

BRANDING AND ITS EFFECT ON CUSTOMER SATISFACTION: A CASE STUDY OF BOURNVITA

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Abstract

The study examined the effect of branding on customer satisfaction of a product using “Bournvita” as a case study. The study took place in Calabar, the Cross River State capital. A survey research was adopted via questionnaire administration. A total number of 580 structured questionnaire were administered on the respondents via accidental sampling at the points of sales selected for the study, out of which 500 were duly filed and returned. The data obtained were qualitatively and quantitatively analyzed. Findings reveal amongst others that branding influences customer satisfaction with a product. Based on the findings it was concluded that branding is a veritable tool that increases customer’s satisfaction with a product. The study then recommended that manufacturers of branded products or services should take cognizance of the factors that influence consumer’s choice of product/service and improve upon them

Keywords: Branding, Brand Awareness, Brand Perception, Brand Loyalty, Customer Satisfaction.

The advent of industrial revolution resulted in excess supply over demand and the market place became saturated with several substitutes of a product. This development gave consumers choices and were no longer seen as recipients of goods as they have to be researched before products are made for.

The proliferation of products in the market place created a problem of identification of known, tested and trusted brands that meet consumer’s taste and preferences. The need for branding then arose.

Boone and Kurtz (1998), see branding as a name, term, sign, symbol, design or some combination that identifies the products of one firm and differentiates them from competitors offerings. Branding has been generally recognized as the key to success in recent businesses, providing value to customers through the buying process and thus assures values to the company by attracting consumers and stimulating loyalty.

Although complex and versatile, its principle has imposed itself as the new business paradigm and is implemented virtually across all markets and categories (Yaboah, Owusu-Mensah, Nimsaah and Mensah, 2013).

Supporting the above view, Yaro (2015), stated that a brand can add value to a product as well as serve as an integral part of a firm's product management. Thus by helping to identify, differentiate, attract, stimulate loyalty and add value to a product, branding leads to customer satisfaction of a product.

Muenier (2016), observes that customers are the lifeblood of any healthy business and advises that keeping them happy should be a top priority. Also as noted by Khyati and Jeewan (2013), brands have become increasingly commoditized and competitive, adding that keeping and expanding their relationships will depend on the ability to deliver a customer experience tailored to changing customer needs and values consistent with the brand promise.

Bournvita is a popular brand in the beverage industry. Because of its quality, taste and performance, it has not only distinguished itself as an household name but also a market leader in the industry and is consumed by consumers of all ages.

The objective of this study therefore, is to ascertain the role of branding in customer's satisfaction.

Literature Review

Empirical Studies

Dolatabadi, Kazemi and Rad (2012), conducted a study on the impact of brand personality on product sale through brand equity, a study of Cosmetic Products Retailers. Using applied research, a five choice Likert type questionnaire (in three parts to measure brand personality, brand equity and brand sale), Aaker's brand personality model to assess brand equity, Cronbach's alpha coefficient and confirmatory factor analysis to assess the reliability and validity of the questionnaire while confirmatory factor analysis was used for assessing construct validity of the questionnaire opinions of experts and academics used. Findings revealed that brand personality has influence on brand equity and product sale and the dimensions of brand equity show a mediator role between brand personality and product sale. It was equally found that excitement and sincerity are the two dominant dimensions of L'oreal's personality and show indirect impact of brand personality on brand equity and sale product dimensions.

In a related study, Yeboah, Owusu-Mensah, Nimsaah and Mensah (2013), studied the effect of brand name on customer loyalty in the mobile communication industry in Ghana. The study sought to investigate amongst others, the extent to which brand name contributes to customer loyalty in a mobile communication brands in Ghana, the factors that influence consumer choice of brand (mobile network) and why subscribers switch from one network to another using both qualitative and quantitative data obtained through survey questionnaire, sample size of 120 selected through simple random sampling from 150 respondents, statistical package for social science (SPSS),

Pearson correlation and descriptive statistics for data analysis. Pearson correlation and regression were used to analyze the consumer reasons for choosing a particular network as well as the relationship between customer association and brand attributes. Findings reveal that brand name does not really contribute to customer loyalty. But factors such as price, quality, price and quality and brand name are what consumers consider when making a purchase decision, adding that they mostly associate quality with the name of mobile network purchased. The study then concludes that any mobile network purchased is based on the quality but not necessarily the name.

Also, Lee, Park, Paek and Lee (2008) investigated the impact of brand management system on brand performance in B-B and B-C environments. The study utilized a conceptual model developed using the BMS to empirically examine its effect on brand performances. Specifically, the study sought to compare how the BMS works as a mediating variable between market orientation and brand performance under B-B and B-C environments. Empirical results based on survey data from 1000 brand managers from 770 B-C and 230 B-B firms) show that firms possessing a well organized BMS dramatically enhance brand performance, the links of market orientation BMS brand performance confirmed under both B-B and B-C environment. The study equally notes that no other effects exist for B-B firms whereas a positive effect of market orientation on brand performance was observed in B-C firms. The study then offers some suggestions and future research questions based on the current results.

Ghafoor, Igbal, Tariq and Murtaza (2012), studied impact of customer satisfaction and brand image on brand loyalty using a sample size of 200 respondents, SPSS Software with different statistical techniques. Results revealed amongst others that customer satisfaction and brand image both have a significant positive impact on brand loyalty. It was also found that customers can be made loyal to the brand by providing satisfaction through better quality services, communicating and developing a good brand image through accurate positioning.

Also, Martisuite, Villutyte and Grundey (2010), examined product or brand with respect to how interrelationship between customer satisfaction and customer loyalty works. The analysis of scientific literature reveals that brand is a key factor in generating consumer satisfaction.

Using survey research, primary data generated via structure questionnaire, 300 middle class households or business people, Awan and Rehman(2014), investigated the impact of customer satisfaction on brand loyalty- An empirical analysis of home appliance in Pakistan. Findings revealed that customer satisfaction is a significant factor that affects brand loyalty.

In another development, Alamgir, Naasir, Shamsuddoha and Nedelea (2010), examined the influence of brand name on consumer decision making process- An empirical study on car buyers. The study used literature study, questionnaire administered survey, simple random sampling procedure to determine sampling frame,

size and a convenience sample of 100 respondents of different age groups, income and occupation. The data collected were analyzed using frequency distribution as a descriptive analytical tool. Findings revealed that when consumers purchase a car, brand names do influence his/her choice, adding that branded cars have a great place in consumer's mind when consumers go for purchasing a car.

Conceptual Studies

Brand Awareness

Awareness of an offering in a market place holds the key to the company's success. Consumers are induced by what they see, feel, hear and touch. Wikipedia (2018) refers to brand awareness as the extent to which consumers are able to recall or recognize a brand, adding that it is a prime consideration in consumer behaviour, advertising management, brand management and strategy development. It further contends that for a product or brand to succeed in a market place, awareness level must be managed across the entire product lifecycle, adding that where it falls below a predetermined threshold, promotion effort should be intensified until awareness returns to the desired level.

Brand Perception

The perception of a brand by consumer is another key factor that determines whether the brand will be purchased or not. Quoting the Psychologists, Yaro (2015) said that what one sees on the package of a product will influence what one thinks of the brand and the contents and ultimately whether it will result in a purchase.

Brand Loyalty

According to Foster and Cadogan (2000) in Bahri, Dalomunthe, Ginting, Rismayani and Sembiring (2017), loyalty is the attitude of the customer to make his choice to keep using a product or service from a company, adding that attitude determines the selection and also the commitment to repurchase the company's offerings.

Jose, Bloemer and Kasper (1995) in Yeboahet. al. (2013), observed that brand loyalty reflects the ratio of regular buyers to the satisfied buyers who like the product. The development they argue, is more useful in marketing the product to existing customers, given that good brand loyalty costs less effort and money than to attract new ones.

Also a loyal consumer of the firm is extremely important for several reasons. First, it is often cheaper to maintain a loyal consumer than to find a new one. Secondly, it is easier to maintain a loyal consumer. In addition, a loyal consumer's feedback is often positive "it means positive "mouth-to-mouth" communication (Martisiute, Vilyute and Grundey, 2010).

Branding and Customer Satisfaction

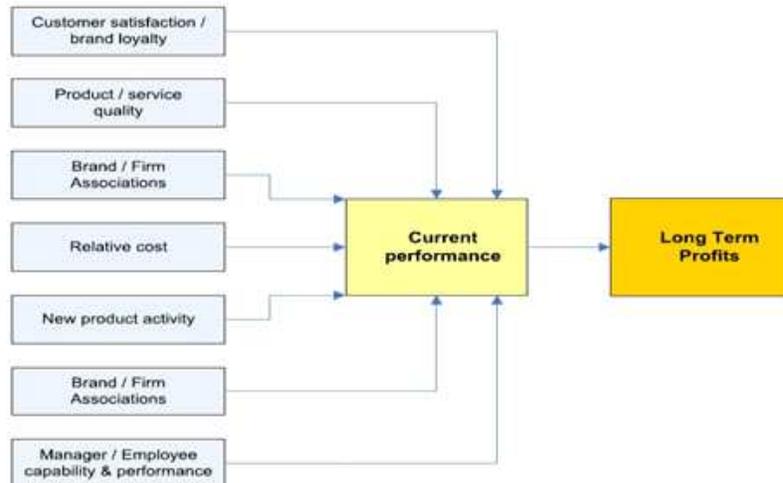
Kotler and Armstrong (2013), define customer satisfaction as the extent to which a product's perceived performance matches a buyer's expectations. It is seen as a necessary condition for a company to long survive and to also generate loyal customers.

According to Beard (2014), customer satisfaction plays an important role within a business. Not only is it the leading indicator to measure customer loyalty, identify unhappy customers, reduce customer's churn and increase revenue, it is also a key point of differentiation that helps to attract new customers in competitive environments. Also, Hoyer and MacInnis (2001) also warned of severe consequences for not satisfying customers. According to them, dissatisfied consumers can:

- Discontinue with the purchase of the good or service.
- Complain to the company or to a third party and perhaps return the item.
- Engage in negative word-of-mouth communication.

Still in Beard (2014), Barbera and Marzursky (1983), observed that while satisfaction influences repurchase intentions, dissatisfaction brings about customer defection or discontinuation of purchase.

What is more, Fornell (1992), Alabar (2012) in Balogun, Ajiboye and Dunsin (2013) add that customer satisfaction holds the potential for increasing an organization's customer base, increases the use of more volatile customer mix and increases the firm reputation. It also assists in obtaining competitive advantage through intelligent identification and satisfaction of customer's needs better and sooner than competitors and sustenance of customer satisfaction through better product/service.



Adapted from Aaker (1995) cited in Ronald (2017).

Findings from literature (Dolatabadi et al. 2012, Yeboah et al, 2013, Lee et al. 2008), have linked branding with customer satisfaction. Also branding leads to customer satisfaction in many ways.

- Branding provides peace of mind,
- branding saves decision making time
- Branding creates differentiation
- Branding provides safety
- Branding adds value
- Branding expresses who we are
- Branding gives consumers a reason to share. (<https://microarts.com/insights/7-reasons-why-brands-matter-to-your-consumers/>)

Methodology

Research instruments

The study adopted a survey research. The population of the study consists of all consumers of beverages in Calabar metropolis, Cross-River State and is infinite. The consumers here are faced with the problem of having to choose from a wide range of substitutes each providing similar utility but with different degree of satisfaction.

A structured questionnaire was used as instrument for data collection. The questionnaire consists of two main sections, sections A and B. Section A focused on the demographic characteristics of the respondents, while Section B contains questions that centre on the subject matter of the study.

A total of 580 questionnaires were administered on the respondents at Points of Sale (POS) selected for the study via accidental sampling, out of which 500 were duly filed and returned.

The data obtained were qualitatively and quantitatively analyzed.

Results and Discussion

Model Specification

The study made use of Pearson Correlation in examining the impact of branding on consumer satisfaction denoted by:

$$r = \frac{N\sum xy - (\sum x)(\sum y)}{\sqrt{[N\sum x^2 - (\sum x)^2][N\sum y^2 - (\sum y)^2]}}$$

Where:

- N = number of pairs of scores
- $\sum xy$ = sum of the products of paired scores
- $\sum x$ = sum of x scores
- $\sum y$ = sum of y scores
- $\sum x^2$ = sum of squared x scores
- $\sum y^2$ = sum of squared y scores

Table 1: Analysis of Respondents' Demographic Information

Demographic variable	Groupings	Frequency	Percentage
Sex	Male	155	31.0
	Female	345	69.0
Age	Below	5	1.0
	25-30	100	20.0
	31-40	287	57.4
	41-50	79	15.8
	51-60	29	5.8
Level of education	B.Sc.	53	10.6
	HND	277	55.4
	ND	122	24.4
	GCE	24	4.8
	Others	24	4.8
Income status	Below 50,000	11	2.2
	51,000-100,000	443	88.6
	101,000-150,000	44	8.8
	151,000 and above	2	0.4

The distribution of respondents' demographic information in Table 1 reveals that 155(31% of the total sample are male while 345(69%) are female. 53(10.6%) respondents had B.Sc., 277(55.4%) are HND holders, 122(24.4%) had ND certificate while 24(4.8%) had School Certificate and other qualifications in each case. 443 respondents representing 88.6% earn 51,000-100,000, 11(2.2%) earn below 50,000, 44(8.8%) earn 101,000-150,000 while only 2(0.4%) respondents earn 151,000 and above.

Testing of Hypotheses

Hypothesis 1

There is no significant relationship between branding and customer satisfaction.

Table 2: Pearson Correlation of Branding and Customer Satisfaction

Variable	N	Mean	SD	r	P
Branding	500	26.85	2.21	0.975*	0.000
Customer satisfaction	500	43.56	3.42		

***p<0.01**

The result in Table 2 above shows that there is significant relationship between branding and customer satisfaction. The relationship between branding and customer satisfaction is high, positive and statistically significant in a positive direction.

Hypothesis 2

There is no significant relationship between branding and customer loyalty.

Table 3: Pearson Correlation of Branding and Customer Loyalty

Variable	N	Mean	Std. Deviation	r	P
Branding	500	26.85	2.21	0.909*	0.000
Customer loyalty	500	22.61	1.84		

***p<0.05**

Table 3 reveals that there is significant relationship between branding and customer loyalty ($r=0.909$, $p<0.05$). The null hypothesis is rejected. The magnitude of relationship between branding and customer loyalty is high and statistically significant in a positive direction.

Discussion of Findings

Based on the analysis of the study, the following findings were made:

- (i) There is significant relationship between branding and customer satisfaction. The relationship between branding and customer satisfaction is high, positive and statistically significant. These findings agree with the findings of Khyati and Jeewan (2013), Awan and Rehman (2014), Al-Msallam (2015), Alamgir, Nasir, Shamsuddoh

and Nedelea (2010), Martisiute, Vilutyte and Grundey (2010), Dolatabadi, Kazim and Rad (2012), Lee, Park, Baek and Lee (2008)

(ii) In testing for hypothesis 2 in table 3 above, findings revealed that there is a significant relationship between branding and customer loyalty ($r=0.909$, $p<0.05$). The magnitude of the relationship between branding and customer loyalty is high and statistically significant in a positive direction. These findings are consistent with those of Bahir, Dalimunthe, Ginting, Rismayan and Sembiring (2017), Martisiute, Vilutyte and Grundey (2010), Meunier (2016), Ghafor, Tariq and Murtaza (2012), Meunier (2016) and Lee, Park, Baek and Lee (2008) that assert that branding leads to customer loyalty.

Conclusion and Recommendations

Based on the findings, the study concludes that branding is a veritable tool that influences customer satisfaction with a product or service. Customer satisfaction in turn holds the potential for increasing an organization's customer base, use of more volatile customer mix and increases the firm's reputation alongside with obtaining competitive advantage through intelligent identification and satisfaction of customer's needs better and sooner than competitors as well as sustaining customer satisfaction through better product/service.

The study then recommends that manufacturers of branded products/services should take cognizance of the factors that influence consumers choice of products in their decision making processes and improve on them.

This study fills the gap by adding to existing body of knowledge about branding and its effect on customer satisfaction, an area that has not received much attention of academics and practitioners.

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