THE IMPACT OF PRODUCT CREDIBILITY ON CLIENT DEDICATION: THE INFLUENCING IMPACT OF CONSIDERED VALUE AND CLIENT SATISFACTION IN HANGZHOU.

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ABSTRACT

Client churn is a major issue in relational services (such as retail banking and telecommunications), since income is built on long-term client ties. Client satisfaction and high-quality service have always been the cornerstones of client retention strategies for businesses in this sector. This study examines the important supplemental role of the brand with the goal of reducing the turnover rate of relational service consumers. Specifically, the researcher state that the credibility of the brand is crucial to the potential involvement of the brand in this process, according to an information economics viewpoint. The results of the research clarify the link between customer satisfaction and service quality, two common CRM indicators, and the significance of the brand in sustaining relationships with customers over time. Researchers found that retail bank and long-distance telephone business consumers were less likely to transfer brands when they were satisfied and loyal, which in turn reduced customer switching behaviours. The theoretical and practical ramifications of the investigation are discussed. The data shown here comes from a study of people using mobile communication services in Taiwan. To begin, the researcher found that timeliness and tangibles do not have a major bearing on the perceived value and quality of service. On the other hand, reliability, assurance, and network quality do. Secondly, the correlation between overall service quality and brand equity is moderated, to a lesser degree, by perceived value. Third, overall service quality mediates the relationships between perceived value and specific dimensions of service quality in various ways. Finally, empathy and network quality have a direct bearing on brand equity.

Keywords: Branding Integrity, Client Loyalty, Recognized Quality, Client Satisfaction.

INTRODUCTION

Client attrition, often known as turnover, is a top priority for executives in service industries such as retail banking and telecommunications. Many in the marketing industry hold the view that maintaining connections with existing customers is more cost-effective than seeking out new ones. Industries like banking and

telecommunications should often be concerned about customer churn since their services are longer-term relational and need the establishment of a formal link between client and firm. These areas provide sufficient evidence to support the increasing agreement that customer churn has a substantial impact on a company's financial performance (Belver-Delgado et al., 2020). One example is: As per recent research, US bankers are cognizant of this matter: "Preventing customer churn is the key competitive issue for American bankers in 2004," said 79% of the 101 bank executives polled from institutions with $25 billion or more in assets. The retention of customers has also emerged as a top concern for the telecom sector, particularly cellular providers: Client attrition prediction could be tricky. The significance of examining retention and turnover in these areas is supported by research in the academic literature. Despite prior studies showing that both sectors are rather stable due to switching costs, there is a great deal of interest in investigating what keeps consumers remain or who makes them leave the telecommunications and retail banking industries. This essay takes a step back to look at customer franchise management in a retail service context and analyses it from a strategic and macro level (Hoang & Nguyen, 2020). The primary focus is on understanding how the brand can retain customers and inspire them to take activities that will ultimately benefit the business. Over time, customers form impressions of service providers based on their brands. A brand may be thought of as a "summary statistic" that captures the essence of the whole client-provider relationship. For this reason, the researcher considers this viewpoint to be essentially strategic. From this perspective, the brand represents the firm's reputation. Repetition between the company and its clients is the only certain way to establish and maintain credibility. If the corporation betrays confidence, however, it may quickly lose it. Building trust in the brand is, thus, an ongoing concern for the whole company. When a corporation invests in the credibility of its brand, people treat it as if it were posting a bond that would be forfeited if it doesn't deliver on its promises (Akhmedova et al., 2021).

BACKGROUND OF THE STUDY

Customer perceptions and behaviours are significantly impacted by the credibility of a brand in today's competitive business environment. Credibility, the degree to which consumers believe in a company's ability to meet their needs, is a major consideration for consumers when making purchases. With a focus on Hangzhou, a major cultural and economic hub in China, this study aims to explore the link between brand reputation and consumer loyalty. In Hangzhou's dynamic consumer market, an increasing number of enterprises vie for customers' attention and loyalty (Geng et al., 2021). Thus, in order for businesses to establish and sustain relationships with their customers over the long term, it is essential for them to comprehend the impact of brand credibility on customer loyalty. Loyalty is more than just continued business; it also involves personal involvement and the will to stay true to one's principles even when faced with alternatives. In order to better understand this link, the study focuses on perceived quality and customer happiness

as essential mediators. Perceived quality refers to how well a product or service meets or exceeds expectations, while customer satisfaction indicates how effectively the product or service meets or surpasses expectations overall. Very little research has looked at how brand credibility affects loyalty and how two key drivers of loyalty—perceived quality and consumer happiness—mediate this relationship. To fill this knowledge gap, this study will examine the mediating roles of perceived quality and consumer enjoyment in the relationship between brand credibility and customer loyalty in Hangzhou. This research aims to provide answers to questions on customer happiness in order to assist businesses build stronger brands, enhance the quality of their goods or services, and develop loyal customers. Potentially useful takeaways from this research for marketers and brand managers in Hangzhou and other dynamic Chinese marketplaces include a deeper understanding of consumer decision-making and the need of building a strong brand identity (McCoy et al., 2021).

PURPOSE OF THE STUDY

The results of the research clarify the link between customer satisfaction and service quality, two common CRM indicators, and the significance of the brand in sustaining relationships with customers over time. In the context of Hangzhou's fast-paced and 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. Finding out how customers could become more loyal to a business that they perceive as trustworthy and competent is the driving force behind this study. Additionally, it intends to investigate the mediating roles of consumer satisfaction (the degree to which a brand meets expectations) and perceived quality (the degree to which a customer sees a brand as outstanding) in this relationship. By delving into these mediating factors, the research may help businesses adapt to changing market conditions by strengthening customer interactions, increasing brand trust, and eventually raising loyalty.

LITERATURE REVIEW

Browse, buy, receive, and utilize are the four stages that make up a customer's buying experience. Establishing reliable, fruitful, and lasting partnerships is the goal of both advertisers and companies. Market experience is defined as the use of a company's services and commodities in the provision of advice to its commercial clients. Having a positive attitude towards the brand is also linked to having a good shopping experience. When a customer has a good time shopping, it shows that something has changed in their psychological aspect. Furthermore, the attitude that is formed by customers as an emotional outcome of a favourable marketing contact has a significant influence on the halo effect (Niinimäki, 2021). The way consumers feel about things is greatly affected by their treatment and the consequences.

Customers may develop a strong dislike for a product, for instance, if they are handled badly. An indication of how well a brand understands its target audience is the amount of excitement around a project. The term "brand reaction" describes how customers often evaluate companies based on their prior interactions with them. The link suggests that a trustworthy brand is one that its customers have a good impression of. Receiving useful content makes consumers feel good about the company and increases their loyalty to it. Consumers' positive impressions of the brand are enhanced when they are happy, even if this emotion has no obvious correlation to brand loyalty. Customer satisfaction and trust are key to building a loyal customer base; thus, businesses should work hard to achieve these goals. Positivity increases consumer trust in the company and their commitment to the brand over time (Park, 2019).

RESEARCH QUESTION

What is the relationship between brand credibility and consumer loyalty through perceived quality?

RESEARCH METHODOLOGY

RESEARCH DESIGN

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

SAMPLING

A convenient sampling technique was applied for the study. The research relied on questionnaires to gather its data. The Rao-soft program determined a sample size of 1263. A total of 1456 questionnaires were distributed; 1357 were returned, and 52 were excluded due to incompleteness. In the end, 1305 questionnaires were used for research.

DATA AND MEASUREMENT

For this research, a questionnaire survey was the main data collection instrument. Part A of the survey asked for basic demographic information, while Part B used a 5-point Likert scale to collect responses on characteristics related to online and offline channels. A large number of sources, most notably online databases, provided the secondary data.
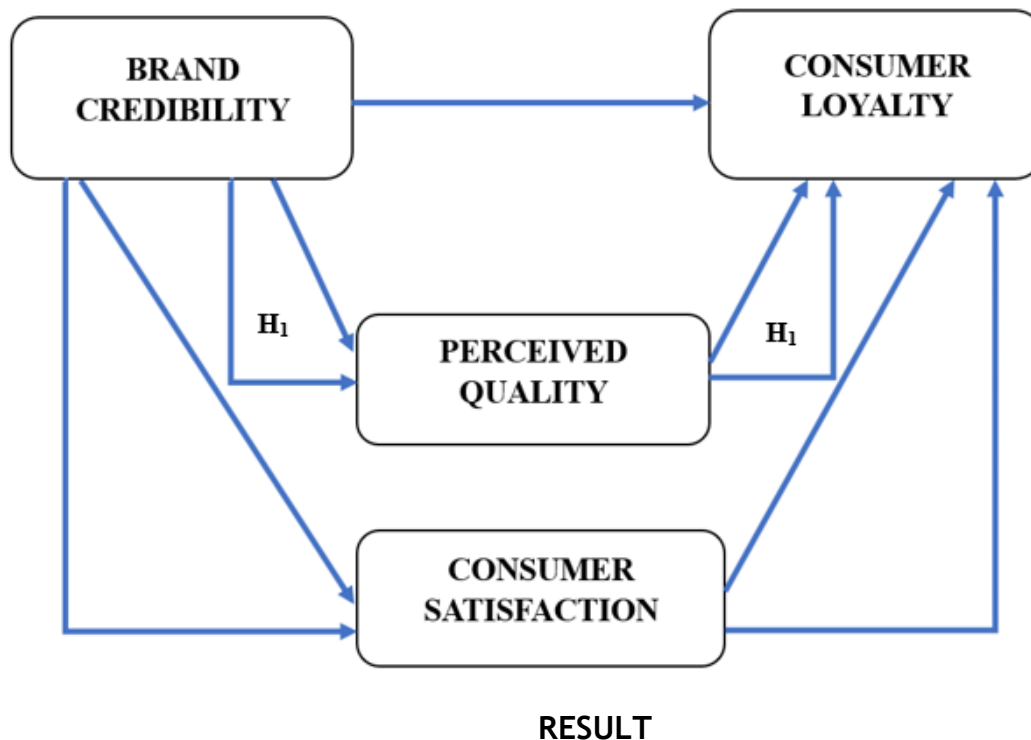
STATISTICAL SOFTWARE

The statistical analysis was conducted using SPSS 25 and MS-Excel.

STATISTICAL TOOLS

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

CONCEPTUAL FRAMEWORK

RESULT

Factor Analysis: One typical use of Factor Analysis (FA) is to verify the existence of latent components in observable data. When there are not easily observable visual or diagnostic markers, it is common practice to utilise regression coefficients to produce ratings. In FA, models are essential for success. Finding mistakes, intrusions, and obvious connections are the aims of modelling. One way to assess datasets produced by multiple regression studies is with the use of the Kaiser-Meyer-Olkin (KMO) Test. They verify that the model and sample variables are representative. According to the numbers, there is data duplication. When the proportions are less, the data is easier to understand. For KMO, the output is a number between zero and one. If the KMO value is between 0.8 and 1, then the sample size should be enough. These are the permissible boundaries, according to Kaiser: The following are the acceptance criteria set by Kaiser:

A pitiful 0.050 to 0.059, below average 0.60 to 0.69

Middle grades often fall within the range of 0.70-0.79.

With a quality point score ranging from 0.80 to 0.89.

They marvel at the range of 0.90 to 1.00.

Testing for KMO and Bartlett's - Sampling Adequacy Measured by Kaiser-Meyer-Olkin .960

The results of Bartlett's test of sphericity are as follows: approx. chi-square

df=190

sig.=.000

This establishes the validity of assertions made only for the purpose of sampling. To ensure the relevance of the correlation matrices, researchers used Bartlett's Test of Sphericity. Kaiser-Meyer-Olkin states that a result of 0.960 indicates that the sample is adequate. The p-value is 0.00, as per Bartlett's sphericity test. A favourable result from Bartlett's sphericity test indicates that the correlation matrix is not an identity matrix.

Table 1: KMO and Bartlett's Test.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.960
Bartlett's Test of Sphericity	Approx. Chi-Square	3252.968
	df	190
	Sig.	.000

Bartlett's Test of Sphericity further substantiated the overall significance of the correlation matrices. The Kaiser-Meyer-Olkin measure of sampling adequacy is 0.960. Researchers determined a p-value of 0.00 via 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: A brand's credibility is the total of the trust, skill, and honesty that consumers have in it. The foundations of it are competence and dependability. Customers' trust in a brand's dependability, transparency, and honesty reflects its credibility, while their faith in the brand's capacity to provide top-notch products and services reflects its competence. How well a consumer believes a brand can consistently meet their needs is a major component in deciding whether they will buy the product or stick with it for the long haul (Qian & Lin, 2020).

DEPENDENT VARIABLE

Consumer Loyalty: "Consumer loyalty" is a word that is used to describe the strong preference and repeated purchases that consumers make as a result of their emotional and psychological connection to a particular brand, product, or service. The concept of loyalty extends beyond mere repeat purchases; loyal consumers are often more invested, favourably spread the word, and continue to be loyal despite the offers made by competitors. It is common practice to build customer loyalty via factors such as satisfaction, trust, legitimacy of the brand, and positive experiences in the past. This is because the long-term profitability and success of a business is dependent on the loyalty of its customers (Qin et al., 2021).

MEDIATING VARIABLE

Perceived Quality: A products or services perceived quality is the total of the users or consumer's expectations, prior experiences, and subjective judgments about the product or service (Villagra et al., 2021). It relies more on the customer's subjective evaluation of the product's quality than on hard metrics like performance or longevity. Many things contribute to how good something seems, such as how people feel about the brand, what others have said about it, how much it costs, how it looks, what features it has, and how emotionally invested they are. Branding, advertising, and customer service, for instance, might cause a difference in how two items with identical specs are viewed. Perceived quality is an important factor in marketing and business as it influences customers' faith in a brand, their commitment to that brand, and their choice to buy. Even if the real quality is on par with the competition, a high level of perceived quality may result in happy customers who buy from the researcher again and tell their friends about it. Perceived quality is an important component of product positioning and brand success because it connects customer expectations with real experience (Rubio et al., 2019).

Relationship between Brand Credibility and Consumer Loyalty through Perceived Quality: Perceived quality plays a vital role in the credibility-loyalty connection because people are more loyal to brands, they have faith in and think are of good quality. Consumers' expectations and perceptions of a product or service's quality are shaped by brand credibility, which includes dependability, honesty, and knowledge (Kapoor & Banerjee, 2020). Consumers are more inclined to form an emotional attachment to a business when its goods reliably fulfill or beyond their expectations. This is because perceived quality strengthens trust. Satisfied consumers are more likely to buy from the company again, tell others about it, and not move to a rival when they trust it. On the other hand, if the quality is no longer seen as high, consumers can abandon even the most trustworthy brands. In order to build trust in the brand and encourage customer loyalty over the long run, it is crucial to keep the perceived quality high (Hallem et al., 2021).

Since the above discussion, the researcher formulated the following hypothesis, which was analyse the relationship between Brand Credibility and Consumer Loyalty through Perceived Quality.

H_{01}: There is no significant relationship between Brand Credibility and Consumer Loyalty through Perceived Quality.

H_1: There is a significant relationship between Brand Credibility and Consumer Loyalty through Perceived Quality.

Table 2: H_1 ANOVA Test.

ANOVA					
Sum					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	39588.620	542	5432.617	1016.202	.000
Within Groups	492.770	762	5.346		
Total	40081.390	1304			

In this study, the result will significant. The value of F is 1016.202, which reaches significance with a p-value of .000 (which is less than the .05 alpha level). This means the **"H_1: There is a significant relationship between Brand Credibility and Consumer Loyalty through Perceived Quality"** is accepted and the null hypothesis is rejected.

DISCUSSION

Reviewing the findings, practical applications, and potential future research directions of the study "The Effect of Brand Credibility on Consumer Loyalty: The Mediating Role of Perceived Quality and Consumer Satisfaction in Hangzhou" would be the main points of discussion. Above all else, the study shows that trust in the brand is key to keeping customers coming back. Consumers are more likely to remain loyal to a business over time if they see it as trustworthy, competent, and dependable, as shown by the findings. This agrees with previous research that has established the importance of reliability and trustworthiness in building customer loyalty to a company. In highly competitive places like Hangzhou, it is very critical for firms to establish and maintain trust in order to stand out and retain clients. Trust in a brand is strongly correlated with consumer loyalty, with perceived quality and satisfaction mitigating the relationship. Customer satisfaction and the perception of high-quality products go a long way toward establishing brand loyalty, but legitimacy isn't the only factor. When consumers trust a business and are pleased with the products they purchase, they are more likely to remain loyal to that business. This provides support for the theory that customer loyalty is contingent upon more than just the legality of the firm; it is also affected by the value customers ascribe to the brand and their whole experience with it.

CONCLUSION

Findings from this study highlight the importance of perceived quality and customer satisfaction as mediators between brand credibility and the development of customer loyalty. Investigating and making use of these factors may help businesses increase client retention rates and create stronger, more meaningful relationships with their clientele. Using Hangzhou as an example, this research shows that customer happiness and perceived quality play mediating roles between brand credibility and customer loyalty. According to the results, customers are more inclined to become loyal to a company if they believe it is trustworthy, dependable, and competent. Nevertheless, there is an indirect link; important intermediaries include customer satisfaction and perceptions of quality. When customers have faith in a product or service, they are more likely to be satisfied with their purchase and remain loyal over time. Ensuring consistent product quality, honest communication, and a strong brand reputation are crucial for firms in Hangzhou's competitive market to enhance their brand credibility. Customer connections may be fortified via raising the bar for perceived quality and sustaining high levels of customer satisfaction, which in turn increases the likelihood of repeat business and favourable word of mouth. In the end, firms who are able to establish their brands as trustworthy and provide exceptional customer service will be able to drive long-term development by achieving sustained consumer loyalty.

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