Impact Of Brand Image On Customer Loyalty Towards Luxury Apparel

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Abstract

The research aims in comprehending the perceived quality, which is one of the significant components linked with the brand image in relation to customer loyalty towards luxury apparel. The research aims in studying the relationship between brand image and customer attitude related to luxury apparel. The study was conducted in Kolkata, West Bengal, India. Primary research methodology has been used to collect first-hand information through questionnaire distribution. A secondary research technique has been implemented to attain reliable, viable, and authentic research topic-related information, which has been highlighted descriptively in the literature review section. Based on the data collected, the researcher conducted the evaluation/analysis. The researcher has presented the data evaluation through the validity and reliability test. From the research findings and solution, it could be viably put forward that customer satisfaction plays a very important role in increasing the loyalty of customers toward the brand image of luxury apparel.

Keywords: Brand Image, customer loyalty, luxury apparel, brand image and luxury brand, consumer loyalty and luxury apparel, consumer behaviour, and luxury apparel.

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Introduction

A dazzling array of luxury brands is now wooing Indian customers. Luxury consumption has received a great deal of interest among marketing scholars. Little is known however about how to optimize the market and manage customer expectations with regard to this specific consumption context (Vigneron and Johnson, 2004; Wiedmann, Hennings, and Siebels, 2010). Brand image is important for any business. When consumers buy a product or service, they are buying what a brand stands for. Fierce competition forces a good organization to get a competitive advantage over the competitor to remain in the market and get a good market share. The price deduction may not be a good policy for an organization having strong brand equity as it affects the equity negatively (Yoo, Donthu, and Lee, 2000). Launching a new product is a very risky affair as the rate of failure is very high due to a number of factors such as high competition for shelf space and heavy advertising costs. Brand image is the strongest way of forming the basis of consumer behaviour. Perceived quality, one of the integral parts of brand image, has a relationship with the parent brand and the attitude of the consumer towards the brand extension.

Research Objective

The objective of our research paper is to study various dimensions of customer loyalty.

Literature Review

Luxury Products are defined as goods with a high price, extraordinary quality, and security. The absolute change in consumer tastes and preferences has been shifted to luxury apparel brands which motivate a researcher to focus on valuable strategic and marketing managerial implications with more detailed insight into the concept of luxury apparel brands to focus upon new strategies (Vashi & Shah, 2020). Luxury brands are characterized by elements such as a superior level of attractiveness and quality, size, consumer approval, individual desire and imagination, and international brand identity (Kapferer, 2001).

Brand image can be described as the observations about a brand as reflected in the memory of the consumer's brand association (Keller, 1993; Anwar *et al*. 2011). (Teimourpour &

Heidarzadeh, 2011). Cho *et al.,* (2015) provided numerous conceptualizations in their review of brand image literature

Customer loyalty refers to a customer's deeply-head commitment to continue purchasing a preferred brand consistently over time rather than switching to a different brand (Oliver, 1997; Wankel, 2009).

According to this thinking, (Lancaster, 1971, in Caruana*et al*., 2000), some authors in the past somehow even equated the concepts of perceived quality with perceived value and that entailed that many practitioners failed to distinguish between the concepts of perceived quality and perceived value and often used the terms interchangeably (Caruana*et al*., 2000). Olshavsky (1985, in Rowley, 1998) views quality as a form of an overall evaluation of a product. Similarly, Holbrook and Corfman (1981, in Rowley, 1998) suggested that quality acts as a relatively global value judgment.

Model and Hypothesis Development

- Model Development:

The customer loyalty model is the proposed model for our research paper. This model enables us to know the factors that affect customer loyalty. The model consists of four factors. They are Brand Image (BI), Perceived Quality (PQ), Customer Satisfaction (CS), and Customer Loyalty (CL). The Customer Loyalty Model is a conceptual framework that highlights how they are affecting Customer Loyalty and also how these four factors are interconnected with each other.

- Brand Image (BI) is the general impression of a product held by a real or potential customer.
- Perceived Quality (PQ) is the impression of excellence that customer experiences about a product, brand, or business, derived through sight, sound, touch, and scent.
- Customer Satisfaction (CS) is a measure of how products and services supplied by a company meet or surpass customer expectations.
- Customer loyalty is a commitment between a customer and a brand that causes the customer to make repeat purchases.

Table 1: Derivation of Hypothesis

Sl No.	Description of Hypothesis
H1	Brand Image (BI) is positively related to the Perceived Quality (PQ) of a product of that particular brand, for a consumer to use a particular brand
H2	Perceived Quality (PQ) is positively related to Customer Loyalty (CL) for a particular brand.
H3	The brand Image (BI) of a particular brand is positively related to Customer Loyalty (CL) for a particular brand.
H4	Brand Image (BI) is positively related to Customer Satisfaction (CS) for a particular brand.
H5	Customer Satisfaction (CS) is positively related to Customer loyalty (CL) for a particular brand.

Research Methodology

All the data that has been collected through the primary sources are by using questionnaires. The survey was done online by means of Google forms. In the questionnaire 5-point, the Likert scale was used to collect the data. There was a total of 110 respondents. The survey was done in Kolkata.

Analysis & Findings

Our questionnaire was distributed in September 2021. During this time, 110 questionnaires from in and around Kolkata were collected and used for analysis. An illustration representing the respondent demographic percentages is shown in the Table below.

Table 2: Demographic Details of Respondents

Demographic Profile	Description	No. of Respondents	Percentage
Gender	Male	59	54
	Female	51	46
Age	18-25	99	90
	25-40	5	5
	40-60	6	5
Education	Under-Graduate	85	77
	Graduate	17	15
	Post-Graduation and Above	8	7
Marital Status	Married	8	7
	Unmarried	102	93
Occupation	Service	12	11
	Self Employed	2	2
	Student	94	85
	Homemaker	2	2
Personal Income	Below 40,000	30	27
	40,001-60,000	20	18
	60,001-80,000	12	11
	Above 80,000	30	27

These figures illustrate the Gender, the range of age, the level of education, occupations and the range of personal income in Kolkata and adjoining areas. The majority of respondents were students or (85%). Most of the respondents were male (54%). The age group of the majority of respondents was 18- 25 years old (90%). The educational qualification of the majority of respondents is Under Graduate (77%).

The foremost step in the analysis of the behavioral model is the Reliability and Validity analysis. Cronbach's alpha is the most widely used index for testing internal consistency reliability for a set of test items. Meanwhile, Factor loading help to analyze the validity of the data. Factor loading are a way to understand the role of each item in defining a factor. For Factor loading and Cronbach's alpha, a value above 0.7 is acceptable.

Table 3: Respondents' Validity and Reliability Statistics

Factor	Item	FL	Alpha
F1 - BI	BI 1	0.686	
	BI 2	0.736	
	BI 3	0.576	0.831
	BI 4	0.551	
	BI 5	0.63	
F2 - CS	CS 6	0.795	
	CS 7	0.763	
	CS 8	0.721	0.796
	CS 9	0.58	
F3 - PQ	PQ 10	0.708	0.778

	PQ 11	0.681	
	PQ 12	0.793	
F4 - CL	CL 13	0.85	
	CL 14	0.728	0.897
	CL 15	0.756	
	CL 16	0.697	

Based on the figure below, shows the beta values for the path correlation as analyzed. The key determinant factor is found to be Customer Satisfaction on Customer Loyalty. Though Brand Image on Customer Satisfaction has the highest beta value, since we are focusing on analyzing factors for customer loyalty, so, we will consider customer satisfaction as the key determinant factor.

The table below shows that 5 hypotheses have been proven to have a positive and significant correlation. In our study, BI has a 79% value for the PQ component, which means that the predictors of Brand Image explain 79% of its variance for Perceived Quality. Similarly, PQ has a 73.4% value for the CL (Customer Loyalty) component, which means that the predictors of Perceived quality explain 73.4% of its variance for Customer Loyalty. The predictors of Brand Image explain 71.3% of its variance for Customer Loyalty and 82.5% of its variance for Customer Satisfaction and lastly, the predictors of Customer satisfaction indicate 80% of its variance for Customer Loyalty.

Table 4: SPSS Analysis – Result of Hypothesis

HYPOTHESIS	STRUCTURAL PATH	R^2	t VALUE	p VALUE	BETA VALUE	DECISION
H1	BI ---> PQ	0.624	13.392	0.000	0.790	SUPPORTED
H2	PQ ---> CL	0.539	11.239	0.000	0.734	SUPPORTED
H3	BI ---> CL	0.508	10.558	0.000	0.713	SUPPORTED
H4	BI ---> CS	0.68	15.159	0.000	0.825	SUPPORTED
H5	CS ---> CL	0.639	13.836	0.000	0.800	SUPPORTED

$p<0.05$, significant at a 95% confidence level

In our study model in **Figure 1,** all the paths are significant and positive, supporting the corresponding hypotheses that have been framed for this study. The hypotheses test results which provide the beta coefficients and t-values for the hypotheses tested through the linear regression are presented in Table 4. The t values for the beta coefficients in all the paths have been found to be significant at 95% confidence levels.

Hypothesis H4, and H5, exhibit the strongest relationship between BI-CS and CS-CL, with the largest β value of 0.825 and 0.800 respectively. The relationships between BI and PQ (H1) and

PQ and CL (H2) are relatively stronger with larger β values of 0.790 and 0.734 respectively. The SPSS regression analysis finds all the relationships significant and all the hypothesized relationships are supported.

Conclusion

The present research followed the proposed model to investigate the citizens of Kolkata's behavior regarding the impact of brand image and customer satisfaction toward customer loyalty for luxury apparel brands. The proposed model consists of five components – Brand Image (BI), Perceived Quality (PQ), Customer Satisfaction (CS), and Customer Loyalty (CL). The result indicates that Customer Satisfaction is the strongest factor for customer loyalty and Brand Image is the weakest factor for Customer Loyalty. The study suggests that if good customer satisfaction can be maintained, then it will help the brand to retain more loyal customers, which will ultimately help the brand to sustain itself in the market.

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