Perceived product reputation, brand commitment, and corporate social responsibility as predictors of customer satisfaction

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Abstract

Customers are the end goal for every business as they create demand and revenue for the business organization. In order to retain customers, businesses need to identify what customers expect from them. One of the least studied businesses is the paint industry. The study filled this gap in knowledge by investigating perceived product reputation, brand commitment and corporate social responsibility as predictors of customer satisfaction among paint buyers in Lagos, Nigeria. A cross-sectional survey research design was used, while a purposive sampling technique was utilized to select two local government areas in Lagos State. Data were collected from 274 paint buyers using validated scales and analyzed with a t-test of independent samples and multiple regression analysis. The result indicates that perceived product reputation, brand commitment and corporate social responsibility jointly predicted customer satisfaction among paint buyers. Furthermore, perceived product reputation, brand commitment and corporate social responsibility independently predicted customer satisfaction. The conclusion is that perceived product reputation, brand commitment, and corporate social responsibility are robust predictors of customer satisfaction among study participants. The study recommends that paint companies continue to improve their branding policy and corporate social responsibility to retain and capture potential consumers in the paint industry.

Keywords: brand commitment; corporate social responsibility; customer satisfaction; perceived product reputation

Introduction

Customer satisfaction refers to the customer's perception that his/her expectations have been met from the product purchased (Thakur & Singh, 2011). It is a fundamental tool used by organizations to enhance customer loyalty and, ultimately, organizational survival and profitability. Customer satisfaction connotes happy customers as they are like a free advertising medium for the company products (Kotler, Keller, & Chernev, 2021). Customer satisfaction has become a buzzword for organizations that seek distinction and excellence from others. When the customer's expectations are met, the individual would be satisfied; when the expectations are surpassed, the individual would be delighted; however, when the expectations are not met, it leads to customer dissatisfaction (Thakur & Singh, 2011).

Some factors have been investigated as predictors of customer satisfaction. One factor considered in this study is perceived product reputation, which is defined as the perception that customers, employees, partners and others have of a particular product brand (Omolaja, 2022). A good product reputation helps to build the corporate image. Customers who carry a company's product name help to advertise the quality and distinctness of that company. Studies have shown that product buyers want brand names as a means of making the product easier to handle, identifying suppliers, holding production to certain quality standards, and increasing buyer preference (Kotler et al., 2021). Studies have revealed that individuals who scored high on the perceived product

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reputation scale would score high on the customer satisfaction scale (Omolaja, 2022; Pereira, Ardigó, & Limberger, 2021).

Another factor considered in this study is brand commitment, which is defined as an emotional or psychological attachment to a brand within a product group (Fournier, 2009). Hsiao, Shen, and Chao (2015) conceptualized brand commitment as "an enduring desire to maintain a valued relationship" when buying a particular brand or product. Earlier, Morgan and Hunt (1994) defined brand commitment as a" key variable that encourages the exchange network: (a) to work at preserving the relationship (in this case buying a particular product), (b) to avoid alternative relations with other partners (in this case to avoid or reduce the tendency of buying products), and (c) to reduce the perception of risk in the environment." Studies have shown that brand commitment significantly predicts customer satisfaction (Alkhawaldeh, Al-Salaymeh, Alshare, & Eneizan, 2017; Foroudi, 2019; Pereira et al., 2021).

The third factor considered in this study is corporate social responsibility (CSR), which refers to a business organization's obligations towards the pursuance of policies, decisions and actions that are in line with societal values and objectives (Jiang, 2021). Banerjee (2008) sees it as the organization responsible for the impact of their actions and assessment on society and the environment through behavior that is ethical and transparent, as well as consistent with sustainable development and the welfare of the society. Business organizations who engage in CSR would be seen to be sensitive to the needs of the community and thus good to do business with by buying their products compared to those organizations who are less inclined to help the communities they operate in (Ugwunwanyi, Nwosu, Otika, & Osuagwu, 2021). For example, Ugwunwanyi et al. (2021) found corporate social responsibility to influence customer satisfaction in the telecommunication industry significantly. Another study by Qamar, Masood, and Junaid (2016) found CSR to be a significant predictor of customer satisfaction among study participants.

Finally, gender is considered in this study. Studies that have investigated the influence of gender on customer satisfaction have produced consistent positive results across different populations and samples. For example, Nguyen (2020) found gender to have a significant influence on customer satisfaction among buyers of cosmetics products. Also, Bhat and Darzi (2014) found gender to influence customer satisfaction among individuals who used banking services significantly. When a product enjoys a perceived brand reputation and individuals see the organization that produced the product brand as corporately responsible, there is the likelihood of receiving brand commitment, leading to customer satisfaction for that product at a profit to the organization.

Because customers are the end goal for every organization to remain in business, there is a need to identify what customers' needs are in order to retain them and create new customers. Therefore, there is a need for customer satisfaction research. Studies have investigated many predictors of customer satisfaction with varying results. Specifically, the fact that studies investigating predictors of customer satisfaction among buyers of paint products are sketches, this study aimed to fill this gap in knowledge.

Therefore, the main purpose of this study was to examine perceived brand reputation, brand commitment and corporate social responsibility as predictors of customer satisfaction among buyers of paint products in Lagos State, Nigeria. The following research questions were answered in this study: Would perceive product reputation, brand commitment, and corporate social responsibility jointly and independently predict customer satisfaction among paint buyers in Lagos State, Nigeria? Moreover, would gender significantly influence customer satisfaction among buyers of paint products in Lagos State, Nigeria?

The results of this study would help promotional managers in the paint industry manipulate product reputation, brand commitment, and corporate social responsibility to achieve customer satisfaction and profit for the organization. Also, the result of this would provide data for further studies on psychological factors that contribute to customer satisfaction among buyers of paint products in Lagos State, Nigeria.

It is hypothesized that perceived product reputation, brand commitment and corporate social responsibility would significantly predict customer satisfaction among customers of paint products. Moreover, male paint customers would significantly report higher satisfaction than their female counterparts.

Methods

The study adopted a cross-sectional survey research design using validated questionnaires to collect data from the study participants. The study was carried out among customers of paint products in Lagos State. Lagos is the commercial nerve center of Nigeria, the largest market for paint manufacturers and buyers. The participants were customers of paint products in Lagos State. They were conveniently sampled at the various paint shops and depots at Mushin in Isolo/Oshodi LGA and Iyana-Ipaja in Alimosho LGA.

Four instruments were used for data collection. This includes the Customer Satisfaction Scale, a 12-item scale developed by Smith and Eroglu (2009) used to measure customer satisfaction. The scale is presented on a 5-point Likert's format that ranges from strongly agree to disagree strongly. Examples of items include: "This is one of the best paints I could have bought" and "This paint hasn't worked out as well as I thought it would." The developers reported Cronbach's alpha of 0.71, while in this study, Cronbach's alpha calculated was 0.69.

Next was the Brand Reputation Scale (BRS which is a 7-item subscale of BRS by Henard and Dacin (2010) used to assess brand reputation. It is a 5-point Likert's response format ranges from disagree strongly to agree strongly. Sample items are: "The maker of the paint I use is cutting-edge in the paint industry" and "The maker of the paint I use is a new product leader in the paint industry." The authors reported Cronbach's alpha of 0.77 while in the present study, Cronbach's alpha of 0.73 was calculated.

Then, the Corporate Social Responsibility Scale developed by Turker (2009) was used to evaluate corporate social responsibility. It is a 42-item scale presented on a 5-point Likert's response format that ranges from disagree strongly to agree strongly. Sample items include: "As a customer, I receive reasonable incentives to maintain an acceptable quality of life" and "The paint company policies provide a safe and healthy environment for their employees." The author reported Cronbach's alpha of 0.88, while in this study, Cronbach's alpha was determined to 0.82.

Finally, the Brand Commitment Scale, a 12-item scale developed by Shuv-Ami (2016), is used to establish brand commitment. It is a 5-point Likert scale with a response format ranging from disagrees strongly to agree strongly. Sample items include: "I am involved and interested in my main paint provider" and "My paint provider is meaningful and important to me." The internal consistency for the subscale was found to be 0.70.

The researchers obtained a Letter of Introduction from the Department of Psychology, University of Ibadan, Nigeria, to introduce them to the potential participants. After a brief introduction, the potential participants were asked for their consent, and some of them were obliged to participate in the study. They were informed that participation in the study was voluntary and that they could withdraw at any time when they felt uncomfortable. There was no financial inducement. Potential participants were given questionnaires which took less than 20 minutes to complete. All questionnaires administered were collected on the spot. A total of 279 questionnaires were administered and collected over a period of 18 days. After screening the questionnaires for data analysis, five questionnaires were found to be incompletely filled and removed, thus leaving 274, which were used for final analysis.

SPSS version 23 was used for data analysis. Both descriptive and inferential statistics were executed on the data collected. Hypothesis one was tested with multiple regression analysis, while hypothesis two was tested using a t-test of independent sample means. All hypotheses were accepted at $p < 0.05$.

Results and Discussion

The data presented in this study are based on three levels of analyses: zero-order correlation, multiple regression analysis, and t-test of independent samples. The interpretation and acceptance of the hypotheses depend on the probability value of $p \leq 0.05$, that is, 95% level of significance.

Table 1.
Zero-order inter-correlations of study variables

SN	Variables	Mean	SD	1	2	3	4
1	Customer satisfaction	34.84	6.47	-			
2	Brand reputation	24.48	5.27	0.60*	-		
3	Corporate social responsibility	71.87	23.95	-0.10	0.01	-	
4	Brand Commitment	40.69	13.01	0.32*	0.18*	0.04	-

*Significant at 0.05

Table 1 presents results on the relationship among the variables of the study. The result showed that customer satisfaction had a significant and positive relationship with brand reputation ($r = 0.60$, $p < 0.05$) and brand commitment ($r = 0.32$, $p < 0.05$). This implies that the higher the brand reputation and commitment, the higher the customer satisfaction. However, customer satisfaction was found to have no significant relationship with corporate social responsibility ($r = -0.01$, $p > 0.05$).

H1: Perceived product reputation, brand commitment, and corporate social responsibility would jointly and independently predict customer satisfaction among customers of paint products. This was tested using multiple regression analysis, and the result is presented in Table 2.

Table 2.
Multiple regression analysis showing joint and independent predictors of customer satisfaction among paint buyers

Predictors	β	t	p	R	R^2	F	p-value
Perceived Brand Reputation	0.56	11.77	< 0.05				
Corporate Social Responsibility	0.11	2.44	< 0.05	0.64	0.41	63.50	< 0.05
Brand Commitment	0.22	4.73	< 0.05				

Dependent Variable: Customer satisfaction

Table 2 presents the results of the joint and independent predictors of customer satisfaction among paint buyers. The result revealed that perceived brand reputation, brand commitment, and corporate social responsibility were significant joint predictors of customer satisfaction [$R^2 = 0.41$, $F (3, 270) = 63.50$, $p < 0.05$]. Collectively, perceived brand reputation, brand commitment, and corporate social responsibility accounted for about 41% variance in customer satisfaction. Further results indicated that perceived brand reputation ($β = 0.56$, $t = 11.77$, $p < 0.05$), brand commitment ($β = 0.22$, $t = 4.73$, $p < 0.05$), and corporate social responsibility ($β = 0.11$, $t = 2.44$, $p < 0.05$) independently predicted customer satisfaction among study participants. This supported the hypothesis.

H2: Male customers would significantly report higher on customer satisfaction than their female counterparts. This was tested using t-test for independent samples and the result is presented in Table 3.

Table 3.
T-test for independent samples showing gender differences in customer satisfaction among study participants

Gender	N	Mean	SD	t	df	p
Male	164	34.38	6.49	1.43	272	> 0.05
Female	110	35.52	6.41			

Note: N= 274, SD = Standard Deviation, Dependent Variable: Customer satisfaction

Table 3 presents the results on gender differences in customer satisfaction. The result revealed that there was no significant gender difference in customer satisfaction among study participants [t (272) = 1.43, p > 0.05]. This negates the hypothesis and was rejected.

The study investigated perceived product reputation, brand commitment and corporate social responsibility on customer satisfaction among customers in the paint industry. The hypothesis that perceived product reputation, brand commitment, and corporate social responsibility would jointly predict customer satisfaction among paint buyers was supported. Also, perceived product reputation, brand commitment, and corporate social responsibility independently predicted customer satisfaction among paint buyers. This finding lent credence to Omolaja (2022) and Pereira et al. (2021) result that perceived product reputation significantly predicted customer satisfaction. This means that when the reputation of a product is perceived to be high, customers tend to experience higher levels of satisfaction. Also, Foroudi (2019) and Alkhawaldeh et al. (2017) result supported the finding of this study that the reputation of an organization determines the extent of customer satisfaction.

On the other hand, Ugwunwanyi et al. (2021) findings supported the current result that corporate social responsibility (CSR) significantly predicted customer satisfaction. Since CSR contributes significantly to how customers perceive their organization, therefore, it has a direct effect on their levels of satisfaction with products and services from that organization. Finally, the present finding supported Pereira et al. (2021) results that brand commitment contributes significantly to customer satisfaction among their study participants. In sum, perceived product reputation, brand commitment, and corporate social responsibility significantly predicted customer satisfaction among buyers of paint products in Lagos, Nigeria.

Moreover, the hypothesis that male customers would significantly report a higher level of satisfaction than their female counterparts was not supported. The result tends to suggest that whatever the genders of the buyers of paint products have no effect on their levels of satisfaction. This finding contradicted results by Nguyen (2020), who found gender to be a significant predictor of customer satisfaction among buyers of cosmetics products online. Finally, this study contradicted Bhat and Darzi (2014), who found gender to significantly differentiate customers who were satisfied with banking services from those who were not. The result of this study is suggestive that paint products would not be taken as a basic human need that everyone goes for every now and then. Individuals buy paints after their basic needs of food and shelter have been met.

Conclusion

This study has empirically confirmed that perceived product reputation, brand commitment, and corporate social responsibility are robust predictors of customer satisfaction among individuals buying paint products in Lagos, Nigeria. However, gender did not influence customer satisfaction among those buying paint products.

Based on the findings of this study, the following recommendations were put forward: Because brand reputation jointly and independently predicted customer satisfaction, it is recommended that paint companies should try as much as possible to improve their branding policies to communicate pleasant messages to potential consumers to encourage continuous patronage. Also, as corporate social responsibility jointly and independently predicted customer satisfaction among

paint buyers, it is recommended that paint companies should make it a point of duty to engage in a series of corporate social responsibilities that would be beneficial to their current and potential customers. These perceived benefits would serve as a means of attracting more customers to the company's products.

Since it was found that brand commitment jointly and independently predicted customer satisfaction, it is recommended that paint companies should try as much as possible to ensure that they obtain a commitment from their customers through advertisements and promotional offers. All these aimed to encourage customer satisfaction. Finally, since gender did not influence customer satisfaction, paint companies should devise a means to segment the paint market in order to increase patronage and customer satisfaction.

Some limitations of this study need to be stated. Only two locations in two local government areas in Lagos State, with a sample size of 274, were used in the study, which hinders the generalization of study findings. Further studies should include more local government areas and larger sample sizes. Also, data were collected using self-reported questionnaires, which would have been influenced by response bias. Further studies should use data collected from the sales representatives to triangulate data collected from self-reported questionnaires. Finally, only three independent variables were investigated. Therefore, further studies should include perceived social support from the paint industry and socio-demographic variables of the potential paint customers.

Acknowledgement

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