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Customer Satisfaction as a Moderator between Brand Associations and Consumer Perception of Value: The Case of Mobile Phone Brands in Sri Lanka

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Abstract
Brand association and customer satisfaction play a crucial role in enhancing the value perception of mobile phone customers. This study investigates the moderating effect of customer satisfaction between brand associations on customers' perceptions of value. Using a structured questionnaire, data were collected from mobile phone users in the Eastern Province of Sri Lanka. The analysis of data was conducted using SPSS 24.0 and AMOS. Customer satisfaction moderates the relationship between brand association and customer perception of value of mobile phones. Brand association has a positive impact on customer perception of value. This study contributes to existing marketing literature by investigating the moderator role of customer satisfaction between brand association and customer perception of value in the mobile phone market. When attempting to increase the perceived value of their consumers, mobile phone marketers should therefore consider fostering positive brand associations and customer satisfaction.

Keywords: *Brand association, Customer Satisfaction, Customer perception of value*

1.0. Introduction

According to Irma Zulhana Koto et al. (2019), making use of brand associations is an excellent strategy to disseminate the message of the brand and differentiate the offering from that of its rivals in a market that is notoriously cut-throat. Marketers urge customers to form inferences about the features and traits of their brand based on the unique collection of visual, aural, or even tactile cues that they present in their marketing campaigns (Silvia & Annisa fitri., 2022; Vonny et al., 2019). These cues can be presented in a variety of ways, including images, sounds, and even textures. These characteristics have to become imprinted in the consumers' views of a brand through time and with frequent exposure to various touch points associated with the brand. According to Bhaya (2017), brand associations can be created in two different ways: purposefully, via the efforts of brand managers and marketers; and unintentionally, through the actions of third parties and their attitudes.

According to Silvia & Annisa fitri (2022), the identity of a brand is cultivated during every stage of a company's marketing strategy and product development. Nevertheless, it is difficult to identify if this connects to customers' good view of a brand and customers' assessment of the value of a particular brand if brand association is not monitored. (Eva et al., 2019; Prameka et al., 2017) Brand association goes beyond the traditional key performance indicators of awareness, consideration, and preference to investigate what customers think about when they think about specific brands. It all go to the specific characteristics and characteristics that people connect with a brand, as well as the degree to which they are satisfied with a

certain brand. According to findings from Silvia & Annisa fitri (2022), customer satisfaction plays a significant role in moderating the influence of brand association in customer perception of value.

However, positive brand connections are not always guaranteed; rather, they mostly depend on the level of satisfaction experienced by customers. According to Kasiri et al. (2017), customers who are unhappy with a brands, products or services may have unfavorable brand associations, which can severely damage both the brand's reputation and the value it is seen to have. According to Omoregie et al. (2019), it is extremely important to be aware of the brand associations that are associated with a brand and to ensure that these brand associations are consistent with the basic identity, purpose, and values of a brand. Researchers in developed countries have proven that engaging in brand imagination attraction through brand association has positive impacts on both individuals and organizations. Studies have shown that consumers are more sensitive to the influence of others when making purchases of specific things and services, and this is especially true for those individuals who are less familiar with the brand in question. The researches focusing brand association, customer satisfaction and customer perception of value is lacking in the context of Sri Lanka, as this is the research intended to measure the moderator function of customer satisfaction in the relationship between customer perception of value and customer perception of brand association would assist brand managers to develop strategies to overcome the challenges they face with regard to the variables used in this study. In light of these perspectives, the objective of this study is to investigate the effect of brand association on value perception in the mobile phone market, with an emphasis on the moderating role that customer satisfaction plays in this relationship.

2.0. Literature Review

2.1 Brand Associations

The meaning that a customer associates with a company and its brands when they hear the name, logo, or color scheme has a significant impact on how effectively the customer is able to recall the brand or firm's products. According to Aaker (1996), associations serve as mental shortcuts to a company's brand promise and are a key component in the process of value creation. When associations are successful, they help to establish deeper customer relationships by having a favorable impact on the consumers' senses, minds, and emotions while they are in the process of making a purchase. According to Keller et al. (2011), there are several components that make up brand association. These components include top-of-mind awareness, brand knowledge, brand dominance, and brand opinion. The total collection of brand associations that are relevant to a brand is known as brand knowledge.

According to Vonny et al., (2019), the Brand association serves as a foundation for consumer purchasing choices regarding the brand purchase, and the customer possesses a great deal of information regarding the understanding of the brand. In addition to this, the relationship between the customer brand recall and the brand that was associated with the product was highly essential. According to this strategy, customers repurchase and make additional use of the brand (Silvia et al., 2022). Brand associations occur when customers form connections between a brand and other elements that they recall (Irma et al., 2019).

Aaker (1991), brand association can refer to anything that is associated in the memory to the brand. Not only do these relationships exist, but they also have a certain degree of power. If a link to a brand is built on a large number of experiences or exposures to messages, rather than a small number, the link will be stronger. In addition to this, it will be more powerful if it is supported by a network of additional linkages. In this sense, he suggests 11 different sorts of associations, which are as follows: product characteristic, tangibles, customer advantages, use/application, user/customer, celebrity/person, lifestyles/personalities, product class, competitors, and country or geographic places.

2.4 Consumer Perception of Value

According to Prameka et al., (2016) perceived value is made up of a pair of components such as benefits obtained by using particular brand / product and the other is the sacrifices made by the customer to buy or use the brand (price, time, energy, risk, and convenience). Yasa et al., (2020) stated that most of the definitions of perceived value defines it as a customer's view of what they have received and what they have supplied, subject to their general assessment of brand such as functionality and brand image.

According to Vonny et al. (2019) every product has a value that may be measured in both monetary and non-monetary terms. The price that one must pay in order to acquire a thing is referred to as its monetary value. This price is the value of the commodity as expressed in terms of dollars and cents. The amount of time invested, the effort put into the search, and the distance traveled all contribute to the product's non-monetary value, "price" refers to "what is given up or sacrificed." There is a significant amount of data in the published research that indicates costs to the consumer that are not related to price (Omoregie, 2019). Therefore, to summarize in a nutshell the overall advantage that the consumer derives from the product, however the customer defines it, at the price that the customer is prepared to pay for the product is referred to as the perceived customer value. Having information about how much value a client places on a product or service gives a company the ability to tailor its offerings to better satisfy customer expectations around value. According to Vonny et al. (2019) and Prameka et al. (2017), customers' perceptions of the value influence their attitudes and, as a result, their decision-making behavior.

2.5.Customer Satisfaction

Consumers experience satisfaction as a direct effect of the actions that lead up to the purchase of a product. The level of contentment experienced by consumers is a critical component in determining the level of a company's or brand's overall success. According to Kotler & Keller (2016), customer satisfaction can be defined as the state in which consumers experience either happiness or disappointment as a result of comparing their perceptions of a product. It is beneficial to the corporation to pay close attention to the fulfillment of the requirements of the clientele. When a consumer is able to create trust in a company and has a positive purchasing experience, they are more likely to make additional purchases from that firm (Eva et al., 2019; Rofiq et al., 2017; Chigunhah et al., 2021).

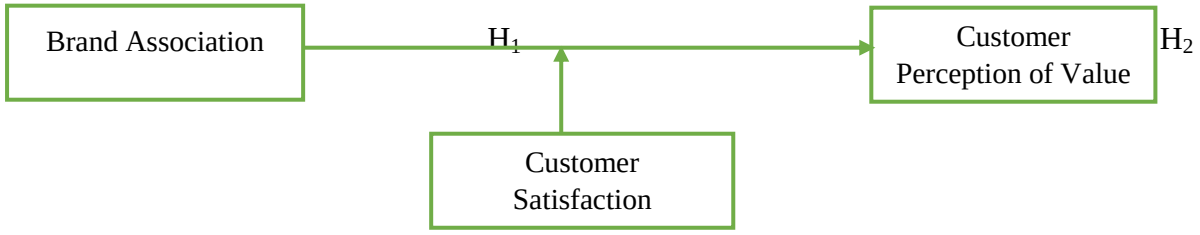
Market opportunities can be found by customer satisfaction surveys (Islam et al., 2020; Susanti et al., 2019). Customer satisfaction is the foundation for excellence and standard performance, thus modern firms should make that a priority (Kasiri et al., 2017). Brands rely on loyal customers, rather than customers relying on the brands or products they purchase. Customers that are happy with the service they receive tend to stick with the same brand or product (Nikou & Khiabani, 2020), which is good for business. According to Islam et al., (2020), satisfied customers are more likely to tell others about their positive experiences, while dissatisfied customers are more likely to tell others about their negative ones, leading to a loss of business and a decrease in brand value. It's also possible for unhappy customers to simply stop using the product from a particular supplier (Kasiri et al., 2017; George et al., 2019) rather than lodge a formal complaint. Keeping consumers happy is crucial for businesses to keep or increase their worth in their brand position in the market (Susanti et al., 2019).

3. Research Methodology

3.1. Conceptual framework and hypothesis development

The results of the literature review served as the basis for the development of the conceptual model that can be seen in Figure 3.1 below. It demonstrates the pattern of relationship that was hypothesized to exist between the variables under investigation, namely between the independent variable of brand association and the dependent variable of customer perception of value.

Figure 3.1. Conceptual Framework



Source: Adopted and modified from (Nikhasemi et al., 2016; Susanti et al., 2019; Yasa et al., 2020).

Based on the above conceptual framework and literature reviewed the following hypothesis was developed

H_1: Brand association has a positive influence on Customer perception of value
H_2: Customer satisfaction moderates the influence of brand association on customer perception of value

3.2. Data collection procedure

The survey was conducted from October through December of 2022. The total sample size for this study was 300 people. The Eastern province had the most respondents. This place was chosen since this province comprises major urban areas with a huge population that adheres to all four religions. The following criteria were used to identify sampling respondents: (1) any mobile brand customer; (2) a consumer who has lived in the eastern province for the last ten years and is over the age of 25. The sample technique employed in this investigation was non-probability sampling. Because of the respondents' ease of access, convenience sampling was employed. The data was gathered from respondents using a Structured questionnaire.

3.3. Measures of Variables

The variables that were examined in this research were brand awareness as an independent variable, customer perception of value as a dependent variable, and customer satisfaction as a moderator. The measuring scale for the questionnaire was a Likert scale that ranged from 1 to 5, and the analysis of the data was done using descriptive statistics with SPSS 24.0 and SEM analysis with AMOS 23. In order to compute respondent characteristics, descriptive analysis was utilized, whereas structural equation modeling was utilized in order to investigate the causality between variables.

4. Data Analysis and Presentation

4.1. Characteristics of respondents

All of the respondents who were chosen to participate in the survey have a decent understanding of mobile phone brands. The majority of respondents (85%) are between the ages of 25 and 55, and 32% of them earn between Rs. 60,001 and Rs. 70,000 per month, while 14% make more than Rs. 100,000. 68% of them work in government or semi-government, and 26% work in the private sector, according to their sector of employment. 100% of customers use a cell phone from a different brand, and 85% of them plan to switch to a different brand in the future.

4.2. Normality test

To demonstrate a normal univariate distribution, kurtosis values between ±2 are deemed acceptable (George & Mallery, 2010). According to Hair et al. (2010) and Bryne (2010), data is regarded as normal if the skewness is between ±2.

Skewness and kurtosis statistics were determined in order to test for deviations from normalcy in the data. The fact that the Skewness and Kurtosis statistics came out to be less ±2 respectively is evidence that the data follows a normal distribution. According to the information presented in Table 2, the values of skewness range from -0.915 to 0.928, while the values of kurtosis range from -1.913 to 1.132. On top of that, the values of the standard deviation are within a range of 0.844 and 0.883 on a scale of 5, which indicates that the data are normal and appropriate for route analysis.

Table 1: Descriptive and Normality statistics

Variable	Mean	Std. Deviation	Skewness	Kurtosis
BA	4.262	.858	−.915	.981
CS	4.127	.883	.925	-1.913
CPV	3.192	.844	.928	1.132

Note: BA= Brand association, CS = Customer Satisfaction, CPV=Customer perception of value

4.3. Validity and Reliability

Prior to its application to structural equation modeling, the measurement model was validated using the two-stage approach developed by Anderson and Gerbing (1988). In this measurement model, the three latent variables that are being referred to as "brand association," "customer perception of value," and "customer satisfaction". The model fit measures has provided the acceptable fit statistics (χ^2 /df = 4.3; GFI= .91;

AGFI= .89; TLI= .92; CFI= .91; RMSEA= .07). Validity and reliability analysis related with the measurement model are demonstrated in Table 2.

Table 2: Validity and Reliability Analysis

Variable Name	Item	Loadings	CR	AVE	Cronbachs Alpha
BA	BaAs1	.738	.848	.782	.851
	BrAs2	.743			
	BrAs3	.614			
	BrAs4	.741			
	BrAs5	.846			
	BA6	.765			
CPV	CPV1	.847	.834	.755	.824
	CPV2	.735			
	CPV3	.744			
	CPV4	.865			
	CPV5	.812			
	CPV6	.722			
CS	CuSa1	.857	.923	.768	.862
	CuSa2	.725			
	CuSa3	.847			
	CuSa4	.731			
	CuSa5	.865			
	CuSa6	.847			

Note: BA= Brand association, CS = Customer Satisfaction, CPV=Customer perception of value

Confirmatory factor analysis loads of the brand association variable have ranged from 0.614 to 0.846. Composite reliability (CR) value related with brand association is 0.848; and average variance extracted (AVE) is 0.782. Confirmatory factor analysis loads related with customer perception of value variable have ranged from 0.722 to 0.865. CR value related with the customer perception of value is 0.834 and AVE value is 0.755. Confirmatory factor analysis loads related with the customer satisfaction variable have ranged from 0.725 and 0.865. CR value related with the customer satisfaction is 0.923 and AVE value is 0.768.

As both the fit indices and item loads of each variable are in acceptable levels (>.5); it can be said that convergent validity is ensured for the dimensions used in the measurement model.
Discriminant validity has been calculated using the AVE results that are between 0.755 and 0.782. AVE values exceeded the square of phi estimates for the constructs, providing discriminant validity (Anderson & Gerbing, 1988; Fornell & Larcker, 1981). Thus; it is possible to say that the measurement model is valid and reliable.

4.4. Correlation Analysis

A correlation test was carried out so that the strength of the linear relationship that exists between variables could be determined. The details can be found in Table 3. The research showed that there is a strong positive correlation between the three variables that were investigated, namely brand association, customer satisfaction, and customer perception of value.

As can be seen in Table 3, there are positive correlations that are statistically significant between brand association and customer perception of value (r =.716, p =.000 .05), and between customer satisfaction and customer perception of value (r =.703, p =.000 .05), which is also significant.

Table 3: Correlation between variables

	BA	CS
CPV	r = .716**	r = .703**
	Significance = .000	Significance = .000

Note: BA= Brand association, CS = Customer Satisfaction, CPV=Customer perception of value

4.5. Testing of Hypotheses

4.5.1. Structural Equation Modeling

Structural equation modelling (SEM) in AMOS version 21 was used to test the H_1. Model fit indices (CMIN/DF = 2.852; RMSEA = 0.531, AGFI = 0.902, GFI = 0.903, TLI = 0.906, CFI = 0.902,) were acceptable. Results show that brand associations has a direct positive effect on customer perception of value (standardized regression weight [SRW] = 0.681, critical ratio = 13.505, $p < 0.001$). Therefore, H_1 was accepted.

4.5.2. Testing Moderator Hypothesis

Moderated multiple regression analysis was used to test H_2. Results are shown in Table 5. According to the results, coefficients for the interaction terms (Brand association × customer satisfaction) were significant ($p < 0.05$). This suggests that customer satisfaction moderate the effect of brand association on customer perception of value. Therefore, H_2 was supported.

Table 5: Coefficient of moderated Analysis

Path	Estimates	S.E	C.R	Sig
CPV ←---- BA	286.816	69.060	4.140	0.000
CPV ←---- CS	817.448	208.221	3.577	0.000
CPV ←---- BAxCS	78.400	12.541	4.887	0.000

5. Findings and Conclusions

Prior studies on branding conferred that brand association and customer satisfaction are vital determinant of customer perception of value (Vonny et al., 2019; Yasa et al., 2020;) In the context of mobile phone industry, product design, features and performance play a crucial role in creating customer satisfaction and customer perception of value (Bhaya, 2017; Chigunhah et al., 2021). In Sri Lanka, mobile phone market is rapidly growing over last decade.

Even though the marketing literature calls for better customer satisfaction to make customers perceive more value (Devi 2021; Khan & Khan, 2017), Other factors must be included to reinforce this association even more. Brand association and brand image are key to establish good customer perception of value (Kasiri, 2017; Susanti et al., 2019; Yasa et al., 2020).

The purpose of the study was to test the moderator effect of customer satisfaction between brand association and customer perception of value. The study found that brand association has significant positive impact on customer perception of value and customer satisfaction moderates the relationship between brand association and customer perception of value in the mobile phone industry.

6. Direction for Future Research

The study includes some flaws that make it necessary to carry out further research and there are good reasons to do so. As an illustration, the research was only carried out in the mobile phone business, and the area of investigation was restricted to the eastern region. Because of this, it is challenging to draw broad conclusions from the findings. Therefore, in order to improve the findings' applicability across a wider range of contexts and settings, it is advised that further research be carried out, either in other sectors of the economy or across the entirety of Sri Lanka.

Given that this research was only carried out within a specific time period or as a cross-section, and given that the environment is continuously changing, it is hoped that this research will be repeated at some point in the future. This research is restricted to analyzing only brand association, customer perception of value, and customer satisfaction, as a result, it is unable to investigate the aspects that are related to these variables in detail.

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