# THE EFFECT OF BRAND IMAGE ON OVERALL SATISFACTION AND LOYALTY INTENTION IN THE CONTEXT OF COLOR COSMETIC

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## ABSTRACT

*The purpose of this study is to examine the effect of brand image benefits on satisfaction and loyalty intention in the context of color cosmetic product. Five brand image benefits consisting of functional, social, symbolic, experiential and appearance enhances were investigated. A survey carried out on 97 females showed that functional and appearance enhances significantly affect loyalty intention. Four of brand image benefits: functional, social, experiential, and appearance enhances are positively related to overall satisfaction. The results also indicated that overall satisfaction does influence customers' loyalty. The results imply that marketers should focus on brand image benefits in their effort to achieve customer loyalty.*

**Keywords:** brand image, satisfaction, loyalty, brand strategy, color cosmetic product

## INTRODUCTION

Customer satisfaction has been widely accepted as an important issue for many marketing managers. It is commonly used as a marketing benchmark of a company's performance (Bennett & Rundle-Thiele, 2004). Furthermore, it is generally believed that a satisfied customer is more likely to display loyalty behavior, i.e. repeat purchase and willingness to give positive word of mouth (Taylor, 1998; Bennett & Rundle-Thiele, 2004; Schultz, 2005). Although this is the case, Taylor (1998) stated that "companies began to notice that they often were losing customers despite high satisfaction" (p. 41).

Reichheld (1994) argued that satisfied customers are not necessary loyal. Evidently, Reichheld and Markey (2000) noted that those customers said to be satisfied or very satisfied on the survey, showed that between 60 and 80% will defect in most businesses. The criticisms of relying solely on consumer satisfaction survey (Jones & Sasser, 1995; Reichheld, 1994) have deliberately called for a paradigm shift from emphasis on satisfaction to the pursuit of loyalty as a strategic business goal (Oliver, 1999). Oliver (1999) noted the shift "appeared to be a worthwhile change in strategy for most firms because business understood the profit of having a loyal customer base" (p. 33). Therefore, it was suggested that those who are measuring customer satisfaction should not stop there (Reichheld, 1994). The shift to measure loyalty is based on a desire to better understand retention, a component of loyalty which had a direct link to a company's profit (Taylor, 1998).

Brand loyalty is a "marketers' Holy Grail" (Kapferer, 2005) and it ideally measured the health of the company (Bennett & Rundle-Thiele, 2005). Studies have reported that a 5% increase in consumer retention can generate a profit of 25–95% over 14 industries, for example in auto service chains, software, brand deposits and credit card industries (Reichheld & Detrick, 2003; Reichheld & Sasser, 1990). Additionally, those loyal customers are more likely to advocate for the brand and recommend it to relatives, friends and other potential consumers (Schultz, 2005).

Apparently nowadays companies are concerned that today's consumers tend to be less loyal (Dekimpe, Steenkamp, Mellens, & Abeele, 1997; Bennett & Rundle-Thiele, 2005; Kapferer, 2005). The glory of brand loyalty appears to be slightly declining in particular to some of the major national brands. In fact, there is more growing acceptance of the private labels brand in today's market (Howell, 2004; Dekimpe et al., 1997). Furthermore, the present environment of increased competition and rapid market entry of new product and services into the marketplace, leads consumers to experience product knowledge in terms of a wider choice of better alternatives and opportunities (Ballantyne et al., 2006). Therefore, it is crucial for companies and manufacturers to focus on differentiating their product from that of the competitors (Bennett & Rundle-Thiele, 2005).

This problem is further aggravated by the increasing number of superior alternatives in the market. Much of the competing product has a similar standard in terms of product quality, price, performance, etc. Rosenberg and Czepiel (1983) argued that "customer loyalty erodes when there is a wide range of similar nationwide product and retailers" (p. 46). In addition, Bennett and Rundle-Thiele (2005) had come up with two reasons for the decline of brand loyalty. The first is due to the rising of quality levels of products that have risen to a standard where

the quality can no longer clearly differentiate the competing brands within the category. Thus, consumer risk in switching brands is considerably lower today as the quality of substitute brands is no longer a concern. Another reason is related to the positioning of the brands. Many brands still position themselves on the basis of quality and risk reduction, which does not resonate with the modern consumer. Brands have different and wider meanings for modern consumers compared to consumers of bygone eras. Brands no longer mean quality and risk alone.

In Malaysia, MATRADE in highlighting the importance of brand strategy to the SMEs commented:

> As products and services are so easily replicable in today's environment the biggest challenge for companies to compete in the market place is how to differentiate their products from the competitors. All other things being equal, the only feature that will help consumers identify and differentiate the product in the market is the brand. Product quality and price are no longer product differentiators. A strong brand image is the only asset a company can develop that cannot be copied. Companies must thus make serious commitment to investing in developing a brand strategy for their products and services. (http://www.matrade.gov.my/exportsupport/bpg.htm accessed on November 7, 2006).

Corresponding to the issues above, several scholars have suggested that those brands that express image may generate more loyalty consumers (Bennett & Rundle-Thiele, 2005; Nandan, 2005). Empirical supports have confirmed that image does influence satisfaction, which in turn led to loyalty in the context of retailing, e.g. Bloemer and Ruyter (1998). However, the impact of image on satisfaction required a more complete validation, since some contradictory results can be observed in image literature (Palacio, Meneses, & Perez, 2002). Similarly, Bloemer, De Ruyter, and Peeters (1998) pointed out that "the exact relationship between image and loyalty had remained a matter of debate" (p. 278). Furthermore, there are lack of studies associated with goods' product based image, marketer's brand image and its relationships between satisfaction and loyalty in Malaysia. Therefore, there is a need for practitioners and academicians to carry out more studies on loyalty in order to have a better understanding of this concept, to comprehend the role of satisfaction as the determinant of loyalty, as well as brand image and their interrelationships in the context of marketer's branded product. This need is strengthened by the calls from several researchers like Nandan (2005) and Bennett and Rundle-Thiele (2005) who stressed that brands that convey image may have a greater impact on loyalty.

This paper aims to examine the relationships between brand image perception in terms of image based benefits, customer satisfaction and loyalty intention in the

context of color cosmetic product. The following section of the paper will describe the theoretical framework of the study, series of hypothesis, and results of the study. In addition, it also provides some recommendations to marketers specifically for branding strategies based on the proposed model.

## LITERATURE REVIEW

### Brand Image

According to Hsieh, Pan, and Setiono (2004), "a successful brand image enables consumers to identify the needs that the brand satisfies and to differentiate the brand from its competitors, and consequently increases the likelihood that consumers will purchase the brand" (p. 252). A company or its product/ services which constantly holds a favorable image by the public, would definitely gain a better position in the market, sustainable competitive advantage, and increase market share or performance (Park, Jaworski, & MacInnis, 1986). In addition, several empirical findings have confirmed that a favorable image (i.e. brand, store/retail) will lead to loyalty (e.g. Koo, 2003; Kandampully & Suhartanto, 2000; Nguyen & LeBlanc, 1998), brand equity (Faircloth, Capella, & Alford, 2001; Biel, 1992; Aaker, 1991; Keller, 1993), purchase behavior (Hsieh et al., 2004) and brand performance (Roth, 1995).

Reynolds (1965) noted that "an image is the mental construct developed by the consumer on the basis of a few selected impressions among the flood of the total impressions; it comes into being through a creative process in which these selected impressions are elaborated, embellished, and ordered" (p. 69). Kotler (2001) defined image as "the set of beliefs, ideas, and impression that a person holds regarding an object" (p. 273). On the other hand, Keller (1993) considered brand image as "a set of perceptions about a brand as reflected by brand associations in consumer's memory" (p. 3). A similar definition to Keller's was proposed by Aaker (1991), whereby brand image is referred to as "a set of associations, usually organized in some meaningful way" (p. 109). Biel (1992) however defined brand image as "a cluster of attributes and associations that consumers connect to the brand name" (p. 8).

Brand image has been conceptualized and operationalized in several ways (Reynolds & Gutman, 1984; Faircloth et al., 2001). It has been measured based on attributes (i.e. Koo, 2003; Kandampully & Suhartanto, 2000); brand benefits/ values (i.e. Hsieh et al., 2004; Roth, 1995; Bhat & Reddy, 1998); or using Malhotra's (1981) brand image scale (i.e. Faircloth et al., 2001). Measuring image based on the above definition would help marketers to identify the strengths and

weaknesses of their brand as well as consumers' perceptions toward their product or services.

Zooming into Keller's (1993) conceptualization of brand image, it is considered a perception about a brand as reflected by the brand associations held in consumers' memory. He suggested that "brand associations" comprise of brand attributes, brand benefits, and overall brand attitudes.

To Keller (1993), attributes are "descriptive features that characterized a product or service – what a consumer thought the product or service is or has and what is involved with its purchase or consumption". Attributes can be classified into product-related attributes and non product-related attributes (i.e. price, packaging or product appearance information, user and usage imagery). Product-related attributes refer to the ingredients necessary for performing the product or service function sought by consumers while non product-related attributes refer to the external aspects of the product or services that relate to its purchase or consumption. As for benefits, these are considered "the personal value consumers attach to the product or service attributes – that is, what consumers think the product or service can do for them" (p. 4).

Keller (1993) described that this image benefits can be classified into functional, experiential and symbolic benefits, which was originally derived from the work of Park et al. (1986). Here, the functional benefits are related to the intrinsic advantages of product or services consumption and usually correspond to the product related attributes. For example, experiential benefits refer to "what it felt like to use the product or services and usually correspond to the product related attributes", while symbolic benefits were associated with the underlying needs for social approval or personal expression and outer-directed self-esteem and basically corresponded to non-product related attributes.

For brand attitude, Keller (1993) referred to Wilkie's (1986) definition of brand attitudes which was "consumers' overall evaluations of a brand" (p. 4).

Overall, image can generate value in terms of helping customer to process information, differentiating the brand, generating reasons to buy, give positive feelings, and providing a basis for extensions (Aaker, 1991). Creating and maintaining image of the brand is an important part of a firm's marketing program (Roth, 1995) and branding strategy (Keller, 1993; Aaker, 1991). Therefore, it is very important to understand the development of image formation and its consequences such as satisfaction and loyalty.

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## Satisfaction

Oliver (1997) defined satisfaction as "the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment" (p. 13).

Szymanski and Henard (2001) noted that previous research on consumer's satisfaction focused primarily on the effects of expectations, disconfirmation of expectations, performance, affect, and equity on satisfaction. The importance of expectations has been acknowledged in previous studies on customer's satisfaction (e.g. Churchill & Surprenant, 1982; Oliver, 1980; Tse & Wilton, 1988). Customer's expectations are pre-trial beliefs about a product (Olson & Dover, 1979) that function as comparison standards or reference points against which product performance is judged (Oliver, 1980; Bearden & Teel, 1983). The expectancy disconfirmation paradigm suggests that consumers are satisfied when the product perform better than expected (positive disconfirmation), dissatisfied when consumers' expectations exceeded actual product performance (negative disconfirmation), and neutral satisfaction when the product performance matches expectations (zero disconfirmation/confirmation) (Oliver, 1980; Churchill & Surprenant, 1982; Oliver & Sarbo, 1988; Bearden & Teel, 1983).

Several researchers have explored different types of alternative comparison standards beside expectations such as experience-based norms (Woodruff, Cadotte, & Jenkins, 1983; Cadotte, Woodruff, & Jenkins, 1987); equity theory (Oliver & Swan, 1989; Tse & Wilton, 1988); desires (Spreng and Olshavsky, 1993), and ideal performance (Tse & Wilton, 1988). All of these aforementioned comparison standards have been tested empirically in customer's satisfaction/ dissatisfaction research.

Apart from those comparative standards as antecedents of satisfaction, other researchers have explored with few potential predictors of satisfaction such as product/service quality (e.g. Chiou, Droge, & Hanvani Chi, 2002; Sivadas & Baker-Prewitt, 2000, Bei & Chiao, 2001); perceived value (e.g Yang & Peterson, 2004); service hospitality experiences design (e.g. Pullman & Gross, 2004); consumer relationship benefits (e.g. Reynolds & Beatty, 1999); and retail/store image (Koo, 2003; Bloemer & Ruyter, 1998).

For this study, the satisfaction response will be reflected towards the level of affection for the brand which is in line with the suggestions by Jacoby and Chestnut (1978) and Oliver (1997, 1999). Oliver (1999) noted that consumers at the affective stage would develop a positive attitude towards the brand or liking the brand as a result of satisfactory repetitive usage over time.

**Loyalty Intention**

Jacoby and Chestnut (1978) have identified more than 50 operational definitions of brand loyalty, which can be classified as behavioral, attitudinal and the composite approach in the literature. Generally, more than 60% (33) of the 53 loyalty measures are behavioral terms found in Jacoby and Chestnut's (1978) work. Behavioral loyalty has been considered as repeat purchase frequency (e.g. Brown, 1952) or proportion of purchase (e.g. Cunningham, 1956), whereas attitudinal brand loyalty included "stated preferences, commitment or purchase intentions of the customers" (Mellens, Dekimpe, & Steenkamp, 1996: p. 513). However, most of these behavioral definitions above are criticized by Oliver (1999), Jacoby and Chestnut (1978) and Day (1969) as problematic. Oliver (1999) for instance argued that "all of these definitions suffer from the problem that they recorded what customer did, and none tapped into the psychological meaning of loyalty" (p. 34). The composite definition of loyalty emphasized two different approaches of loyalty: the behavioral and attitudinal concept, which was initially proposed by Jacoby and Chestnut (1978) and later by Oliver (1997).

Jacoby and Chestnut (1978) provided a conceptual definition of brand loyalty as: (i) biased (i.e. non-random), (ii) behavioral response (i.e. purchase), (iii) expressed over time, (iv) by some decision-making unit, (v) with respect to one or more brands out of a set of such brands, and is a function of psychological (decision-making evaluate) processes.

Oliver (1997) defined customer's loyalty as "a deep held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts that have the potential to cause switching behavior" (p. 34).

Brand loyalty can be operationalized either based on behavioral, attitudinal or composite approach (Jacoby & Chestnut, 1978). Behavioral loyalty has been considered as repeat purchases frequency (e.g. Brown, 1952) or proportion of purchase (e.g. Cunningham, 1956), while attitudinal brand loyalty referred to "stated preferences, commitment or purchase intentions of the customers" (Mellens et al., 1996: p. 513). In addition, few academicians suggested that using the composite approach (attitudinal and behavioral approach) will provide a more powerful definition of brand loyalty (Day, 1969; Jacoby & Chestnut, 1978; Dick & Basu, 1994).

All of the above aforementioned approaches however have been argued by several scholars and have several limitations. Jacoby and Chestnut (1978) argued that the behavioral measures simply represent the static outcome of a dynamic decision process (i.e. solely on actual behavior). Therefore, this approach makes

no attempt to understand the factor underlying brand loyalty purchasing and insufficient to clarify the causative factors that determine how and why brand loyalty developed or modified (Jacoby & Chestnut, 1978). The attitudinal measures are concerned with consumer feelings toward the brand and stated intention such as likelihood to recommend and likelihood to repurchase the product (Schiffman & Kanuk, 2004; Jacoby & Chestnut, 1978). Intention to repurchase can be measured by asking consumers about their future intentions to repurchase a given product or service (Jones & Sasser, 1995). Furthermore, Jones and Sasser (1995: p. 94) suggested that (i) companies can capture this information (i.e. intent to repurchase) when they measure satisfaction, making it relatively easy to link intentions and satisfaction for analytical purposes, (ii) intent to repurchase can be measured at any time in the customer relationship make its especially valuable in industries with a long repurchase cycle, and (iii) intent to repurchase is a strong indicator of future behavior.

It is important to note that the entire brand loyalty phenomenon cannot be assessed if the attitudinal loyalty is not extended over the action behavior (Amine, 1988). In relation to byalty, the linkages between attitude and behavior approach was found to be weak (East, Gendall, Harmond, & Wendy, 2005). For instance, Hennig-Thurau and Khee (1997) indicated that those studies that used actual behavior outcomes showed weak associations or negative relationships with satisfaction. Noting this, the authors will adopt the attitudinal approach as suggested by Rundle-Thiele and Bennett (2001) in conceptualizing the subject matter. Rundle-Thiele and Bennett (2001) argue that attitudinal loyalty measures should be appropriate to predict future brand loyalty under these circumstances: (i) where the market is not stable, (ii) where there is a propensity towards sole brands, and (iii) where there is a high involvement and high perceived risk.

To sum up, the issues of loyalty mainly concerned on how loyalty is operationalized. It is very important to understand how we should measure loyalty. Although there are three approaches that can be used to measure loyalty (i.e. behavioral, attitudinal, and composite approaches), most researchers resorted to attitudinal measurement in terms of intention to repurchase and intention to recommend as an indicator of loyalty (e.g. Lau & Lee, 1999; Kandampully & Suhartanto, 2000; Sivadas & Baker-Prewitt, 2000; Chiou et al., 2002).

**Theoretical Framework and Hypotheses Development**

The in-depth review of the literature related to this subject leads the authors to propose that the cosmetic product images could be captured by consumer's cognitive/beliefs on brand image based benefits. This indicates that the distinct benefits (e.g. functional, social, symbolic, experiential, appearance enhances) overall would generally form brand/product image, and these distinct benefits

consequently may influence overall satisfaction, which in turn leads to loyalty intention. This fitted nicely with Oliver's (1999) four stage loyalty framework model that was developed within the traditional attitude structure.

The cognitive-affective-conative traditional attitude model has been used pervasively in consumer research (Lavidge & Steiner, 1961; Palda, 1966; Fishbein & Ajzen, 1975; Oliver, 1999; Dabholkar, 1994; Chiou et al., 2002). Many scholars have confirmed that cognition about the object would influence affect, which in turn, led to intention (conative) or behavior (e.g. Lavidge & Steiner, 1961; Jacoby & Chestnut, 1978; Fishbein & Ajzen, 1975; Ray, 1977). The proposed theoretical framework for the study is depicted in Figure 1. The development of related hypotheses to the proposed model are discussed next.
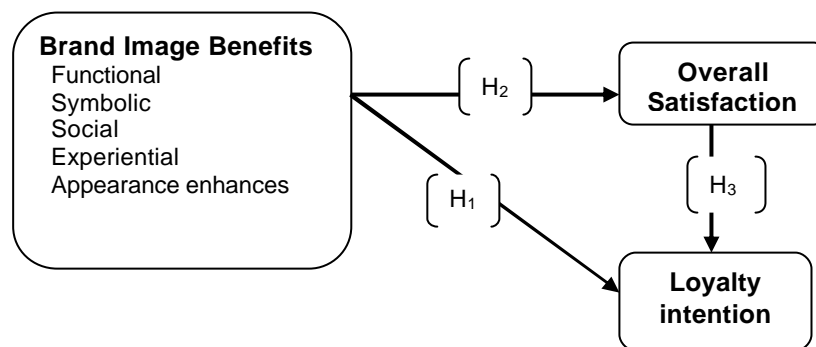


*Figure 1.* The theoretical framework

## Brand Image Benefits and Loyalty

Some empirical evidence indicated that benefits/value was positively related to loyalty/repurchase intention. Vazquez-Carrasco and Foxall (2006) in their studies found that relation benefits which consisted of social, confidence and special treatment benefit have a direct influence on passive loyalty. In the context of consumer-salesperson relationship, Reynolds and Beatty (1999) discovered that when customers perceived higher social benefits, they were more loyal with the salesperson. Tsai (2005) also found that symbolic, affective and trade off value as an indicator of "brand purchase value" was positively related to repurchase intention. The above findings were further enhanced by Bhat and Reddy (1998) who suggested that there was a need to assess the relationship between brand functionality/prestige/personality expression, and popular dependent variables such as brand attitudes, purchase intention and purchase behavior. In this context, our hypothesis is:

H$_1$: There is a positive relationship between brand image benefits and loyalty intention.

## Brand Image Benefits and Overall Satisfaction

Na, Marshall, and Keller (1999) argued that "image cannot be measured by attribute measurements alone but must include measurements of consumers' perceptions of the value and benefits attainable from using the brand" (p. 171). This indicated the importance of examining the effect of image based benefits on consumer's satisfaction. To date, no study investigating the linkages between images based benefits (i.e. functional, symbolic and experiential benefits) and satisfaction have been found. However, studies examining the impact of "benefits" that customer received from interpersonal relationships and "benefits" derived from shopping purchase experience on customer's satisfaction exist. For example, Reynolds and Beatty (1999) found that customers were more satisfied with the salesperson when he/she perceived high social and functional benefits happen. In addition, Carpenter and Fairhurst (2005) identified two types of shopping benefits as desired by consumers: utilitarian and hedonic benefits in the retail branded purchasing context. They found that both utilitarian and hedonic benefits have a positive effect on customer's satisfaction. This leads to the following hypothesis:

H$_2$: There is a positive relationship between brand image benefits and overall satisfaction.

## Overall Satisfaction and Loyalty

Several studies have verified that consumer's satisfaction has positively influenced loyalty (e.g. Ismail, Hasnah, Ibrahim, & Isa, 2006; Da Silva & Syed Alwi, 2006; Anderson & Sullivan, 1993; Chiou et al., 2002; Bloemer & Ruyter, 1998: Yang & Peterson, 2004). When consumers are satisfied with the product/brand, they are more likely to recommend the product to others, are less likely to switch to other alternative brand, and are likely to repeat purchase (Bennett & Rundle-Thiele, 2004). Empirical evidence in retail/store image studies confirmed that satisfaction has strongly influenced loyalty intention such as intention to recommend (e.g. Nguyen & LeBlanc, 1998; Kandampully & Suhartanto, 2000), intention to repurchase (Kandampully & Suhartanto, 2000) and intention to revisit the store (e.g. Bloemer & Ruyter, 1998). This leads to the following hypothesis:

H$_3$: There is a positive relationship between overall satisfaction and loyalty intention.

**Overall Satisfaction as Mediating Variable**

Satisfaction has been noted to be treated as a mediator between store image and loyalty (e.g. Bloemer & Ruyter, 1998) and between perceived product/service quality and loyalty (e.g. Bei & Chiao, 2001) in the retail image and service literature. As such, the following hypotheses are drawn:

$H_4$:    Customers' overall satisfaction mediates the relationship between brand image benefits and loyalty intention.

$H_{4a}$: Customers' overall satisfaction mediates the relationship between brand image benefits (i.e. appearance enhances) and loyalty intention.

$H_{4b}$: Customers' overall satisfaction mediates the relationship between brand image benefits (i.e. functional) and loyalty intention.

**METHODOLOGY**

Color cosmetic product is considered suitable to be used to test the proposed model due to the following reasons: (i) no previous studies have been conducted to test the relationship between brand image, satisfaction, and loyalty using this product, and (ii) Euromonitor International (2006) has acknowledged the importance of beauty and personal grooming among Malaysian women. The women had been observed to encourage the high growth of the beauty industry on which color cosmetic plays a vital role. Many brands such as Maybelline, Revlon, L'oreal, Avon, Estee Lauder, Lancome, Shiseido, Safi, SilkyGirl, Cosway, Christian Dior, Clinique, Nutri M, Kose, NuSkin, Safi, MAC, and Natasha were used in the study.

The samples in the study focused on female consumers as females tend to be well known users (no matter light, medium or heavy) of this product category. Convenience sampling was used in this study. Data was collected using structured questionnaire and were personally administered.

**Measuring Instruments**

**Brand image benefits**

There are five dimensions in brand image benefits: experiential, symbolic, social, functional and appearance enhances. The items (refer to Appendix A) used for measuring the emotional and social benefits were adapted from Sweeney and Soutar's (2001) scales, whereas symbolic benefit measurement was taken from Tsai (2005). For functional benefits measurements, questions 1 and 3 were

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adopted from Del Rio, Vazquez, and Iglesias (2001) and these items were adjusted in order to fit with the context of cosmetic product. To accommodate the special nature of cosmetic product, the functional benefits item number 2 was self developed in order to suit the definition described by Park et al. (1986). Park et al. (1986) defined functional benefits as "those that motivate consumers to search for products that solve consumption-related problems. For appearance enhances measurements, item number 2 is based from Sweeney and Soutar (2001) and items 1 and 3 were self constructed. A total of 15 questions on brand image benefits were asked and the respondents responded on a scale which ranged from 1 for "strongly disagree" to 5 for "strongly agree".

### Overall satisfaction

Overall satisfaction was measured by a five-item scale taken from Oliver (1980), Grace and O'Cass (2005), and Taylor and Baker (1994). Questions 3, 4 and 5 were adapted from Oliver (1980), question 1 was adapted from Grace and O'Cass (2005), while question 2 was adapted from Taylor and Baker (1994). The respondents answered the questions by indicating their level of agreement/ disagreement to the statement stated, using the scale from 1 for "strongly disagree" to 5 for "strongly agree".

### Loyalty intention

In this study, 4 items adapted from Zeithaml, Berry, and Parasuraman (1996) were used to measure loyalty intention: consumers' intention to repurchase and their willingness to recommend the branded product, using five-point Likert scale ranging from 1 for "very unlikely" to 5 for "very likely".

### Analysis of data

Data in this study were analyzed using SPSS V13. Statistical tools used are frequency analysis, factor analysis, reliability analysis, and regression analysis.

### Findings

From the total of 97 women taking part in the pilot study, majority of them were found to be not married (64.9%), of the Malay ethnicity (46.4%) and in the aged group between 18 to 24 years (49.6%). It is interesting to note that almost half of the respondents are students (48.5%), and 41.9% of the respondents are working women with 13.3% work in government agencies and the rest (27.8%) work in private sector. More than 50.5% could not report their income due to their status as students. Of those who are working, the majority are earning between RM1000 to 3000.

Table 1
*Profile of Respondents*

| Variable | Frequency | % |
|---|---|---|
| **Marital status** | | |
| Not married | 63 | 64.9 |
| Married | 34 | 35.1 |
| **Age** (years) | | |
| 18–24 | 48 | 49.6 |
| 25–29 | 17 | 17.6 |
| 30–39 | 23 | 23.8 |
| 40–52 | 9 | 9.1 |
| **Ethnic** | | |
| Malay | 45 | 46.4 |
| Chinese | 25 | 25.8 |
| Indian | 5 | 5.2 |
| Other (i.e. Kadazan/Dusun, Sino-kadazan, Bajau, Bidayuh and Iban) | 22 | 22.6 |
| **Education** | | |
| Secondary school | 18 | 18.6 |
| Diploma | 22 | 22.7 |
| Bachelor | 44 | 45.4 |
| Master | 13 | 13.4 |
| **Occupation** | | |
| Public sector | 13 | 13.4 |
| Private sector | 27 | 27.8 |
| Self employed | 4 | 4.1 |
| Other (i.e. housewife, student, retired) | 53 | 54.7 |
| **Income** | | |
| RM500–999 | 3 | 3.1 |
| RM1000–2999 | 28 | 28.9 |
| RM3000–4999 | 17 | 17.5 |
| Not applicable | 49 | 50.5 |

For the reliability of the variable used, all were found to show satisfactory Cronbach Alpha value of between 0.620 and 0.816 (refer Table 2). Thus, all variables are considered reliable. In addition, the mean value for each of the five components of brand image benefits varied from 3.02 to 3.74. The standard deviation for these components ranges from 0.51 to 0.83. Satisfaction had a mean value of 3.80 with a standard deviation of 0.52 whereas loyalty intention had a mean of 3.86 and standard deviation of 0.70.

Table 2
*Reliability Analysis, Means and Standard Deviations of the Study Variables*

| Variable | Number of items | Cronbach Alpha | Mean | Std. Dev. |
|---|---|---|---|---|
| Experiential image | 4 | 0.776 | 3.7062 | 0.61025 |
| Symbolic image | 3 | 0.730 | 3.0241 | 0.80255 |
| Social image | 2 | 0.730 | 3.4845 | 0.82429 |
| Functional image | 3 | 0.689 | 3.7388 | 0.51421 |
| Appearance image | 3 | 0.620 | 3.5876 | 0.59468 |
| Satisfaction | 5 | 0.791 | 3.7979 | 0.52161 |
| Loyalty intention | 4 | 0.816 | 3.8582 | 0.69401 |

*Note:* All items used a 5-point Likert scale (1 = strongly disagree and 5 = strongly agree)

## Hypotheses Testing

Multiple regression was used to test all the hypotheses postulated in this study. For the first hypothesis, it is anticipated that there is a positive relationship between brand image benefits and loyalty intention. Results in Table 3 indicate that 41.8% variances in loyalty intention can be explained by brand image benefits ($R^2 = 41.8$, $p$-value $< 0.01$). Only appearance enhances (ß = 0.557, $p$-value $< 0.01$) and functional image (ß = 0.255, $p$-value $< 0.01$) benefits have significant impact on loyalty intention. Therefore, $H_1$ can only be partially accepted.

The second hypothesis ($H_2$) was to evaluate whether there is a positive relationship between brand image benefits and satisfaction. Table 4 shows the result for this hypothesis. The model was found to be able to explain 35.8% of the total variance in satisfaction ($R^2 = 35.8$, $p$-value $< 0.01$). In addition, there are four dimensions which have positive influence on satisfaction, namely experiential brand image (ß = 0.211, $p$-value $< 0.05$), social brand image (ß = 0.201, $p$-value $< 0.05$), functional brand image (ß = 0.258, $p$-value $< 0.05$) and appearance enhances (ß = 0.220, $p$-value $< 0.05$). This means that $H_2$ is only partially accepted.

As for the testing of $H_3$, results in Table 5 show a positive relationship between overall satisfaction and loyalty intention. Results indicated that 21.1% of the variances in loyalty intention were explained by satisfaction ($R^2 = 21.1$, ß = 0.460, $p$-value $< 0.01$). Therefore, $H_3$ is supported.

To test the mediating effect of overall satisfaction on the relationship between brand image benefits and loyalty intention ($H_4$), we utilized the hierarchical regression model. A series of prerequisite multiple regression analysis was carried out to test the relationship between dependent, independent and mediating

variables following Baron and Kenny's (1986) model. From these analyses, only two dimension of brand image benefits (functional and appearance enhances) fulfilled the conditions to be further examined in the mediating tests of hierarchical regression models.

Results provided in Table 6 indicate that for $H_{4a}$, overall satisfaction only partially mediates the relationship between appearance enhances image and loyalty intention. The results show that appearance enhances image have a direct effect on loyalty intention ($ß = 0.482$, *p*-value $< 0.01$) as well as an indirect effect ($ß = 0.409$, *p*-value $< 0.01$) through satisfaction. On the other hand, overall satisfaction demonstrated full mediation between functional image and loyalty intention as stated in $H_{4b}$. The inclusion of overall satisfaction has resulted in the insignificant Std. Beta coefficient ($ß = 0.112$) in step 2 for functional image benefits.

Table 3

*Regression Analysis of Experiential, Symbolic, Social, Functional and Appearance Enhances Brand Image Benefits with Loyalty Intention*

|  | $R$ | $R^2$ | Std. error estimate | Sig. F | Durbin Watson |
|---|---|---|---|---|---|
|  | 0.646 | 0.418 | 0.51044 | 0.000 | 1.605 |
|  | Unstandardized coefficients | | Std. coeff. | | |
|  | Beta | Std. error | beta | t | Sig. |
| Experiential image | 0.060 | 0.108 | 0.055 | 0.558 | 0.578 |
| Symbolic image | –0.057 | 0.073 | –0.070 | –0.773 | 0.442 |
| Social image | –0.107 | 0.071 | –0.137 | –1.496 | 0.138 |
| Functional image | 0.321 | 0.117 | 0.255 | 2.735 | 0.008 |
| Appearance enhances | 0.605 | 0.101 | 0.557 | 5.996 | 0.000 |

*Note:* Dependent variable: Loyalty intention

Table 4

*Regression Analysis of Experiential, Symbolic, Social, Functional and Appearance Enhances Brand Image Benefits with Satisfaction*

|  | $R$ | $R^2$ | Std. error estimate | Sig. F | Durbin Watson |
|---|---|---|---|---|---|
|  | 0.558 | 0.358 | 0.42180 | 0.000 | 1.826 |
|  | Unstandardized coefficients | | Std. coeff. | | |
|  | Beta | Std. error | beta | t | Sig. |
| Experiential image | 0.181 | 0.089 | 0.211 | 2.043 | 0.044 |
| Symbolic image | –0.079 | 0.062 | –0.112 | –1.287 | 0.201 |
| Social image | 0.128 | 0.063 | 0.201 | 2.042 | 0.044 |
| Functional image | 0.273 | 0.102 | 0.258 | 2.673 | 0.009 |
| Appearance enhances | 0.205 | 0.091 | 0.220 | 2.247 | 0.027 |

*Note:* Dependent variable: Overall satisfaction

Table 5
*Regression Analysis of Satisfaction with Loyalty Intention*

| | *R* | *R²* | Std. error estimate | Sig. F | Durbin Watson |
|---|---|---|---|---|---|
| | 0.460 | 0.211 | 0.57502 | 0.000 | 1.272 |

| | Unstandardized coefficients | | Std. coeff. | | |
|---|---|---|---|---|---|
| | Beta | Std. error | beta | t | Sig. |
| Satisfaction | 0.611 | 0.121 | 0.460 | 5.044 | 0.00 |

*Note:* Dependent variable: Loyalty intention

Table 6
*Mediating Effect of Satisfaction on the Relationship between Brand Image Benefits and Loyalty Intention*

| Dependent variable | Independent variables | Std. beta step 1 | Std. beta step 2 |
|---|---|---|---|
| Loyalty intention | Appearance enhances image | 0.482** | 0.409** |
| | Functional image | 0.194** | 0.112 |
| | Mediator: Overall satisfaction | | 0.257** |
| *R²* | | 0.328 | 0.378 |
| Adj *R²* | | 0.314 | 0.358 |
| *R²* change | | | 0.050 |
| F change | | | 7.484** |

*Note:* Significant levels: $^{**}p < 0.01$, $^{*}p < 0.05$

## DISCUSSION

The objective of this study is to investigate the effect of brand image benefits on satisfaction and loyalty among Malaysian female consumers with regard to their evaluation on cosmetic products. The statistical results showed that two brand image benefits, i.e. appearance enhances and functional have significant impacts on loyalty intention. The others, i.e. symbolic, experiential and social benefits have negative effects on loyalty intention. Interestingly, the study's results contradict previous studies carried out in different settings. For example, the results contradicted Reynolds and Beatty's (1999) study of salesperson relationship benefits that found social benefits significantly impacted loyalty to the salesperson rather than functional benefits.

In addition, this study discovered that symbolic benefit has a negative effect on satisfaction and loyalty. Again, the results contradicted previous study. Tsai's

(2005) study for instance revealed that symbolic, affective and trade off value is positively related to customers' repurchase intention in the context of coffee, computer and jeans products. The contradicting results of this study with the literature may be due to sample characteristics used. Nearly 50% of the samples in the study are students. It is possible that this group do not have the purchasing power to buy cosmetic that offer symbolic, experiential and social benefits which normally are associated with high end products. Many of them used middle range cosmetic brands such as SilkyGirl, Maybelline, and Revlon.[1]

The results show that $H_2$ is partially supported. Only four image benefits (i.e. experiential, social, functional image benefits and appearance enhances benefits) have positive significant effects on satisfaction. These results seemed to support other findings found in the literature. For instance, Reynolds and Beatty (1999) found only social and functional benefits to be positively related to satisfaction. Similarly, Carpenter and Fairhurst (2005) found that both utilitarian and hedonic shopping benefits have a positive impact on customer's satisfaction. The implication is that, cosmetic users were more satisfied with the brand when they perceived high experiential, social, functional benefits occurred from using the brand.

Findings in this study also revealed that satisfaction plays a role in enhancing loyalty. Color cosmetic users will be more loyal to that particular cosmetic brand when they are satisfied. As such, the result of this study is consistent with those previous studies in retail/store and hotel setting (e.g. Da Silva & Syed Alwi, 2006; Bloemer & Ruyter, 1998; Nguyen & LeBlanc, 1998; Kandampully & Suhartanto, 2000).

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

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[1] These are brands that do not portray themselves as providing the status driven benefits compared to high end color cosmetic such as Estee Lauder, Lancome and Clinique in the marketplace.

Overall customer's satisfaction was found to fully mediate the relationship between functional image benefits and loyalty intention. This shows that in order to maintain and build loyalty customers, marketers must focus on efforts to improve satisfaction among its customers while at the same time strengthen their brand functional appeal strategy.

Overall, we have forwarded a model that proposed brand image benefits to have an effect on satisfaction, which in turn leads to customers' loyalty. The findings imply that the model we propose is possible to be used.

## LIMITATION AND FURTHER RESEARCH

There are a number of limitations in this study. Firstly, the small sample size used limit the ability to generalize what is found in this study to the general industry (i.e. not enough to capture the images of the brand particularly the benefits appeal). Future research should opt for a larger sample size. In addition, although students have been categorized as potential actual users, and thus are argued to be validly used as samples in many studies cited in the literature, the fact that they may not be the ultimate users remains and may have an impact on the study's results. Thus, using actual users for future research is advisable.

Consequently, this study stressed on too many color cosmetic brands. Each type of brand may have different image benefits or brand meaning and brand attitude. We suggest that for future research, it would be better to focus on not more than three brands. In addition, future studies may consider examining one type of color cosmetic product category, for example, lipstick or foundation. By focusing on one type of color cosmetic may perhaps truly reveal the brand attributes and benefits of that particular brand.

## CONCLUSION

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

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

performance and whether their satisfied customers are willing to recommend their branded product to others as well as having the intention to purchase their product/services in the future.

Finally, in order to create a successful brand, marketing managers should be more devoted on building brand image, customers' satisfaction and brand loyalty as part of their branding strategy. By maintaining and strengthening the brand images and values, it will hopefully position the brand positively in the minds of consumers. Therefore, there is a need to understand the important roles of three branding strategies: brand image, brand satisfaction and brand loyalty in order to enhance their brand appeal.

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## APPENDIX A

**Factor Analysis of Brand Image Benefits (Independent Variable)**

| Items | A | B | C | D | E |
|---|---|---|---|---|---|
| **A. Experiential benefit** | | | | | |
| EX3 Brand X makes me feel good | 0.813 | | | | |
| EX2 Brand X makes me feel delighted | 0.762 | | | | |
| EX1 Brand X increases my frequency of use | 0.695 | | | | |
| EX4 Brand X gives me pleasure | 0.623 | | | | |
| **B. Symbolic benefit** | | | | | |
| SY1 Usage of brand X prevents me from looking cheap | | 0.800 | | | |
| SY 2 Brand X enhances the perceptions that I have a desirable lifestyle | | 0.792 | | | |
| SY 3 Brand X helps me to better fit into my social group | | 0.698 | | | |
| **C. Social benefit** | | | | | |
| SO1 Brand X helps me feel accepted | | | 0.825 | | |
| SO2 Brand X improves the way I am perceived by others | | | 0.784 | | |
| **D. Functional benefit** | | | | | |
| FU1 Brand X performs as it promises | | | | 0.825 | |
| FU2 Brand X makes me beautiful | | | | 0.740 | |
| FU3 Brand X can be dependable for use | | | | 0.725 | |
| **E.  Appearance enhances** | | | | | |
| AP1 Brand X provides a solution to my expectations | | | | | 0.723 |
| AP2 Brand X makes a good impression of me on other people | | | | | 0.670 |
| AP3 Usage of brand X is effective to my needs than other brands | | | | | 0.612 |
| Percent variance explained | 31.285 | 11.463 | 9.948 | 8.829 | 8.229 |
| KMO | | | 0.726 | | |

*Note:* All loading less than 0.6 are suppressed following Hair et al. (2006)

## Appendix B

**Factor Analysis of Overall Satisfaction (Mediator)**

| Items | F |
|---|---|
| **F. Overall satisfaction** | |
| SAT3 I think that I did the right thing when I used this brand | 0.799 |
| SAT2 I believe that using this brand is usually a very satisfying experience | 0.782 |
| SAT4 I am very satisfied with my decision to use this brand | 0.766 |
| SAT5 My choice to use this brand has been a wise one | 0.706 |
| SAT1 This brand does a good job of satisfying my needs | 0.640 |
| Percent variance explained | 54.887 |
| KMO | 0.803 |

*Note:* All loading less than 0.6 are suppressed following Hair et al. (2006)

## APPENDIX C

**Factor Analysis of Loyalty Intention (Dependent Variable)**

| Items | G |
|---|---|
| **G. Loyalty intention** | |
| LOY1 This brand X is my first choice | 0.939 |
| LOY2 I intend to continue using this brand in the future | 0.892 |
| LOY3 I am more likely to repurchase this brand in the future | 0.648 |
| LOY4 I will encourage friends and relatives to use with this brand | 0.621 |
| Percent variance explained | 47.487 |
| KMO | 0.683 |

*Note:* All loading less than 0.6 are suppressed following Hair et al. (2006)