

## INFLUENCE OF BRANDS ON PRODUCT SATISFACTION

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**Abstract:** The article reports the results of causal research aiming at studying the influence of brands on the levels of consumer satisfaction with products in the category of fast-moving consumer goods. During the conducted laboratory experiment, two independent groups of consumers were given the same product but with and without information about its trademark. The collected satisfaction data was analysed using the method of structural equation modelling, with particular attention being paid to the findings of the “importance – performance” analysis. We found that the availability of information about the brand actually affects the level of consumer satisfaction with the product.

**Key words:** consumer satisfaction, brand.

**JEL:** M31.

### 1. Introduction

The interest in the present article is directed towards the influence, which brands can have on the level of consumer satisfaction with products. The choice of this particular research subject is determined by two circumstances. First, in the scientific literature, which studies the process of forming product (dis)satisfaction, the perceived product performance is considered a main antecedent construct that reflects the subjective consumer evaluation of product quality (Churchill & Surprenant, 1982; Oliver, 1980). A number of studies, however, demonstrate that product performance is affected by expectations (Amar, Ariely, Bar-Hillel, Carmon, & Ofir, 2011; Garvey,

Germann, & Bolton, 2016; Malka, 2014). At the same time, in scientific publications brand is referred to as an attribute whose influence forms the expectations of the product or which is used directly as a reference standard (Cadotte, Woodruff, & Jenkins, 1987; Woodruff, Cadotte, & Jenkins, 1983). It is the brand that consumers are emotionally committed to – they demonstrate attitudes, preferences and feelings towards it. This is particularly true of the service sector where it is difficult to talk about objective quality. Therefore, it can be expected that both the assessment of the product performance and the level of consumer satisfaction can be “adapted” to the attitude towards the brand and its perception.

Second, in the consumer satisfaction research initiated by companies, where the process of forming this consumer reaction is not of particular interest, the perceived product quality is very often judged by the level of consumer satisfaction or dissatisfaction. Greater satisfaction means that the product possesses quality, which provides the expected value to consumers. The applied approach of measuring consumer satisfaction with question such as “To what extent are you satisfied with brand X?” implicitly implies the inclusion of the product in the concept of brand. In this way, the study of consumer satisfaction is focused on the brand rather than on the product and this leads to ignoring the isolated consumer reaction to the product itself. On one hand, this approach seems appropriate because the evaluation concerning the way consumers experience the brand can be viewed as an overall evaluation of the tangible and intangible characteristics of the product. In addition, the product is the foundation on which the brand is built and its qualities predetermine the brand image. This means that the brand evaluation necessarily includes evaluation of the product qualities themselves, too. However, depending on the assessment of the level of brand satisfaction as an indicator of quality can be misleading due to the fact that consumers often tend to evaluate highly or poorly products or some of their specific attributes regardless of their actual, objective quality merely because of their attitude towards the brand<sup>1</sup>.

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<sup>1</sup> A study of Allison and Uhl demonstrates the consumers' inability to evaluate products “fairly” because they are influenced by the brand (Allison & Uhl, 1964). With

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### **2. “Product – Brand” relationship**

Specialized literature in the field of marketing defines the concepts of “brand” and “product” sufficiently well. However, it will be beneficial to comment on the relationship between the two concepts. The understanding of brand as well as of product is quite broad. A product can be practically anything that can be offered to a market and consumers think that it can satisfy a particular need and therefore are interested in buying it. A frequently quoted definition of brand is the one of the American Marketing Association. According to it, brand is “name, term, design, symbol, or any other feature that identifies one seller's good or service as distinct from those of other sellers”<sup>2</sup>. It seems that product is the concept, which involves the abilities of the general product offer to satisfy certain needs, while the brand is an attribute of the product, i.e. a particular product feature. This product attribute, however, could not only have a differentiating function but also add value to the product. This idea is shared by a number of authors (Brodie, Whittome, & Brush, 2009; Dodds & Monroe, 1985). Keller, for example, states that the brand is much more than a name, logo or symbol. It is a combination of intangible assets – images and associations, which add value to the product or service (Keller, 2013, p. 31).

When studying the “product – brand” relationship we can take two points of view (Styles & Ambler, 1995; Vasileva , 2017, p. 33). First, in the relation between product and brand the product has a leading role because it provides the main usefulness for the consumer. In this case, the meaning of brand is very close to that of trademark, the latter only differentiating the products from one another. The main idea of this opinion is that products possess certain attributes, which can be used by consumers to compare directly competitive products. The information about these features

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reference to this, we should mention the so-called “halo effect” which describes a situation in which customers judge product attributes based on their attitude towards the brand. See (Nisbett & Wilson, 1977).

<sup>2</sup> American Marketing Association. Dictionary.

<https://www.ama.org/resources/Pages/Dictionary.aspx> (cited 16 May 2018)

is a sufficient reason for them to make their choice. This would be a valid suggestion if we view consumers as rational economic subjects. In fact, they often act irrationally by using emotional arguments to determine the superiority of one product over another and evaluate them subjectively. According to the second approach, the brand is the main factor that provokes consumers to form feelings, expectations and preferences. They are based both on the product's attributes and the targeted efforts of marketers to develop the brand. In other words, it is the brand not the product that is positioned in the consumers' minds. Consumers express themselves through the brand, which symbolizes certain values.

Regardless of the fact which of the two approaches is used, it is impossible to separate completely the product from the brand. Some consumers make a purchase decision relying solely on the brand, while others could ignore it and make a choice based on information about the product's features (Chen-Yu, Kim, & Lin, 2017, p. 3). On one hand, the brand depends on the physical qualities of the product, i.e. it cannot exist if there is not a product. On the other hand, however, the brand can influence the way consumers perceive the product and its quality. For example, McClure et al have reached the conclusion that during taste tests the qualities of a preferred brand are more highly assessed compared to those of competitive brands (McClure et al., 2004). In addition, Varela et al (Varela, Ares, Gimenez, & Gambaro, 2010) have discovered that the product brand affects positively the perceptions of quality only when the brand is considered to be premium and well – established.

### **3. Consumer satisfaction with the brand and product**

Consumer satisfaction resulting from the interaction with products has a central role in the study of consumer behaviour since satisfaction is considered a necessary requirement for consumers to continue buying the product. Consumer satisfaction is usually

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regarded as an evaluation of how well the product has met the pre-purchase expectations of consumers (Day, 1984, 496; Oliver, 1980; Tse & Wilton, 1988, p. 204). In addition to this cognitive evaluation, satisfaction possesses emotional aspects that are combined with the feelings experienced by consumers while they are interacting with products. In the scientific literature dedicated to consumer satisfaction the product and brand are seldom distinguished as two separate realities. The definitions of consumer satisfaction refer to both the ways consumers experience the product (in terms of receiving particular functional benefits) and the brand. The attitude towards the brand and the consumer expectations are regarded as two separate determinants of consumer satisfaction according to some authors (Woodruff et al., 1983, p. 297).

Torres – Moraga et al (Torres-Moraga, Vasquez-Parraga, & Zamora-Gonzalez, 2008, p. 303) express the idea that the product is the starting point, which marks the beginning of the process of satisfaction, while the role of the brand becomes more evident with the unfolding of this process. What is more, according to the authors, there is a relation between the experience of consumers with a given product line and their inclination towards making a decision to buy under the influence of the brand. Inexperienced consumers would research thoroughly the product because they do not have information about the offered trademarks, while the experienced buyers have impressions of more products in the particular category and could simplify the decision – making by relying directly on the brand. Actually, consumers associate the observed product performance with the designated trademark and use it as a sign suggesting particular quality. Of course, the outlined assumptions are not universal and depend exclusively on the product category. the authors suggest the following classification of the “product – brand” relation with reference to the process of forming customer satisfaction and loyalty (Torres-Moraga et al., 2008, p. 304):

- ***Customer satisfaction with the product***

The attributes of the generic, non – branded products and their assumed benefits are sufficient for customers to start the

decision – making process. New products are usually evaluated on the basis of their inherent characteristics, which after having generated interest and satisfied customers, are recognized by them as brands.

• ***Customer satisfaction with a bundle of products***

The evaluation of the benefits (respectively the customer satisfaction) of the main product can be transferred to the accompanying products included in the packet regardless of their brand.

• ***Customer satisfaction with the brand***

This type of customer satisfaction is observed regardless of the qualities of the product when consumers are strongly committed to a particular brand or are put off by it. In this case, the measurable product characteristics can be ignored. Consequently, the brand becomes the main source of customer satisfaction or dissatisfaction with the product.

• ***Customer satisfaction with product-brand combinations***

When consumers have positive experience with several brands in the category, they choose firstly on the basis of the brand and then evaluate the inherent product characteristics. In this case, past experience with the brand is the initial “sign” of quality. However, later consumers also analyse and become aware of the qualities of the product itself.

• ***Conditional satisfaction with the brand and / or the product***

In one and the same product category consumers “create” combinations” of products and trademarks, with which they have gained positive experience, and based on this they form preferences and make choices. For example, in the category of “sweets” customers may like the “Mura” wafers, “Lind” chocolate and “Merci” chocolates. The satisfaction is called conditional because in certain cases consumers may first decide that they want a particular type of product due to its characteristics but then choose the preferred brand. In other cases, consumers may first

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decide to purchase the brand but then choose a particular product with this brand.

### **• *Satisfaction with a set of brands***

Consumers are led by the brand when they form a group of several similarly perceived brands among which they choose just one without being aware of the product qualities. For example, when they buy image trademarks with the purpose of demonstrating high status, the actual functionalities of the product are often not important, i.e. it is purchased because of the intangible benefits, which the brand provides to the consumers, and it is these advantages in particular that become the source of satisfaction.

As it is seen from the outlined typology, in different purchasing situations both the product and brand play different roles in the process of forming consumer satisfaction. The research hypothesis, tested in the present article, is that brands have an impact on the level of consumer satisfaction with products. In other words, consumers are influenced by the brand image when they assess the extent to which products meet or does not meet their expectations.

## **4. Brand impact on product satisfaction**

### *Methodology*

In order to test whether brands influence product satisfaction, a controlled laboratory experiment has been conducted to collect data about consumer satisfaction with a product that belongs to the category of instant coffee. The participants were divided into two experimental groups and exposed to different treatments. The first experimental group (EG<sub>1</sub>, n=98) was given to drink instant coffee, which was presented as one of the leading instant coffee trademarks while the second experimental group (EG<sub>2</sub>, n=80) was not given any information about the coffee brand. It is important to note that *the trademark, not the brand, was manipulated* during the experiment. It is assumed that the chosen trademark shown to the

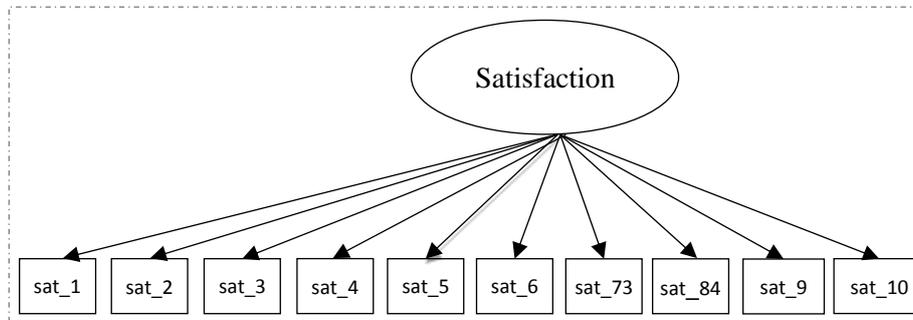
first experimental group actually represents a brand that has high popularity, good image and is positively perceived by customers. To conceal the purpose of the experiment the brand was introduced in such a way that the participants' attention was not necessarily directed to the brand. Actually, the coffee used in both EG<sub>1</sub> and EG<sub>2</sub> was not a product of the presented brand but it was a private-label product owned by a big supermarket chain. After consuming the coffee, the participants were asked to wait for 10 minutes so that they could feel the effects of caffeine. Next, the consumers were asked to evaluate their satisfaction with the consumed instant coffee. The measurement of consumer satisfaction was focused on the product quality and the attitude towards it but not on the brand. The multi-item measurement scales were written not to direct the consumers' attention towards the brand. In order to provide internal validity of the results, a randomized experimental design was used. The experimental groups are proved equivalent (in terms of age and sex of the participants) so that the differences in the levels of satisfactions cannot be due to random factor but to the treatments used, i.e. the visible / hidden brand.

*Table 1.*  
*Indicators of consumer satisfaction*

To what extent are you satisfied with the consumed coffee for each of the following effects?	<ul style="list-style-type: none"><li>● To deal better with tasks that require concentration.</li><li>● To concentrate more easily on the performance of a task or solving a problem.</li><li>● To be able to notice more details.</li><li>● To be more careful in the performance of activities.</li></ul>
Please evaluate to what extent each of the following statements refers to you. Base your responses on your immediate experience with the coffee consumed during the experiment.	<ul style="list-style-type: none"><li>● I was pleased by drinking this coffee.</li><li>● If I had paid this coffee, I would have been pleased with my choice.</li><li>● People who buy this coffee make a good choice.</li><li>● If I wanted to buy instant coffee, I would choose this product.</li><li>● Based on the today's experience, I would recommend this product to friends / colleagues.</li><li>● If I had bought this coffee, I would do it again.</li></ul>

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Figure 1 shows the measurement model of consumer satisfaction that is adopted in the survey. The construct is measured with the help of ten indicators that reflect the three aspects through which the studied phenomenon is manifested, i.e. the cognitive (sat\_1 – sat\_4), affective (sat\_5 – sat\_7) and conative (sat\_8 – sat\_10) aspects (see Table 1) (Cronin, Brady, & Hult, 2000; Oliver, 1980; Stanimirov, 2013). The applied measurement approach reflects the understanding that customer satisfaction is a latent variable.



*Figure 1. Measurement model of customer satisfaction*

The cognitive multi-item scale is oriented towards the specific predicted results of product use, namely increased concentration and alertness. In addition to the two multi-item scales, i.e. cognitive and affective – conative, the study adopts one more generalized scale for measuring the customer satisfaction in general. All used scales have the following meanings: 1 – Very dissatisfied; 2 – Dissatisfied; 3 – Neither dissatisfied nor satisfied; 4 – Satisfied; 5 – Very satisfied.

The following **analytical procedure** is used for achieving the objectives of the present study:

1. Testing the validity of the measurement model of customer satisfaction in the selected product category. All available observations are used for achieving the set goal.

2. Testing for differences in the average level of satisfaction among the consumers who were influenced by the brand and among those who were not shown the product brand. Two subsamples were formed for this purpose.
3. Applying a formal statistical test for comparing the generalized satisfaction evaluation.

The partial least squares path modelling method is adopted for completing the first analytical step. The SmartPLS 3.0 software package is used for this purpose. The logic of evaluating the models under the applied methodology includes in turn two stages: (1) assessment of the validity and reliability of the measurement models and (2) assessment of the predictive abilities and construct relationships in the structural model (Smokova, 2012, str. 138). Since we are interested in the evaluation of only one theoretical measurement model, only the first stage of the cited methodology is completed.

#### *Results*

The results from applying the partial least squares method reveal a high degree of **internal consistency**<sup>3</sup> of the used measurement model. This is evidenced by the values of the Cronbach's  $\alpha$  (0,990) and Dillon – Goldstein's  $\rho$  (0,991), which are higher than the critical value of 0.9. After determining the reliability of the offered measurement model of customer satisfaction, we can proceed to comparing the level of satisfaction among the consumers in the two experimental groups.

Since customer satisfaction cannot be measured directly, calculating its mean value based on unidimensional analysis can produce misleading results. Therefore, it is interesting to compare the estimates of this latent variable in the two experimental groups, which requires the comparison of their **latent variable scores**. For this purpose, an "importance – performance" analysis<sup>4</sup> was applied

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<sup>3</sup> Internal consistency is a criterion, which shows the extent to which the used indicators of a latent variable have received similar estimates, i.e. they all measure the same construct.

<sup>4</sup> The analysis is available in the SmartPLS 3.0 software package.

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to each of the two experimental. The obtained latent variable scores are similar to the factor scores, which are obtained after applying factor analysis. These evaluations, however, show how a particular respondent would evaluate the latent variable if it were a subject to direct measurement. The latent variable score of each latent construct can be treated as a hypothetical latent average although it cannot be interpreted as in its absolute but only in its relative meaning. Score values close to 100 mean better performance in this group, i.e. higher consumer satisfaction. On the other hand, score values close to 0 reveal poor results or lower consumer satisfaction<sup>5</sup>.

*Table 2.*  
*Results from the “importance – performance” analysis*

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Latent variable	Latent variable scores (performance)	
	EG <sub>1</sub>	EG <sub>2</sub>
<i>Satisfaction</i>	60.324	46.508

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The results from the “importance – performance” analysis show **higher average scores for customer satisfaction in the group** to which the coffee is presented together with information about its brand. Although the interpretation of these estimates as absolute numbers does not make sense, comparing the two latent scores gives us an idea of the much higher values of the indicators in the group that has consumed coffee with a visible brand. Consequently, the availability of information about the product brand leads to higher levels of satisfaction compared to the satisfaction with the product that is consumed without a visible brand.

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<sup>5</sup> This particular procedure in SmartPLS 3.0 determines the calculated average value within the range of 0 to 100.

Despite the fact that the results from the analysis of the latent group averages are sufficiently clear, a formal statistical test can also be used to confirm this conclusion. A t-test compares the group means of consumer satisfaction measured with an overall satisfaction scale. The difference in the level of satisfaction is statistically significant in the two experimental groups ( $t(176) = 3.624, p < 0.001$ )<sup>6</sup>. The results confirm the conclusions of the latent variable scores analysis, i.e. the satisfaction among participants who consumed coffee with a visible brand ( $M_{EG1} = 3.71, SD = 1.167$ ) exceeds the satisfaction in the group that drunk coffee with a non-visible brand ( $M_{EG2} = 3.06, SD = 1.226$ ).

#### *Discussion*

Measuring the satisfaction of customers who consume the product without being aware of the brand permits putting an emphasis on the product quality. In this way the measured satisfaction is formed as a result of the evaluation of the product itself, regardless of its brand. Measuring product satisfaction when the brand is visible to consumers allows for including the psychological effect that is exerted on customers by the intangible characteristics of the brand. Comparing the level of satisfaction in the two groups permits us to make conclusions about the influence of brands on the level of satisfaction with the product. The hypothesis that the brand influences consumer satisfaction levels is confirmed. The fact that a consumed product has a popular and well-established brand contributes to higher satisfaction. An important aspect of the study is that the consumed product is actually not offered under the tested brand but under a private-label. This makes it possible to highlight more clearly the influence of the brand on the subjective reaction to the product. Even when the product itself does not lead to such a high level of satisfaction, the brand changes consumer perceptions and raises the perceived quality of the consumer experience with the product.

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<sup>6</sup> According to the results of the Levene's test - ( $F(2,274) = 0.655, p = 0.419$ ), the variance in the two experimental groups are approximately similar.

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The limitations of the experiment suggest that the conclusions drawn should refer only to fast-moving consumer goods and to the category of instant coffee in particular. The specificity of other products may define different relationships between the product and the brand, and the level of satisfaction may not fall under the influence of the brand. However, provided it is possible to make a generalization, we can state that the reported experiment results are more likely to be observed for products with relatively unclear consumption results and prevalence of subjective perceptions in performance evaluation.

An interesting problem arising directly from the research results is the clarification of the process or processes that underline the occurrence of the observed impact. An appropriate starting point in subsequent scientific research would be to examine the theories of learning in the field of consumer behaviour because they could offer a possible explanation of the observed effect. Positive past experience may be transferred to the way consumers experience products at present in order to explain the impact on satisfaction levels. It would also be of interest to study the attitude towards the brand, its image and its value as determinants of consumer satisfaction.

### **Conclusion**

Turning the brand into something more than a product identifier requires constant efforts for communicating and the actual provision of value for consumers. The results of the performed experiment show that a popular and liked brand can contribute to the higher customer satisfaction. This conclusion can be used as an argument for encouraging the brand development, which in turn could complement the satisfaction with the physical product. Finally, yet importantly, the results show that measuring consumer satisfaction requires from specialists to take into account the influence brands have on its levels before using these evaluations for assessing the perceived product quality.

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- Graphs and figures – Word 2003 or Power Point; the tables, graphs and figures must be embedded in the text (to facilitate language correction and English translation); Font for numbers and inside text – Times New Roman, 12 pt;
- Formulae must be created with Equation Editor;

### 5. Citation guidelines:

When citing sources, authors should observe the requirements of **APA Style**. More information can be found at: <https://www.uni-svishtov.bg/default.asp?page=page&id=71#jan2017>, or: <http://owl.english.purdue.edu/owl/resource/560/01/>

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