



# DISCUSSION ON THE RELATIONSHIP BETWEEN IMAGE, SATISFACTION AND LOYALTY

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## ABSTRACT

*With the advent of the high-tech, living standards have improved, and business patterns have gradually changed. Due to the convenience and speed of information ingestion, consumers' involvement in products has gradually deepened with the development of e-tech. The computer, communications, and consumer electronics (3C) industries are one of the booming industries in the current commercial market. Consumers buy 3C products. In the era of the epidemic, although the performance of physical stores is slightly worse, the revenue has grown significantly on e-stores.*

*In this study, questionnaires were used to ask consumers about their satisfaction and loyalty intentions from consumers who had purchased 3C products in online stores. The research method adopts correlation analysis and regression analysis to test.*

*The results of the study found that store image has a positive impact on customer loyalty; and also has a positive impact on customer satisfaction. And customer satisfaction has a positive impact on customer loyalty. Results will provide suggestions and references for 3C operators to enter into online store sales.*

**KEYWORDS:** Image, Loyalty, Satisfaction

## BACKGROUND

Consumers' shopping behavior is no longer just to buy the products they need, but to pursue the process of enjoying the shopping. Especially, when shopping in physical stores, consumers enjoy the decoration, air-conditioning temperature, atmosphere, and the feeling that customers they can touch and see products.

Even in the booming period of online shopping, it cannot be ignored that physical stores bring more advantages to customers besides convenience. Therefore, how to meet the service needs of consumers has become the goal that physical stores must strive to improve and operate.

This study as 3C mass-selling consumers as the research object, and discusses their satisfaction and loyalty intentions with regard to their most frequented 3C stores. The research objectives are as follows:

1. Do consumers think store image has an impact on customer satisfaction or customer loyalty?
2. Are customers satisfied with their purchases in 3C stores, which will be related to loyalty?

## LITERATURES

Customer loyalty is defined as the strength of the relationship between a customer's personal attitude and re-purchase behavior (Dick and Basu, 1994). Someone believe that customer loyalty represents the behavioral tendency of consumers to a certain product or service, and is also an important factor governing the actual purchase behavior of consumers (Selnes, 1993).

Others researchers suggest that, customer loyalty is the intensity of a customer's repurchase intention for a particular product or service (Jones and Sasser, 1995). Oliver (1999) believes that customer loyalty means that customers may want to maintain a relationship with an existing company.

For the customer loyalty, Oliver (1997) believes that loyalty is divided into attitude loyalty and behavioral loyalty. Attitude loyalty belongs to the psychological level of consumers, while behavioral loyalty tends to

consumers' actual repeated purchase behavior. Kandampully and Suhartanto (2000) believe that image and satisfaction affect customer loyalty.

Store image refers to consumers' overall impression of a retail store, and it can also be consumers' comprehensive attitude or overall satisfaction with many attributes provided by a particular store, and different store impression factors will produce different The customer value will ultimately affect the customer loyalty behavior.

Kunkel and Barry (1968) applied behavioral learning theory to store image, and defined store image as "the sum of overall concepts generated by a person shopping in a store", which can infer that store image will be affected by an individual's previous purchases Experience and stores' environment factors.

Martineau (1958) believes that in the decision-making process of shop selection, consumers have a force at work that drives them to make decisions. Martineau therefore calls this power store image, and defines it as the way consumers define a store in their minds, partly according to the store's functional attributes and partly according to the atmosphere of the store's psychological attributes.

Lindquist (1974) pointed out that the functional attributes, consumers' perceptions of the store's tangible characteristics, such as commodity characteristics, price, commodity selection, quality and other relatively objective factors. Consumers judge the quality according to their perception of quality, or compared to competitors; psychological attributes are the degree to which a consumer feels a sense of belonging, warmth or intimacy, excitement or fun, etc. to a particular store.

The attributes or aspects of the store image, Martineau (1958) believes that the attributes that affect the store can be divided into functional and psychological, including as following:

- (1) price,
- (2) quality,
- (3) location,
- (4) commodity type,
- (5) Display and architectural structure,
- (6) Symbols and colors,
- (7) Sales personnel and services,
- (8) Advertising.

Fisk (1961-1962) pointed out six dimensions of store impression related to consumers' purchasing behavior, namely location convenience, commodity suitability, price, sales effort and store service, store atmosphere, and post-purchase satisfaction.

In addition, another factor that affects customer loyalty is customer satisfaction. Muller (1991) pointed out that customer satisfaction will become a key factor for future business success.

Singh (1991) found from social psychology and organizational theory that satisfaction is a multiple dimension, that is, the degree of satisfaction is measured by multiple items, and pointed out that the measurement of customer satisfaction will vary due to different industries or research objects. Czepiel and Rosenberg (1977) and Gronholdt et al. (2000) use overall satisfaction to measure the degree of customer satisfaction. Other scholars such as Ostrom and Iacobucci (1995) use product price, service efficiency, service attitude and overall performance to measure customer satisfaction. In addition, Nicholls et al. (1998) measured customer satisfaction by personnel service and service environment.

For the relationship between store image, customer satisfaction and loyalty, Reardon, Miller and Coe (1995) view store image as a competitive strategy tool.

When discussing the role of emotional satisfaction in service, Wong (2004) pointed out that service quality positively affects customer satisfaction, and customer satisfaction positively affects customer loyalty.

Chang and Tu (2005) also found that store image positively affects customer loyalty. Kunkel and Berry (1968) believed that retailers must create a good store image in order to attract target consumers, and empirical research also verified that store image has a direct and positive relationship with consumers' purchase intention. Zins (2001) pointed out that the establishment of a good image among customers will lead to customer loyalty.

## **METHOD**

### *Research hypotheses and model*

Based on the above literature review, this study derives the following research hypotheses and illustration as Figure 1:

- H1: Store image has a positive impact on customer loyalty.
- H2: Store image has a positive impact on customer satisfaction.
- H3: Customer satisfaction has a positive impact on customer loyalty.

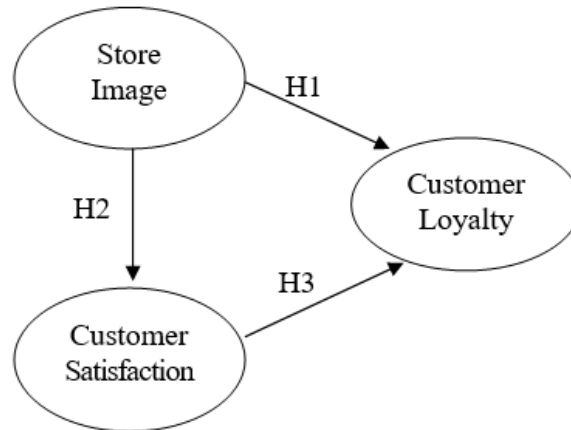


Figure 1 Research model

**Research Items**

There are 14 items in the research questionnaire, among which there are 4 items of store image, which are taken from the study of Lewis and Soureli (2006); 5 items of customer satisfaction are taken from the study of Yu et al. (2005); The customer loyalty item has 5 items, and also refers to the research items of Lewis and Soureli (2006). . Questionnaires were distributed by random sampling, and questions were asked for customers who had gone to 3C channel stores for consumption as the research object.

In this study, SPSS 20.0 statistical software was used to conduct regression analysis and test the research hypotheses.

**RESULTS**

In Table 1, it is shown that store image has a significant on the customer loyalty, and is positively correlated; its adjusted explanatory power is 55.4%.

The store image also has a positive and significant on customer satisfaction, with an adjusted explanatory power of 58.6%. In addition, customer satisfaction has a significant on customer loyalty, with an adjusted explanation power of 47.7%, and customer satisfaction has a positive correlation with customer loyalty.

In the overall model, the standardized  $\beta$  value of store image for customer satisfaction is the highest.

Table 1 Research model verification result

| Hypotheses                                 | standardized $\beta$ | R <sup>2</sup><br>(adjusted explanation power) | t-value |
|--|----------------------|--|---------|
| H1: Store image→customer loyalty           | 0.745***             | 0.554  | 30.832  |
| H2: Store image→customer satisfaction      | 0.765***             | 0.586  | 32.862  |
| H3: customer satisfaction→customer loyalty | 0.690***             | 0.476  | 26.381  |

\*\*\*,  $p < 0.001$



## CONCLUSION AND SUGGESTION

The research results show that the higher the customer's satisfaction with the 3C mass-marketing channel store with a good image in their minds, the higher their loyalty. Moreover, the higher the satisfaction with the store image of the 3C mass-selling channel store, the higher the probability of re-consumption.

In addition, the quality of store image has the greatest impact on customer satisfaction, and this factor is more relevant to consumers than other factors. Store image and customer satisfaction are one of the most important elements for companies to retain and develop customers.

The service items of 3C mass sellers are quite homogenous to the products they provide, and operators must use other characteristics that affect consumer loyalty to attract customers in order to maintain a competitive position. Moreover, store image and customer satisfaction, it is recommended to add other elements to enhance customer loyalty in the follow-up research, such as adding return and exchange services, etc., to increase consumers' willingness to buy or re-buy.

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