

The Impact Of The Product The Reliability On Consumer Loyalty: The Role Of Perceived Value And Satisfaction With The Product In Hangzhou

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ABSTRACT

In relational services, customer churn is a major issue as income is dependent on long-term client relationships. Retail banking and telecommunications are examples of such sectors. Providing excellent service and making sure clients are happy have always been the cornerstones of customer retention in the researchers sector. Examining the substantial supplemental role of the brand, this research seeks to reduce the customer turnover rate of relational service. The researcher's information economics viewpoint is that the likelihood of the brand's involvement in this process is heavily dependent on the brand's credibility. The study's results provide important insight into several topics, including the role of the brand in fostering lasting relationships with customers, the relationship between customer satisfaction and service quality, two widely used metrics in customer relationship management, and much more. Positive and loyal customers were less likely to switch brands, as shown by the study. This was accurate for clients of both retail banks and long-distance telephone companies. Theoretical and practical ramifications of the work are discussed by the researchers. A survey of people using mobile phones in Taiwan provided the data used in this analysis. To begin, the survey found that when assessing the value and quality of a service, clients did not put a high value on tangibles or timeliness. But network reliability, assurance, and quality do. Second, there is a link between overall service quality and brand equity; however, perceived value lessens this association. Lastly, there are other ways in which the customer's perception of value and the components that contribute to it are mediated by the overall quality of service. Finally, empathy and network quality have a direct impact on brand equity.

Keywords: healthcare innovation, drug administration, bioavailability, low solubility

1. INTRODUCTION

The retention of customers, or turnover, is of the utmost importance to executives in service industries such as retail banking and telecoms. One marketing school of thought maintains that maintaining relationships with existing customers is more effective than actively seeking out new ones. Customer churn is a major issue for sectors like banking and telecommunications since their services need the establishment of a formal relationship between client and company. These industries provide abundant evidence that customer turnover has a substantial impact on a business' bottom line. One of them is: "Preventing customer churn is the key competitive issue for American bankers in 2004," said a recent poll of 101 bank executives from institutions with \$25 billion or more in assets. So, apparently, this is something that the Researchers bankers are worried about. An increasingly pressing concern for cellular carriers and the telecom sector at large is the difficulty of predicting customer loss. Employee retention and turnover research is crucial, according to studies in these areas. Despite prior studies showing that switching costs keep both sectors relatively constant, the retention and attrition rates of customers in the telecom and retail banking industries continue to pique a lot of interest. From a strategic and macro perspective, this essay examines customer franchise management within the context of retail services. Determining how the brand can retain consumers and encourage them to engage in actions that benefit the firm in the long term is the primary objective. Customers' impressions of service providers are influenced by brands over time. A brand may be seen as a "summary statistic" that encapsulates the whole client-provider interaction. Because of this, the researcher considers this viewpoint to be essentially strategic. The brand represents the reliability of the organization from this angle. Organizations and their customers can only establish and maintain confidence by being consistent. However, if the corporation betrays it, confidence could be quickly lost. As a result, building trust in the brand is an ongoing priority for the whole company. When a business works to establish the trustworthiness of its brand, consumers see this as an obligation that, if not met, is like giving up on the promise (Doghan & Albarq, 2022).

2. BACKGROUND OF THE STUDY

The trustworthiness of a brand is crucial in today's competitive business world as it affects how consumers think and behave. Customers put a lot of stock in a company's credibility—their belief in the company's ability to meet their needs—when making a purchasing decision. Using Hangzhou as a case study, a major cultural and economic hub in China, this research aims to understand how brand reputation affects customer loyalty (Kussudyarsana & Indraswari, 2022). In Hangzhou's dynamic consumer market, more and more companies are vying for customers' attention and loyalty. So, in order to establish and sustain relationships with consumers over the long term, businesses need to know how customer loyalty is impacted by brand credibility (Ikramuddin & Mariyudi, 2021). Authentic loyalty requires more than just going about one's business as usual; it needs personal engagement and the will to stand firm in one's beliefs in the face of compromising temptations. Perceived quality and customer happiness are identified as critical mediators in the research to further understand this connection. Satisfaction among customers is a sign of a product or service's ability to meet or surpass expectations overall, while perceived quality is a gauge of how well it does so in specific. Relatively little research has examined the moderating effects of perceived quality and consumer pleasure on the relationship between brand credibility and loyalty. This research aims to fill that knowledge gap by exploring the role of consumer satisfaction and perceived quality as mediators between brand credibility and customer loyalty in Hangzhou. This study aims to address consumer satisfaction problems in order to assist companies build stronger brands, provide better products or services, and attract loyal customers. Marketers and brand managers in Hangzhou and other dynamic Chinese marketplaces could gain useful insights from this research, such as a better understanding of consumer decision-making and the importance of building a strong brand identity (Do & Pereira, 2023).

3. PURPOSE OF THE STUDY

The study's results provide important insight into several topics, including the role of the brand in fostering lasting relationships with customers, the relationship between customer satisfaction and service quality, two widely used metrics in customer relationship management, and much more. In the context of Hangzhou's cutthroat market, "The Effect of Brand Credibility on Consumer Loyalty: The Mediating Role of Perceived Quality and Consumer Satisfaction in Hangzhou" seeks to investigate the link between brand credibility and customer loyalty. The overarching goal of this research is to determine what makes customers stick with a reliable and skilled business. Aside from that, it intends to investigate the mediating roles played by customer pleasure (the extent to which a brand satisfies expectations) and perceived quality (the degree to which a client feels a brand is wonderful). By examining these mediating characteristics, the study may help organizations adjust to changing market circumstances by improving customer interactions, creating trust in the brand, and, eventually, loyalty.

4. LITERATURE REVIEW

Surfing, buying, receiving, and utilizing are the four stages that make up a consumer's purchase journey. Building reliable, mutually beneficial, and long-lasting relationships is the holy grail of advertising and business. Market experience is the capacity of a corporation to advise its business customers using its commodities and services. A pleasant shopping experience is linked to a positive perception of the brand. When shoppers are happy and relaxed when they're out shopping, their mental state changes. Furthermore, customers' attitudes are significantly impacted by the halo effect when they emotionally react positively to a marketing engagement. Consumers' views are greatly affected by treatment and outcomes (Miao et al., 2022). As an example, a customer's dislike for a product might develop after a bad encounter with it. The ability of a brand to captivate its target audience is shown by the level of excitement around a project. What consumers call a "brand reaction" is their opinion of a business formed by their prior interactions with that business. The connection states that customers get a favourable impression of a dependable brand when they use it. Receiving useful material from a brand increases customer loyalty (Nainggolan et al., 2022). Customers have more positive impressions of the company when they are pleased, regardless of whether there is a direct correlation between the two. In order to build a loyal customer base, businesses should aim for customer satisfaction and trust. A positive approach strengthens customer trust in the company and brand loyalty (Haghhah et al., 2020).

5. RESEARCH QUESTION

What is the relationship between brand credibility and consumer satisfaction?

6. RESEARCH METHODOLOGY

6.1 Research Design:

The quantitative data analysis used SPSS version 25. The odds ratio and 95% confidence interval were used to assess the magnitude and direction of the statistical relationship. The researchers determined a statistically significant criterion of $p < 0.05$. A descriptive analysis was performed to identify the main characteristics of the data. Quantitative approaches are often used to evaluate data obtained from surveys, polls, and questionnaires, as well as data modified by computing tools for statistical analysis.

6.2 Sampling

An uncomplicated sampling technique was used for the study. The research used questionnaires to gather data. The Rao-software determined a sample size of 1263. A total of 1456 questionnaires were distributed; 1357 were returned, and 52 were rejected due to incompleteness. A total of 1,305 questionnaires were used during the study.

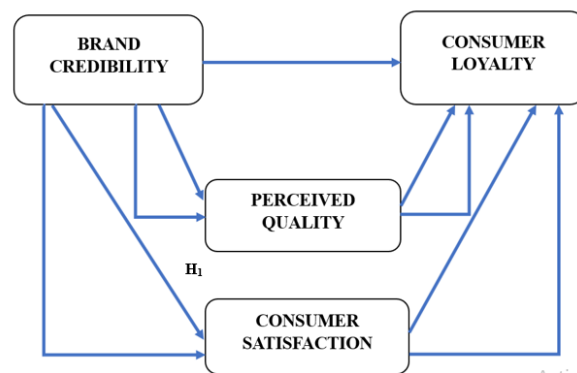
6.3 Data and Measurement:

A questionnaire survey served as the primary data collection instrument for this research. Part A of the survey solicited fundamental demographic information, whereas Part B employed a 5-point Likert scale to gather responses regarding attributes associated with online and offline channels. A multitude of sources, particularly internet databases, supplied the secondary data.

6.4 Statistical Software: The statistical analysis was conducted using SPSS 25 and MS-Excel.

6.5 Statistical Tools: To grasp the fundamental character of the data, descriptive analysis was used. The researcher is required to analyse the data using ANOVA.

7. CONCEPTUAL FRAMEWORK



8. RESULT

• Factor Analysis

A common use of Factor Analysis (FA) is to ascertain the presence of latent variables within observable data. In the absence of readily discernible visual or diagnostic indicators, it is customary to use regression coefficients to provide ratings. In FA, models are crucial for success. The objectives of modeling are to identify errors, detect intrusions, and establish clear linkages. A method to evaluate datasets generated by multiple regression analyses is by the use of the Kaiser-Meyer-Olkin (KMO) Test. They confirm that the model and sample variables are representative. The data exhibits duplication, as shown by the figures. Reduced proportions facilitate comprehension of the data. The output for KMO is a value ranging from zero to one. If the KMO value ranges from 0.8 to 1, the sample size is deemed sufficient. These are the allowable limits, as per Kaiser: The subsequent approval requirements established by Kaiser are as follows:

A lamentable 0.050 to 0.059, subpar 0.60 to 0.69

Middle grades often range from 0.70 to 0.79.

Exhibiting a quality point score between 0.80 and 0.89.

They are astonished at the span of 0.90 to 1.00.

Table 1: KMO and Bartlett's Test for Sampling Adequacy Kaiser-Meyer-Olkin measure: .870 The outcomes of Bartlett's test of sphericity are as follows: Approximately chi-square, degrees of freedom = 190,

significance = 0.000

This confirms the legitimacy of claims made just for sampling purposes. Researchers used Bartlett's Test of Sphericity to ascertain the significance of the correlation matrices. A Kaiser-Meyer-Olkin value of 0.870 indicates that the sample is sufficient. The p-value is 0.00 according to Bartlett's sphericity test. A positive outcome from Bartlett's sphericity test indicates that the correlation matrix is not an identity matrix.

Table: KMO and Bartlett's

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.870
Bartlett's Test of Sphericity	Approx. Chi-Square	3252.968
	df	190
	Sig.	.000

Bartlett's Test of Sphericity further validated the overall significance of the correlation matrices. The Kaiser-Meyer-Olkin metric of sampling adequacy is 0.870. Researchers computed a p-value of 0.00 using Bartlett's sphericity test. The researcher acknowledges the invalidity of the correlation matrix, since Bartlett's sphericity test produced a significant result.

- **INDEPENDENT VARIABLE**

- **Brand Credibility**

Credibility is the sum of consumers' trust in a brand's abilities, honesty, and reliability. The foundations of it are competence and reliability. When consumers have confidence in a company's transparency, honesty, and dependability, they are demonstrating credibility; when they trust a company to provide high-quality goods and services, they are demonstrating competence. Whether or whether a consumer buys the product and sticks with it over time is heavily dependent on how confident they are in the brand's ability to consistently meet their needs (Sharma & Waoo, 2023).

- **MEDIATING VARIABLE**

- **Consumer Satisfaction**

According to the Researchers, a consumer is considered pleased when their wants are fully met by a service or product. The term "customer satisfaction" refers to how well a service or product satisfies the needs, desires, and expectations of the consumer. When customers are satisfied with their purchases, they are more inclined to return, recommend the business to others, and remain brand loyal. On the other hand, dissatisfied customers are more prone to complain, post negative reviews, and even quit the firm completely (Shabani et al., 2022).

- **Relationship between Brand Credibility and Consumer Satisfaction**

The relationship between brand credibility and consumer satisfaction is rooted in trust and expectations. When a brand is perceived as credible, meaning it is seen as reliable and trustworthy, consumers are more likely to have positive expectations of its products or services. This credibility leads to higher satisfaction, as consumers feel confident that the brand will deliver on its promises. If the brand meets or exceeds these expectations, it results in a positive experience, increasing overall satisfaction. Essentially, brand credibility builds consumer trust, which plays a crucial role in shaping their satisfaction with the product or service, fostering long-term loyalty and positive brand perception (Kwadade-Cudjoe, 2022).

Subsequent to the above debate, the researcher posited the following hypothesis, which aims to analyse the correlation between Brand Credibility and Consumer Satisfaction.

"H₀₁: There is no significant relationship between Brand Credibility and Consumer Satisfaction."

"H₁: There is a significant relationship between Brand Credibility and Consumer Satisfaction."

Table 2: H₁ ANOVA Test

ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	39588.620	492	5467.651	999.205	.000
Within Groups	492.770	812	5.472		
Total	40081.390	1304			

The findings of this study will be significant. The F value is 999.205, attaining significance with a p-value of .000, which is below the .05 alpha level. The hypothesis "***H₁: There is no significant relationship between Brand Credibility and Consumer Satisfaction***" is accepted, whereas the null hypothesis is rejected.

9. DISCUSSION

A practical application of the findings from the research "The Effect of Brand Credibility on Consumer Loyalty: The Mediating Role of Perceived Quality and Consumer Satisfaction in Hangzhou" would be to better understand the connection between brand credibility, consumer loyalty, and perceived quality. Additionally, it provides potential directions for future study. Consumers' trust in the brand is the top factor influencing their loyalty, as shown by the poll. Findings show that consumers are more likely to remain loyal to a business over time if they have faith in its expertise, responsiveness, and honesty. Finding that trustworthiness and credibility are critical in drawing in and keeping consumers is in line with previous research. In highly competitive places like Hangzhou, it is very essential for firms to establish and maintain trust in order to stand out and retain clients. The correlation between consumer trust in a brand and loyalty is moderated by how happy and high-quality the consumer perceives the brand to be. There are other factors than legitimacy that contribute to consumer satisfaction and the perception of high-quality merchandise when it comes to developing brand loyalty. Faith in a firm and happiness with the products purchased both contribute to enhanced client loyalty. This provides support for the theory that customers' loyalty to a brand is contingent upon elements unrelated to the company's legitimacy, such as the significance they attribute to the brand and their general perceptions of it.

10. CONCLUSION

This study's findings reveal that variables like perceived quality and customer pleasure mediate the relationship between a brand's ability to acquire trust and loyalty among its intended consumers. By studying and implementing these components, businesses have a better chance of increasing customer retention rates and developing stronger ties with consumers. Using Hangzhou as an example, this research shows that the link between brand credibility and customer loyalty is mediated by customer happiness and perceived quality. Customers are more inclined to remain loyal if they have trust in a company's dependability, expertise, and integrity, according to the survey. However, there is an indirect route that is important to consider, since it involves factors such as customer satisfaction and quality evaluations. When customers have faith in a company's product or service, they are more inclined to make repeat purchases and are generally satisfied. Maintaining high product quality standards, communicating honestly, and building a good reputation for one's brand are crucial for enterprises looking to stand out in Hangzhou's tough market. Customers are more likely to become loyal patrons and spread the word about the researcher's great service if the researcher raise the bar for perceived excellence and keep their satisfaction levels high. Continual consumer loyalty will drive a company's success in the long term if it succeeds in developing dependable brands and meeting consumers' requirements via exceptional service.

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