The Impacts of Functional versus Symbolic Congruity on Brand Loyalty in the High-end Cosmetics Industry

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Abstract

It is not rare to see strong competition happening in the cosmetic industry. In order to sustain the business, retaining customer becomes crucial. The study’s objective is to give insightful suggestions for marketers on how to improve customers’ brand loyalty in the high-end cosmetic industry.

The research model is comprised with 2 groups of independent variables which are functional congruity and symbolic congruity. We believe that customers become loyal when the brand’s functional and symbolic characteristics are congruent with the previous perception of the customers. By analyzing both the functional congruity and symbolic congruity, we aim to seek evidence on which one is more important for creating brand loyalty in the high-end cosmetic industry. Also, this study evaluates age as a moderating effect, providing suggestions on how to retain customers in different range of age. To test the model we developed, 160 questionnaires have been successfully collected in shopping malls and through internet. The findings of the result show that marketers should put emphasis on improving product quality and service quality. Moreover, loyalty program with high benchmark can be employed in order to establish a prestigious image. Finally, for cosmetic brands targeting on women aged above 30, it is important for them to establish a brand personality which is congruent with the targets’ personality.
Acknowledgement

We would like to take this opportunity to thank our supervisor Dr. Danny Wang for his supervision. We are very grateful that he spent his valuable time on meeting us and giving us advices to help us overcome difficulties. His suggestions and insights always broaden our thinking and give us a way to think out the solution. Because of his priceless opinions and supports, our honor project can be done in a smooth way.

Furthermore, we appreciate our schoolmates, friends and family for supporting us in the whole process, especially the part of data collection. So we would like to express our sincere thankfulness to all respondents who spent their contribution and times on helping us to complete the honors project for the past 8 months.
1. Introduction

1.1 Background
Nowadays, with women gaining their significance in the workplace, the purchasing power of this particular group is increasing enormously. As a result, industries targeting female consumers are developing in an unprecedented scale. Cosmetics industry is one of the industries that benefit most from this sociocultural transformation. There are numerous cosmetic brands all over the world. How to stand out in the industries is one of the key issues that marketers are deeply concerned about. Moreover, in order to meet the social needs of women nowadays, high-end cosmetics appear. Some of them have proved to be successful on gaining popularity. However, for a cosmetic brand to sustain its business, retaining existing customers is rather crucial. Brand loyalty becomes a heated topic in the field of marketing.

1.2 Objective
The objective of this study is to give marketers some insightful suggestions on how to improve brand loyalty in the high-end cosmetic industry. From previous literatures, it is suggested that consumers have two types of needs to fulfill (i.e. functional needs and symbolic needs) and therefore evaluate the brand in this two dimensions. We believe that customers become loyal when the brand’s functional and symbolic characteristics are congruent with the previous perception of the customers. Specifically, when the brand’s functional characteristics like product quality and service quality match with the customers’ previous perception, and when brand’s symbolic characteristics like personality, and prestige match with the customers’ own personality and social status, the customer tend to be more loyal. By analyzing both the functional congruity and symbolic (also known as self-expressive) congruity, we aim to seek evidence on which one is more important for creating brand loyalty in the high-end cosmetic industry. Also, we try to examine age’s role as a moderator, seeking evidence on how to retain customers in different age range.

2. Literature Review
2.1 High-end Cosmetic
The definition of “High-end” from Oxford Dictionary is described as denoting the most expensive of a range of products such as high-end computers. The definition from Cambridge
described that high-end indicates high quality of goods and in the high-end market, customers do not mind how much it costs but put more emphasis on its quality. In other words, customers require high quality products and willing to pay an extra cost in purchasing the high-end product.

The term cosmetic occurred in the early 17th century, people defined cosmetic as the art of beautifying. Nowadays, cosmetic is applied to improve our appearance especially our facial expression and our body. Cosmetics are the chemical mixtures which can be applied on our face and body. In the market, there are different types of cosmetics, such as lotions, creams and powders which are mainly apply on our face, lipsticks which are applied on the lips. And there are many other cosmetic that are applied on other part of our body, like eyes and nails.

According to the ranking result of the Ranker\(^1\) for the best cosmetic brands, brands are ranked from the most expensive and exclusive cosmetic brands to the best affordable cosmetic brands. We generated 12 premium cosmetic brands from Ranker and Blogger\(^2\) and applied in our study. These brands are Estee Lauder, Sisley, Guerlain, Dior, Lancôme, Givenchy, la prairie, Helena Rubinstein (HR), SHISEIDO, Biotherm, Chanel, and L’Oreal.

\section*{2.2 Brand Loyalty}

In history, different scholars have defined brand loyalty. At the very beginning of the field in loyalty, loyalty was defined by what customers do to become loyal. Repurchase is one of the loyalty behaviors because having repurchase cycle is one of the sign in representing customer’s loyalty in a particular brand (Bass 1974). In the first stage of research, loyalty was simply defined by a behavioral approach. None of them include the customer’s psychological aspect of loyalty.

Later, Jacoby and Kyner (1973) developed a definition of loyalty stated that customer is bias on repurchasing a particular brand of product. Also, Jacoby and Chestnut (1978) pointed out that loyalty has a psychological meaning that it would be unwise to decide whether consumers are loyal or not simply by looking at the repurchase behavior because consumers may have multi-

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brand loyal. Therefore, the author suggested that further studies on analyzing loyalty must consider belief, affect and purchase intention of customer.

Oliver (1997) considered psychological and behavioral meanings of the loyalty. Specifically, he defined that customers who have loyalty is holding a strong commitment for a specific brand product, which leads to their repurchase on the specific product in the future, regardless of some other situational influences and promotion activities that will potentially trigger their switching behavior. Oliver's (1997) framework follows the cognition-affect-conation pattern. In 1999, to further completing the three-stage model, Oliver developed a four-stage model by adding the stage of action. To be specific, cognition involves brand knowledge and belief. Affection stage involves brand attitude and liking. Conation means the intention to purchase while action refers to actual purchase. (Oliver, 1999)

2.3 Brand Loyalty in Cosmetic
Seven factors have been raised by Lau et al. (2006) that could affect customer’s brand loyalty. It is given that brand name, product quality, service quality price, design, store environment and promotion are the factors affecting the customer brand loyalty.

These factors were also adopted by other research in cosmetics buying behaviors of UAE Female consumers. In this study, we adopted useful and relevant factors for developing our model for product quality and service quality.

2.3.1 Product Quality
Different products have their own use, and product quality means the feature and characteristic of the product. Producer has to ensure that the product they produce and sell meets what it claims to be and is able to satisfy customers' implied needs. For example, a lipstick should have its function on polishing the lip color or making a protection on our lips. Texture and the chemical used are the factors affecting the product quality. Also, Russell and Taylor (2006) stated that product quality is the fit for customer use or the compliance to customer's requirement. Product quality would be the factor affecting brand loyalty because customers would concern about the

tangible feature from their experience before repurchasing a particular brand of product. Therefore, materials and ingredients used are important and the major factors affecting the product quality. Hand feeling, texture, and effect will affect the intent to buy the product and therefore the customer loyalty. Furthermore, some functional attributes such as quick-dry, breathable, waterproof, lightweight, and durability are also some of the crucial factors that concern the customers.

The requirements for customers vary due to the personal preference and using purpose. For instance, customers use cosmetic for leisure and sports will be slightly different from working in office because outside activities require more movement therefore durability would be the first consideration for customers in purchasing cosmetics.

2.3.2 Price
Price is always one of the factors affecting the purchase intention. According to Cadogan and Foster (2000), for an average customer, price is always one of the considerations. However, for customers who have strong brand loyalty on a particular brand, they are not easily influenced by the price because they are willing to pay extra for the brand they preferred.

Generally speaking, customers treat price as one of the indicators that show the value of the product. De Ruyter (1999) believes that price has become a key criteria when customers evaluate the overall quality of retailers. For customers who are price sensitive, price would be the focal point for them to decide the purchase decision. For customers who are less price sensitive, their purchase behaviors will not heavily depend on price. Brand loyalty will make customers more price tolerant towards a particular brand because they make less comparison on the price. Therefore, in our model development and study, we would control the variance of price for high-end cosmetic products in order to generate a more accurate and relevant result for the study.

2.3.3 Service Quality
Lovelock (2010) stated that the service should correspond with the customers’ expectations and satisfies their needs and requirements.

Service quality could reflect the relationship of customer satisfaction and the intention to purchases. Gronroos (1990) listed three dimensions of service quality which are functional, technical, and image. However, Richard and Allaway (1993) held that functional quality
characteristics of service is not enough to explain customers purchasing behavior and may lead to low validity in retail industry. Research conducted by Parasuraman, Zeithaml, and Berry (1988) developed the SERVQUAL model in explaining the measurement of service quality. In the model, five dimensions of service quality are used. They are reliability, responsiveness, empathy, assurances, and tangibles. And researchers from different industry tried to adopt these dimensions to fit its industry. In our study, we would like to adopt these 5 dimensions for service quality in the study.

2.3.4 Personality
Personality represented and reflected a person’s thought and its behaviors. People choose the brand they like according to their attitudes and the similarity between the brand and their personality. Therefore the probability for customers to repurchase a particular product and brand depends on the relationship between brand image and customer personality (Mengxia 2007). In our study, we would like to investigate into the role of brand’s personality in affecting the brand loyalty. Kumar et al. (2006) stated that there is a relationship between brand personality and customer brand loyalty and Guo (2003)’s findings revealed that brand personality has significant influence on brand preference. Customers prefer a particular brand due to the brand personality.

2.3.5 Prestige
Previous researches said that prestige could be a factor affecting customer loyalty because the social identity perspective could influence consumer’s identity motives, self-expression, self-enhancement and self-esteem (Bhattacharya and Sen, 2003 and Escalas, 2004). The results from these studies showed that when studying the relationship between functional congruity and customer loyalty, Prestige would be one of the major factors affecting the model.

Factors that mentioned above would be the reference for developing our model and the factors affecting the brand loyalty towards high-end cosmetic. Factors of product quality, service quality, personality and prestige will be used and adopted in our study.

2.4 Functional Congruity and Symbolic Congruity
Previous research suggests that consumers organize a cluster of attributes and tend to categorized these attributes in both functional and symbolic dimensions (Park ,1986; Sirgy and Samli, 1985).

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4 He, H. “Social identity perspective on brand loyalty”, Journal of Business Research, 201205
A brand positioned with a functional image highlights the tangible and product-related utilitarian attributes. Symbolic needs are internally generated for self-expression ([36] Park et al., 1986). Mittal, Rathford, and Prabhakar (1990) also proposed that brand evaluations could be based on functional or expressive attributes (or both). Functional attributes are objective, instrumental, performance-oriented, and utilitarian. In contrast, expressive attributes are subjective, experiential, image-oriented, and hedonic, which plays a role in self-expression and social interaction.

Johar and Sirgy (1991) draw a similar distinction between utilitarian and value-expressive attributes. Self-congruity is defined as the matching of brand image and consumer’s self-concept, while functional congruity refers to the matching of the perceived functional or performance characteristics and the consumer’s desired or important functional characteristics.

There are two ways of measuring the congruity. Traditional method of measuring two types of congruity involves listing a bunch of attributes and asks the users to rate for both the brand and the user themselves. To be specific, measurement on functional congruity compared the difference between brand’s functional attributes (practical, durable, etc) with the users’ desired functional characteristic. (Jing Hu and Xin Liu (2012)) Similarly, traditional measurement of self-congruity compared the absolute value of the difference in the brand expressive attributes (elegant, sophisticated, prestigious, etc) with how consumers perceive himself (Parker, Brian Thomas (2005); Liu, Fang, Li, Jianyao, Mizerski, Soh, Huangting (2012)).

Another method of measuring the congruity, as proposed by Sirgy, M Joseph and his colleagues (1997) view congruity as a holistic perception. By asking the customers to respond to statement like “The brand is consistent with how I see myself.” it measures the congruity directly, avoiding using a difference or ratio index. In the six studies in assessing the predictive validity of two methods of measuring congruence done by Sirgy and his colleagues, it concluded that new method is more direct and proved to be more valid. In our study, we will adopt the method developed by Chi Kin (Bennett) Yim, Kimmy Wa Chan, Hung, Kineta (2007), which was consistent with the method proposed by Sirgy and his colleagues.
SubodhBhat, Srinivas K. Reddy, (1998) further classified symbolic or self-congruity attributes into two categories. The result of the exploratory study suggested that there are two dimensions for symbolic congruity. The first one is the prestige of a brand as a reflection of the customers’ social status. And the other is the personality of a brand as a way for customers to express their personality. Therefore, in our study, we will apply this classification into the measurement of self-congruity.

2.5 Moderator

In our report, we use age as a moderator in the conceptual model. Age is defined as a distinct period of history. To apply it into the aspect of customer, age represents the intensity of experience in product knowledge and attitude towards purchase decision. Customers in different age have different way in processing product information. The behavior of older customers will be different from younger customers. Cole, C. and Balasubramanian, S. (1993) stated that the difference of age will affect the decision making process in purchase. We believe that older customers who possess more purchasing experience and product knowledge do not become loyal merely because they are satisfied on the fundamental product performance. Rather, they tend to emphasize more on the brand’s other characteristic such as brand’s personality and prestige.

Also, we postulate that functional congruity is more important for young people based on the fact that the number of cosmetic bloggers on the internet is increasing. This group of people becomes popular when they give reviews and compare on different brands’ product performance. When the product’s functional characteristics are not congruent with what they believe or what the brand claim to have, they will no longer repurchase the brand.
3. Theoretical Framework and Statement of hypotheses

H1: A higher match between product quality and the user’s desired product quality is associated with higher brand loyalty.

H2: A higher match between service quality and the user’s desired service quality is associated with higher brand loyalty.

H3: A higher match between the brand personality and the user’s personality is associated with higher brand loyalty.

H4: A higher match between the brand prestige and the user’s social status is associated with higher brand loyalty.

H5: The moderating role of age has a stronger effect on symbolic congruity than functional congruity.

Fig.1. The framework of the relationship between functional and symbolic congruity with brand loyalty.
4. Research Methodology

4.1 Sampling and Data collection

Mall-intercept questionnaires and online questionnaires are employed in this study in order to collect data. Potential customers of high-end cosmetics will be intercepted and invited to do the questionnaires. In order to obtain reliable sample, survey will be done in several high-end shopping malls in Hong Kong (i.e. Festival Walk, Time Square, and Harbor City). Also, different timeslots will be scheduled to collect data including weekend and weekdays. Besides, respondents are not restricted in local Hong Kong people. Mainland tourists who purchase high-end cosmetics products will also be invited to do the survey.

Before the formal data collection, questionnaire samples have been prepared and pre-tested. 30 sets of samples are collected from the first stage of the data collection process. The purpose of having pre-test is to test the scales’ reliability of variables and to make sure there is no misunderstanding of question for respondents.

According to Tabachnick and Fidell (2001), the sample size is determined by the observation-to-independent variable ratio which is 40. In our study, 4 independent variables are given in the model. Therefore, 160 sample sizes are needed in order to generate a reasonable and suitable analysis for the study.

The survey has been conducted mainly from the Qualtrics.com. 50% of respondents are from online channel, 50% of questionnaires is conducted by face to face by distributing the paper in shopping malls. There are 172 data sets that have been completed. 160 out of 172 data sets are valid responses and useful for the data analysis. 12 results are not valid for because of the uncompleted questionnaires.

4.2 Questionnaire Design and Format

The questionnaire is divided into 8 parts. Chinese and English versions of the questionnaire are both provided.

The selection of high-end brands name listed in our study is mainly based on the average price range for the foundation the brand sold. Price range of the premium brands listed on Ranker and Blogger are taken as a reference. We used foundation as an indicator in the observation because
foundation is the basic cosmetic product for a cosmetic brand. The average price range for a bottle of high-end brand foundation is around $HKD 450.

Questions in Part A are the screening questions to screen out the unsuitable respondents that has no experience with high-end cosmetics. In this part, respondents are required to answer what high-end cosmetic brand he or she has bought from the previous three months. Type of product and price range of the product he or she bought has also been asked.

Part B to Part G are the main bodies of the questionnaire where the variables of the model will be asked, including brand loyalty, product quality, service quality, personality, prestige. Seven-point Likert scale is used in this study. 1 represent strongly disagree while 7 represents strongly agree. A clear guideline and description is included in the questionnaire. In these parts, respondents are required to rate their comments according to their most impressed purchase experience they answered in Part A. The purpose of having this setting is to make sure the consistency and accuracy for the research.

As introduced before in the literature review, there are two ways of measuring the congruity (Sirgy, 1997). First method is the traditional one that calculates the absolute difference in the actual brand image and what the users desire it to be by letting the users rating these two separately. The second one is the new method that directly asks the users to compare the difference by answering questions like “The brand personality is matched with my own personality.” In this study, the new method will be employed.

The final part of the research is to collect basic personal information of the respondents including gender, age, nationality, education, and occupation.

4.3 Measurement

In measuring the brand loyalty, we adopt the four statements developed by Jacoby and Chestnut in 1978.

a. I will buy this brand the next time I buy this category of product.

b. I intend to keep purchasing this brand.

c. I am committed to this brand.

d. I would be willing to pay a higher price for this brand over other brands.
As for functional congruity, both product quality and service quality will be measured according to the study we found [11]. The efficacy and the safety of the product are very important in quality control.

In this study, we measure product quality attributes by focusing on ingredients and materials of the high-end cosmetic brands that are texture, durable, smell, effect.

a. I believe the texture of product is what it claimed.
b. I believe the product is durable like what it claimed.
c. I believe the smell of product is attractive like what it presented.
d. I believe the effect of using the product is consistent with what it claimed.

In this study, we measure overall service quality attributes by focusing on tangibles, empathy, assurance, responsiveness and reliability. These are the scales adopted by A.Parasuraman (2001) in measuring the service quality. A set of questions have been developed by James H. McAlexander, Dennis O. Kaldenberg, and Harold F. Koenig in doing their study in measuring service quality in a healthcare setting. In our study, we would modify these measurements in order to have a better fit for our study in High-end cosmetic industry.

a. I think employees have a professional appearance.
b. I think employees deal with customer in a caring fashion.
c. I think employees have the knowledge to answer customer’s questions.
d. I think employees are keeping customer informed.
e. I think employees are providing service at the promised time.

As for the symbolic congruity, both personality and prestigious congruity will be measured (SubodhBhat, Srinivas K. Reddy, (1998)). Personality will be measured by the statement developed by Chi Kin (Bennett) Yim, KimmyWa Chan, Hung, Kineta (2007) and Sirgy (1999) will be employed in the questionnaires.

a. Buying this brand will help me achieve my character.
b. Buying this brand reflect my character/social status.
c. The brand is consistent with how I see my character.
d. People buying this brand are similar to me in character.
Prestige, on the other hand, will be measured by the adapted version of Mael and Ashforth, 1992.

a. People I know think highly of this brand.

b. It is prestigious to be a member of this brand.

c. Most people are proud when they purchase this brand.

As for the control variables, there are five control variables in the model which are price, gender, education, occupation and nationality.

Respondents are required to answer the price range of the product they bought from the previous three months. According to the price range we researched on the high-end cosmetic product, we set the price range from under $200 to above $3,000 HKD for measuring the price of the product. We set price as a control variable because customer are price elastic in decision making, setting a constant value for price would help to test the actual impact of independent variables in the model.

As for gender, we set gender as a control variable because we believe that males and females are having different purchasing behavior. In order to generate more reliable result for testing the model, gender would be one of the control variables in the test. Female and male are the only two options under this category.

Education may influence customer’s ability in doing research before buying the product, which will result in different levels of product knowledge. Therefore, education was controlled in the test. Options for respondents under this control variable are: a) Less than a high school diploma; b) High School diploma only; c) Bachelor’s degree; d) Master’s degree; e) Doctor’s degree.

As for occupation, it would be one of the variable that influencing the needs of high-end cosmetic. Customers in different industry may have different evaluating perspectives. Also, customers’ needs vary in different working occasions. Therefore, occupation is also necessary to be eliminated from the effect on test the hypothesis. Our occupation measurement modified the
International Standard Classification of Occupations[^5] (ISCO) raised by International Labor Organization in 2008, they are: a) Managers; b) Student; c) Professionals; d) Craft and related trades workers; e) Clerical; f) Service and sales workers; g) Government officials; h) Farmer; i) Others.

Nationality is the last control variable in the test. Customers in different country have different culture and of course have different value towards the brand loyalty. In order to find out the relationship between brand loyalty, functional congruity and symbolic congruity, control the factor of nationality will to test the model. They are a) Mainland China; Hong Kong; c) European Countries; d) America; e) Others.

Age is the role of the moderator in the model, we let respondents to select from the first choice “below 20” to the fifth choice “above 50”, with the interval of 10.

5. **Data Analysis and Result**

5.1 **Analysis**

Before we reliability test, we conducted a discriminant validity test on the four independent variables. If the result is more than 0.85, it indicates that the two variables are correlated. As we found out in our survey, two of the variables, product quality and service quality, which are supposed to be unrelated, are in fact, related. Therefore, in order to increase the validity, we exclude three items from the scales, i.e. the fourth item of product quality, the third and the fifth items of service quality.

As for the moderating effect, data shows that the respondents’ ages are not randomly distributed. The number of respondents below 20 years old and above 50 years old is less than 10. Therefore, we recoded the scale of age. Value of age below 30 was recoded as 0 while value of age above 30 is recoded as 1.

5.1.1 Reliability

In order to test the reliability between each of the question asked in the questionnaire. We generated reliability test for each variables in the model which are brand loyalty, product quality, service quality, personality and prestige.

As for brand loyalty, personality and prestige, all the items have been tested. As mentioned above, only items 1, 2, 3 in product quality and only items 1, 2, 4 in service quality are validity. Therefore, in the reliability test, we only tested the above items. In order to present the data in a clear format, a summary table for the 5 reliability tests is showed below.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Figure (Cronbach's Alpha)</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand loyalty</td>
<td>.915</td>
<td>Reliable</td>
</tr>
<tr>
<td>Product quality</td>
<td>.884</td>
<td>Reliable</td>
</tr>
<tr>
<td>Service quality</td>
<td>.820</td>
<td>Reliable</td>
</tr>
<tr>
<td>Personality</td>
<td>.750</td>
<td>Reliable</td>
</tr>
<tr>
<td>Prestige</td>
<td>.836</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

In the reliability test, if the Cronbach’s Alpha is more than or greater than .7, we can say that items in the particular variable are reliable. The reliability test result showed that all Cronbach’s Alpha is greater than .7. Therefore, we can say that 4 variables are all reliable.

5.1.2 Regression

In order to test the hypothesis, firstly, we use Linear Regression Model. In the regression test, relationship between dependent variable and independent variables (H1, H2, H3, and H4) will be tested. Also the moderating role of age (H5) will be tested in the same model. By using “Compute Variable” function in the SPSS we firstly generated the average value for product quality, service quality, personality, prestige, and brand loyalty. Secondly, we computed the mean center of the four variables. Then we compute the interaction of age and four variables by using the following equation: Interaction=Age*Variable’s mean center.
In the Linear Regression analysis, we analyzed three models and the dependent variable is brand loyalty. Model 1 is five control variables including price, gender, education, occupation, nationality. In model 2, we entered the four mean centers of variables and the dummy age. In model 3, we added the moderating effect by entering the four interactions and the dummy age.

5.2 Result

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Unstandardized coefficient</th>
<th>P-value</th>
<th>Hypothesis supported?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality</td>
<td>.500</td>
<td>.000***</td>
<td>H1(yes)</td>
</tr>
<tr>
<td>Service Quality</td>
<td>.174</td>
<td>.042**</td>
<td>H2(yes)</td>
</tr>
<tr>
<td>Personality</td>
<td>-.085</td>
<td>.080*</td>
<td>H3(no)</td>
</tr>
<tr>
<td>Prestige</td>
<td>.645</td>
<td>.000***</td>
<td>H4(yes)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Moderator</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Age Dummy</td>
<td>.254</td>
<td>.007***</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interactions</th>
<th>Unstandardized coefficient</th>
<th>P-value</th>
<th>Hypothesis supported?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Quality × Age</td>
<td>.122</td>
<td>.505</td>
<td></td>
</tr>
<tr>
<td>Service Quality × Age</td>
<td>-.082</td>
<td>.691</td>
<td></td>
</tr>
<tr>
<td>Personality × Age</td>
<td>.288</td>
<td>.013**</td>
<td></td>
</tr>
<tr>
<td>Prestige × Age</td>
<td>-.195</td>
<td>.278</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Controls</th>
<th>Unstandardized coefficient</th>
<th>P-value</th>
<th>Hypothesis supported?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>.010</td>
<td>.913</td>
<td></td>
</tr>
<tr>
<td>Nationality</td>
<td>-.022</td>
<td>.744</td>
<td></td>
</tr>
<tr>
<td>Occupation</td>
<td>-.020</td>
<td>.292</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>.119</td>
<td>.198</td>
<td></td>
</tr>
<tr>
<td>Price of product</td>
<td>-.086</td>
<td>.073*</td>
<td></td>
</tr>
</tbody>
</table>

A summary linear regression test result of H1, H2, H3, H4, and H5 is listed below. We choose .05 as significant level.

a) H1: A higher match between product quality and the user’s desired product quality is associated with higher brand loyalty.
As for H1, the coefficient significant is .000, less than .05, which means that product quality has a significant positive relationship with brand loyalty. Therefore, H1 is accepted.

b) H2: A higher match between service quality and the user’s desired service quality is positively associated with higher brand loyalty.

As for H2, the coefficient significant is .042, which is smaller than .05. Therefore, we can say that there is positive relationship between service quality and brand loyalty. H2 is accepted.

c) H3: A higher match between the brand personality and the user’s personality is associated with higher brand loyalty.

As for H3, the coefficient significant is .08, which is larger than .05. Therefore, there is no relationship between personality and brand loyalty. H3 is rejected.

d) H4: A higher match between the brand prestige and the user’s social status is associated with higher brand loyalty.

As for H4, the coefficient significant is .000, which is smaller than .05. Therefore, there is positive relationship between prestige and brand loyalty. H4 is accepted.

e) H5: The moderating role of age has a stronger effect on Symbolic Congruity than Functional Congruity.

As for H5, the moderating effect is not significant in product quality (.505>.10) and service quality (.691>.10). Therefore, age does not have a moderating effect on functional congruity. In terms of symbolic congruity, the moderating role of age is significant in personality (.015<.05). As for another independent variables of symbolic congruity, prestige, the moderating role of age is not significant (.278>.10).
For H5 to be fully supported, there implies two conditions. The first condition is that age has a moderating effect on both functional congruity (i.e. product quality and service quality) and symbolic congruity (i.e. personality and prestige). Secondly, the moderating effect of age is more significant on product quality and service quality than the effect on personality and prestige. In our result, for one thing, there is no moderating effect between age and functional congruity. For another thing, the moderating effect of age is significant on personality, which is under the symbolic congruity. This means that the moderating effect of age for symbolic congruity exists, and it is stronger than the moderating effect on functional congruity, which has no moderating effect, though. Therefore, the first condition is not satisfied, however, the second condition is satisfied. We concluded that H5 is partially accepted.
6. Discussion and Implications

As the report result indicated, we can see that higher product quality, service quality, and prestige all contribute to a higher brand loyalty in the cosmetic industry. Personality, as we found out, does not have significant relationship with brand loyalty. However, under the moderating effect of age, the relationship between personality and brand loyalty is significant. Elder people have more loyalty if the brand’s personality matches their personality.

For marketers, there are several implications.

Firstly, high-end cosmetics company should continuously aim at improving product quality. Advertising should not over exaggerate the functionality of product in its texture, durability, smell, and effect because customer tend to be more loyal when the products description matched the product’s reality.

Secondly, service quality is also crucial in retaining customers. Trainings should be given to employees so as to enhance their professional knowledge, the ability to handling the customers’ inquiries. When customer finds out that the employees do not have a good command of the products, they tend to be less loyal. Therefore, the service quality of a high-end cosmetic brand should match its high-end image.

Thirdly, as a high-end cosmetic brand, prestige of the brand is critical. Our suggestion for the marketers is that in order to establish a prestigious image, loyalty program with high criteria can be employed. Marketers should instill a sense of high social status on its customers in order to distinguish their customers from the public. In this way, customer can feel a sense of privileged among their friends and be proud of being one of the loyal customers of the brand.

Finally, for cosmetic brands targeting younger customers, it is less useful to put emphasis on the brand’s personality. Our interpretation on this result is that the younger generation’s personality may vary a lot from one another. Also, the personality of this particular group may change as they grow older. Therefore, retaining younger generation by shaping the personality of the brand is difficult and less successful. However, for cosmetic brands that target on women aged above
30, it is important for them to conduct a research on the customers’ personality beforehand. By establishing a brand personality similar to the targets, it is proved to be useful on improving brand loyalty.

7. Limitation and Future Research

Although our study provides some practical insights of high-end cosmetics product, there are still some limitation and improvement for future research.

Firstly, even though the independent variable ration raised by Tabachnick and Fidell (2001) stated that for a test of 4 variables, 160 samples are needed, we still find it a relatively small sample size. To improve the measurement, further study need to extend the population and sample size so as to make the collected data become more reliable and representative.

Secondly, there is a limitation on distributing the questionnaire to the public. Most of the respondents are mainly young woman who aged under 40. The reason of this situation is that, as students, we can hardly reach customers aged above 40. We believe that this cause a bias on the result. Therefore, for future improvement, questionnaires should be distributed in a widely base and try their best to reach customers in all age in order to reflect the whole picture of the population.

Thirdly, in our model, there is only one moderator which is age. To obtain more practical suggestion for marketers, moderators like income level, expertise and country of origin are also good choices for getting more insights from the research.
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9. Appendices

Appendix I

Questionnaire

Dear Madam/Sir,
Thank you for your participation in this study! We are students from Hong Kong Baptist University. Please use about 10 minutes to complete the enclosed questionnaire about brand loyalty in High-end cosmetics industry. There is no right or wrong answer for each question. Please feel free to express your candid opinions. The data collected would be used for academic purpose only. All your responses are anonymous and will be kept confidential. Thank You!

尊敬的女士/先生:
感谢您参加此次的问卷调查！我们是香港浸会大学的学生，我们正在进行一项关于高端化妆品行业内顾客品牌忠诚度的调查。希望您抽出十分钟，回答一些问题。所有问题没有对错之分，仅代表您的个人观点。同时，本次研究采用匿名收集数据，收集的数据仅供作研究用途，请放心作答。非常感谢您的合作与支持！

A1) Which Brand did you bought for the previous three months? Please think of one experience that impressed you most and circle the brand you bought?
在过去的三个月中，您买过以下哪一个品牌的化妆品？请根据您印象最深的一次购物经验，选择以下一个品牌。

a) Estee Lauder  b) Sisley  c) Guerlain  d) Dior  e) Lancôme  f) Givenchy  
g) Laprairie  h) Helena Rubinstein (HR)  i) SHISEIDO  j) Biotherm  k) Chanel  
l) L’Oreal  m) Others 其他_______

A2) What type of product did you purchase in this experience?
在您印象最深的那次购物中，您买了什么产品？

a) Skincare 護膚品  b) Eye product 眼部产品  c) Lip product 唇部产品  
d) Premier and Foundation 妆前乳和粉底  e) Blush, bronzer and highlighter 腮红，修容和高光  
f) Concealer 遮瑕产品  g) Hair product 護髮产品  h) Others 其他_______

A3) What is the price of the product that you bought?
产品的价格在什么范围内？

a) Under HKD200  b) HKD 201- 500  c) HKD 501- 800  d) HKD 801-1200  
e) HKD 1201-1500  f) HKD 1501-2000  g) HKD 2001-3000  h) HKD 3000 以上

In the following part, please comment on the performance according to this purchasing experience. 1 represents strongly disagrees; 7 represents strongly agree. Please circle the answer.
在接下来的部分，请根据您此次的购物经验，对以下的陈述做出判断，1表示您非常不同意，7表示您十分同意。

Section B: Brand Loyalty 品牌忠誠度
1. I will buy this brand the next time I buy this category of product.
   我下次買此類產品時，我還是會選擇這個牌子。
2. I intend to keep purchasing this brand.
   我打算持續買這個牌子。
3. I am committed to this brand.
   我對這個牌子忠誠。
4. I would be willing to pay a higher price for this brand over other brands.
   相比於其他牌子，我願意用高一點的價格買這個牌子。

Section C: Product quality 產品質量
1. I believe the texture of product is what it claimed.
   我相信這個產品的質地與該品牌宣稱的相符。
2. I believe the product is durable like what it claimed.
   我相信這個產品的持久度與該品牌宣稱的相符。
3. I believe the smell of product is attractive like what it presented.
   我相信這個產品的香味與該品牌闡述的一樣吸引人。
4. I believe the effect of using the product is consistent with what it claimed.
   我相信這個產品的使用效果與該品牌宣稱的相符。

Section D: Service quality 服務質量
1. I think employee have a professional appearance.
   我認為員工外表看起來是專業的。
2. I think employees deal with customer in a caring fashion.
   我認為員工對待客戶熱心，周到。
3. I think employees have the knowledge to answer customer’s questions.
   我認為員工擁有足夠的知識回答客戶的問題。
4. I think employees provide prompt service to the customers.
   我認為員工為顧客提供及時的服務。
5. I think employees are providing service as promise.
   我認為員工能為顧客提供品牌所承諾的服務。

Section E: Personality 個性
1. Buying this brand will help me achieve my character.
   購買這個品牌能幫助我實現我的性格特點。
2. Buying this brand reflect my character.
   購買這個品牌反映了我的性格特點。
3. The brand is consistent with how I see my character.
   這個品牌的個性跟我所認知的我的性格特點相符。
4. People buying this brand are similar to me in character.
   購買這個品牌的人群的性格特點跟我的性格特點相似。
Section F Prestige 聲譽

1. People I know think highly of this brand.  
   人们對這個品牌評價很高。
   □ □ □ □ □ □ □

2. It is prestigious to be a member of this brand.  
   成為這個品牌的會員是一件有聲譽的事。  
   □ □ □ □ □ □ □

3. Most people are proud when they purchase this brand.  
   當人們購買這個牌子他們感到很自豪。
   □ □ □ □ □ □ □

Section G : Personal Information 個人資料

1. Gender 性別:  
   Female 女 / Male 男

2. Age 年齡:  
   a)below 20 (20 歲以下)  b) 21-30  c) 31-40  d) 41-50  e) above 50(50 歲以上)

3. Nationality 國籍:  
   a)Mainland China 中國大陸  b)Honk Kong 香港 c) European Countries 歐洲國家  d)America 美洲國家  
   e) Others 其他________________

4. Occupation 職業:  
   a) Managers 經理  b)Student 學生  c)Professionals 專業人員  d)craft and related trades workers 建築行業從業者  
   e) Clerical 公司職員 f) Service and sales workers 服務人員  g)Government officials 政府機構人員  
   h)Farmer 農民  i)Others 其他________

5. Education 教育程度:  
   a) Less than a high school diploma 高中學歷以下  
   b) High School diploma only 高中學歷  
   c) Bachelor’s degree 大學學位  
   d) Master’s degree 碩士學位  
   e) Doctor’s degree 博士學位

   End of the questionnaire. Thank You your participation!  
   問卷完！謝謝你的參與!
Appendix II: SPSS Output

1.1 Reliability Test

Scale: brand loyalty

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Scale: Product quality

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Scale: Personality

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a. Dependent Variable: Avg_Brandloyalty