independent variables is statistical significant and the regression model is valid.

Table 5 presented the descriptive analysis of the mean customers’ perception about the quality and mean customers’ trust

**Table 5. Descriptive analysis table of customers’ perception about the quality and customers’ trust.**

	Mean	Std. Deviation	N
Customer's Trust	3.9244	.55004	90
Customer's Perception about the Quality	3.9467	.57577	90

The above table 5 showed results that the mean value of customers trust is 3.92 and mean value of customer’s perception about the quality is 3.94. This means that customers’ trust is more dependent on customers’ perception about the quality. It showed that second hypothesis was supported.

**Table 6. Model Summary of customers’ perception about the quality and customers’ trust**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.736 <sup>a</sup>	.542	.537	.37420	.542	104.290	1	88	.000

a. Predictors: (Constant), Customer's Perception about the Quality

Table 6 represents the Regression coefficient ‘R<sup>2</sup> = 0.542 which show that 54.2% of variation in customers’ trust is explained by customers’ perception about the quality.

**THIRD HYPOTHESIS**

**H3:** There is a significant positive relationship between customers’ satisfaction and customers’ brand loyalty.

The above hypothesis stated that there is a significant positive relationship between customers’ satisfaction and customers’ brand loyalty. Based on the respondents’ data, the relationship between customers’ satisfaction and customers’ brand loyalty was analyzed through linear regression.

Before taking the decision about third hypothesis the ANOVA test was conducted to measure the significant difference among the mean of customers’ satisfaction and mean of customers’ brand loyalty, as shown in table 7.

**Table 7. ANOVA table of customer’s satisfaction and customer’s brand loyalty**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.102	1	13.102	62.791	.000 <sup>a</sup>
	Residual	18.363	88	.209		
	Total	31.465	89			

a. Predictors: (Constant), Customer's Satisfaction

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.102	1	13.102	62.791	.000 <sup>a</sup>
	Residual	18.363	88	.209		
	Total	31.465	89			

b. Dependent Variable: Customer's Brand Loyalty

The significance level is = .000 which is less than 0.05. Therefore fourth hypothesis will accepted. This also implies that the correlation between dependent variable and independent variables is statistical significant and the regression model is valid.

Table 8 presented the descriptive analysis of the mean customers' satisfaction and mean customers' brand loyalty.

**Table 8. Descriptive analysis table of customers' satisfaction and customers' brand loyalty.**

	Mean	Std. Deviation	N
Customer's Brand Loyalty	3.8711	.59459	90
Customer's Satisfaction	3.9711	.62858	90

The above table 8 showed results that the mean value of customers' brand loyalty is 3.87 and mean value of customers' satisfaction is 3.97. This means that customers' brand loyalty is more dependent on customers' satisfaction. It showed that fourth hypothesis was supported.

The summary of the model is given in table 9

**Table 9. Model Summary of customers' satisfaction and customers' brand loyalty**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.645 <sup>a</sup>	.416	.410	.45680	.416	62.791	1	88	.000

a. Predictors: (Constant), Customer's Satisfaction

Table 9 represents the Regression coefficient 'R<sup>2</sup>' = 0.416 which show that 41.6% of variation in customers' brand loyalty is explained by customers' satisfaction.

**FOURTH HYPOTHESIS**

**H4:** There is a significant positive relationship between customers' trust and customers' brand loyalty.

The above hypothesis stated that there is a significant positive relationship between customers' trust and customers' brand loyalty. Based on the respondents' data, the relationship between customers' trust and customers' brand loyalty was analyzed through linear regression.

Before taking the decision about sixth hypothesis the ANOVA test was conducted to measure the significant difference among the mean of customers' trust and mean of customers' brand loyalty, as shown in table 10.

**Table 10. ANOVA table of customer's trust and customer's brand loyalty**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.890	1	10.890	46.575	.000 <sup>a</sup>
	Residual	20.575	88	.234		
	Total	31.465	89			

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.890	1	10.890	46.575	.000 <sup>a</sup>
	Residual	20.575	88	.234		
	Total	31.465	89			

a. Predictors: (Constant), Customer's Trust

b. Dependent Variable: Customer's Brand Loyalty

The significance level is = .000 which is less than 0.05. Therefore sixth hypothesis will accepted. This also implies that the correlation between dependent variable and independent variables is statistical significant and the regression model is valid.

Table 11 presented the descriptive analysis of the mean customers' trust and mean customers' brand loyalty.

**Table 11. Descriptive analysis table of customers' trust and customers' brand loyalty.**

	Mean	Std. Deviation	N
Customer's Brand Loyalty	3.8711	.59459	90
Customer's Trust	3.9244	.55004	90

The above table 11 showed results that the mean value of customers' brand loyalty is 3.87 and mean value of customers' trust is 3.92. This means that customers' brand loyalty is more dependent on customers' trust. It showed that sixth hypothesis was supported.

The summary of the model is given in table 12.

**Table 12. Model Summary of customers' trust and customers' brand loyalty**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.588 <sup>a</sup>	.346	.339	.48354	.346	46.575	1	88	.000

a. Predictors: (Constant), Customer's Trust

Table 12 represents the Regression coefficient 'R<sup>2</sup>' = 0.346 which show that 34.6% of variation in customers' brand loyalty is explained by customers' trust

**FIRTH HYPOTHESIS**

**H5:** There is a significant positive relationship between customers' perception about the quality and customers' brand loyalty.

The above hypothesis stated that there is a significant positive relationship between customer's perception about the quality and customers' brand loyalty. As significant relations between customers' perception about the quality, customer's satisfaction and customers trust have been examined and the significant relationship between customers satisfaction, customers' trust and customers' brand loyalty have been examined also. Now the study will examine significant relationships between customers' perception about the quality and customers' brand loyalty.

Based on the respondents' data, the relationship between customers' perception about the quality and customers' brand loyalty was analyzed through linear regression.

Before taking the decision about fifth hypothesis the ANOVA test was conducted to measure the significant difference among the mean of customers' perception about the quality and mean of customers' brand loyalty, as shown in table 13.

**Table 13. ANOVA table of customer's perception about the quality and customer's brand loyalty**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.049	1	13.049	62.354	.000 <sup>a</sup>
	Residual	18.416	88	.209		
	Total	31.465	89			

a. Predictors: (Constant), Customer's Perception about the Quality

b. Dependent Variable: Customer's Brand Loyalty

The significance level is = .000 which is less than 0.05. Therefore fifth hypothesis will accept. This also implies that the correlation between dependent variable and independent variables is statistical significant and the regression model is valid.

Table 14 presented the descriptive analysis of the mean customers' perception about the quality and mean customers' brand loyalty.

**Table 14. Descriptive analysis table of customers' perception about the quality and customers' brand loyalty.**

	Mean	Std. Deviation	N
Customer's Brand Loyalty	3.8711	.59459	90
Customer's Perception about the Quality	3.9467	.57577	90

The above table 14 showed results that the mean value of customers' brand loyalty is 3.87 and mean value of customers' perception about the quality is 3.94. This means that customers' brand loyalty is more dependent on customers' perception about the quality. It showed that seventh hypothesis was supported.

The summary of the model is given in table 15.

**Table 15. Model Summary of customers' perception about the quality and customers' brand loyalty**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.644 <sup>a</sup>	.415	.408	.45746	.415	62.354	1	88	.000

a. Predictors: (Constant), Customer's Perception about the Quality

Table 15 represents the Regression coefficient 'R<sup>2</sup>' = 0.415 which show that 41.5% of variation in customers' brand loyalty is explained by customers' perception about the quality.

## CONCLUSION

The research study has found that customers' perception about quality is positively and significantly associated with customers' brand loyalty, Customers' perception about the quality positively and significantly associated with the customers' satisfaction and customers' trust. Customers' satisfaction and customers' trust are positively and significantly associated with the customers' brand loyalty. This gives the intention that any positive change in customers' perception about the quality brings positive change in customers' satisfaction and customers' trust which by moving further make positive change in customers' brand loyalty. This means that any positive and significant change in customers' perception about the quality also brings positive and significant change in customers' brand loyalty. The main purpose of the study was to investigate the effect of customers' perception about the quality on customers' brand loyalty. The result of the research study clearly evidenced that there is strong and positive relationship between independent variables and dependent variable accordingly.

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