





Interplay of Brand Equity, Customer Satisfaction and Brand Loyalty: An Application of Cognitive Dissonance Theory among Male Shoe Customers in Nepal

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Abstract

Background: In today's marketplace, consumers are presented with a plethora of choices when it comes to purchasing specific products. The customer preferences varying significantly compounds the abundance of options further.

Objectives: The present study assesses and quantifies the intricate interplay between three pivotal elements: brand equity, customer satisfaction, and brand loyalty.

Methods: The study employed an explanatory research design to establish a causal link between brand equity and brand loyalty. Due to an unknown number of shoe customers, non-probability convenient sampling was utilized. Data was collected among 403 male shoe customers residing in Kathmandu valley using a structured questionnaire through Kobo Toolbox for convenience. Analysis was performed using structural equation modelling (SEM) with the partial least square method (version 4.0).

Results: The major challenges customers face when purchasing shoes are the lack of resources, competition from other shoe brands, and the unavailability of branded shoes. The SEM result shows a significant relationship between the perceived value of cost, perceived quality and life congruence with customer satisfaction, while brand identity and trust have not shown a significant relationship. Further, perceived quality, perceived value of cost, and brand identity partially mediate brand loyalty, life congruence fully mediates, and brand trust has no mediation role in brand loyalty. Lastly, respondents primarily buy shoes for special occasions and physical activities.

Conclusion: The study suggests that having a high-quality brand is crucial for customers' loyalty to the shoes. When the brand aligns with the customer's lifestyle, it leads to satisfaction. To enhance the Nepalese shoe market, we recommend increasing brand promotion, using digital product marketing, and focusing on customer-centric activities.

Paper Type: Research Paper

Keywords: Brand equity, Customer satisfaction, Brand loyalty, Perceived quality, Perceived value of cost, Structural equation modelling (SEM)

JEL Classification: M3, L1

Introduction

The footwear industry is one of the most dynamic and competitive industries globally, with various brands trying to capture customers' attention through innovative designs, quality products, and competitive pricing (Gielens & Steenkamp, 2019). Brand equity is the value that a brand adds to a product. The value that the brand name, logo, and image bring to a product can result in higher sales and customer loyalty (Rivaldo et al., 2022). On the other hand, brand loyalty refers to customers' commitment and attachment to a particular brand, which results in repeat purchases, positive word-of-mouth, and resistance to switching to a competitor brand (Ansary & Nik Hashim, 2018). According to Oliver (1997), customer satisfaction is "a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment including levels of under or over fulfilment". Satisfied customers are more likely to become loyal customers and promote the brand through word-of-mouth, increasing sales and brand equity. However, customers' satisfaction depends on several factors, such as product quality, design, price, and customer service (Lie et al., 2019). Brand equity is the value that a brand name adds to a product or service beyond the functional benefits that the product or service provides. It is the total of a brand's perceived value, including its reputation, recognition, and associations with specific qualities or attributes (Keller, 2013). Brand loyalty, conversely, refers to the extent to which customers are committed to a particular brand and are willing to continue buying products or services from that brand in the future (Lie et al., 2019).

As the world is turning into a global village, new products are finding their way into the country, and the trend of consumption by native people is slowly changing (De Mooij, 2019). Consumer perceptions towards different brands affect brand preference and have substantial implications in marketing (Dam, 2020). The footwear industry is highly competitive, and shoe companies must build and maintain customer satisfaction (Yeo et al., 2020). To achieve these goals, brands must provide high-quality products and services, monitor customer feedback, build a strong brand image, and implement effective marketing strategies (Jamil et al., 2019). By doing so, footwear brands can create a loyal customer base and maintain a competitive edge. According to Syahrivar and Ichlas (2018), Brand equity can be seen as a key driver of relationship marketing, as strong brand equity can lead to brand loyalty, which is a crucial component of successful relationship marketing. Therefore, it is necessary to examine how these concepts are interconnected to provide a more comprehensive understanding of how brand equity, relationship marketing, cognitive dissonance, and expectancy theories influence consumer behaviour and the success of marketing efforts.

The Nepalese footwear market is dominated by local, unbranded shoes, with a rising preference for eco-friendly materials. International brands are gaining popularity, particularly among the youth. Consumer satisfaction factors vary due to cultural distinctions. The market is projected to grow at a 5.2% compound annual growth rate (CAGR) till 2025, driven by higher income, changing lifestyles, and fashion consciousness. Locally made footwear prevails, favoured for comfort and durability in Nepal's challenging conditions. Nepal Rastra Bank study reveals that most shoes are locally manufactured, with imports forming a small fraction (NRB, 2018). Consumers also show growing interest in sustainable, eco-friendly footwear options, aligning with increased environmental awareness (Kantipur Daily, 2019). Considering the significance of customer satisfaction in today's competitive market, businesses must comprehend how their brand equity and loyalty strategies can affect this critical metric. More research on specific contexts is essential since the relationship between customer satisfaction, brand equity, and brand loyalty may differ across various industries, markets, and customer groups. However, there is a lack of understanding about how shoe customers' satisfaction, brand equity, and brand loyalty are interrelated. The study aims to examine the impact of brand equity on customer satisfaction and brand loyalty with the help of Cognitive Dissonance Theory. The study shows a significant relationship between brand equity (Brand quality, perceived value of cost, life congruence) and brand loyalty,

whereas brand identity and brand trust show an insignificant relationship. The result of the study shows that the quality of the brand, customer perception of the product, and life congruence help maintain brand loyalty.

The remaining part of the study is organized into four sections. The following section describes the methodology, where we develop the conceptual framework, hypothesis formulation, study area, and research instrument. Additionally, Section 3 presents the result of the study through the socio-demographic variables, general understanding of shoe, the challenges and managerial solutions. Section 4 discusses the results and concludes the study.

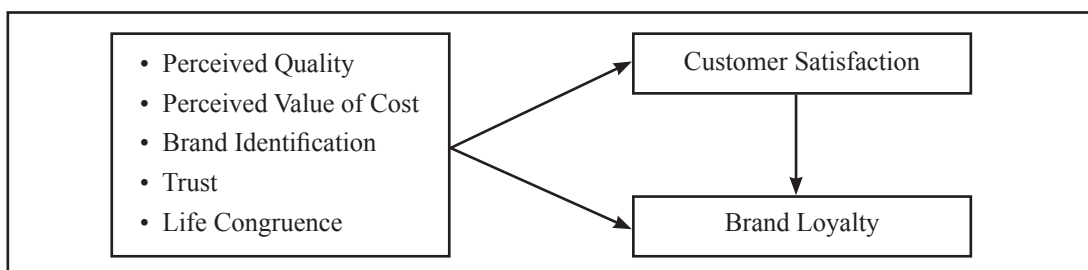
Research Methods

Conceptual Framework and Hypothesis Formulation

The study reviewed several models to determine the relationship between variables, customer satisfaction, and brand loyalty. One of the models is customer satisfaction and brand loyalty (Ashraf et al., 2018), customer satisfaction and brand loyalty (Oliver, 1997), and consumer brand-based equity model (Kataria & Sonia, 2019). As per Ashraf et al. (2018), perceived value, trust, and emotional attachment can enhance the customer's level of satisfaction and increase their likelihood to remain loyal to a brand. The study by Oliver (1997) shows a significant mediating effect of cognitive and affective brand loyalty in the relationship between customer satisfaction and cognitive brand loyalty. Additionally, as per Kataria and Sonia (2019), the perceived quality, brand trust, perceived value of cost and lifestyle congruence. Moreover, customer satisfaction partially mediates the relationship between perceived quality and perceived value of cost with brand loyalty.

The study is related to the Cognitive Dissonance Theory by Pappas (2016), which states that individuals experience discomfort when their beliefs and behaviours are not consistent, leading them to rationalize or change their behaviour to reduce the dissonance. The theory provides insight into why individuals sometimes change their attitudes, beliefs, and behaviours and insights into the processes that drive these changes. Key variables contributing to a brand's equity include brand awareness, loyalty, perceived quality, associations, and other proprietary brand assets. Similarly, Kataria and Saini (2019) developed a framework to establish the connection between brand equity and brand loyalty, where independent variables are perceived quality, perceived value of cost, brand identification, trust, life congruence, and mediation variable, with customer satisfaction and brand loyalty as dependent variables.

Figure 1. Conceptual Framework



Source: Kataria and Saini (2019)

Hypothesis Formulation

Perceived Quality and Customer Satisfaction: According to Tzavlopoulos et al. (2019), perceived quality evaluates a specific belief, whereas satisfaction is a post-purchase concept. Satisfaction is an affective evaluation that can be predicted from the quality belief as a cognitive component of the evaluation. As per Kataria and Saini (2020), perceived quality is an antecedent for customer satisfaction

and shares a direct and positive relationship with satisfaction. Zeithaml (2000) concluded that a brand with a high-quality perception would achieve high satisfaction. Satisfaction and loyalty are positive when customers perceive high quality and the product meets customers' expectations (Juran & Godfrey, 1999).

H1: Perceived quality has a positive relationship with Customer satisfaction.

Perceived Value of Cost and Customer Satisfaction: Consumer value is fundamental to all marketing strategies because high value is the primary motivation for repurchase by the customer. The perceived value of cost is the value the customer perceives after purchasing the product (Chae et al., 2020). A direct relationship exists between perceived value and customer satisfaction, as both concepts are based on evaluative judgment (Özkan et al., 2020). There exists a high possibility that customer satisfaction can be an antecedent or a result of perceived value. Chitty et al. (2007) reveal the direct association between perceived value and customer satisfaction, leading to customer loyalty.

H2: Perceived value of cost positively influences customer satisfaction and Brand Loyalty.

Brand Identification and Customer Satisfaction: Brand identification encourages emotional attachment to symbolic consumption, as Kim et al. (2018) indicate that brand identification influences customer satisfaction. According to Paulose and Shakeel (2022), brand identification indirectly influences loyalty through the perceived value of cost, trust and satisfaction. After fulfilling self-definitional needs, a satisfied customer is more likely to ascribe positive belief (Bhattacharya et al., 1995; Arnett et al., 2003).

H3: Brand identification positively influences customer satisfaction and Brand Loyalty.

Trust and Customer Satisfaction: Trust is a significant antecedent for customer satisfaction (Chiou & Pan, 2009; Berry, 2000). A customer with high brand trust would be highly satisfied and willing to commit. According to Diputra and Yasa (2021), trust directly influences satisfaction, which leads to increased loyalty. Trust plays an indispensable role in customer satisfaction, which in turn impacts loyalty; as a result, it impacts the increment of market share and premium price (Chaudhuri & Holbrook, 2001).

H4: Brand trust positively influences customer satisfaction and Brand Loyalty.

Lifestyle Congruence and Customer Satisfaction: Lifestyle branding is a social scenario in which customers purchase a brand that correlates with their desired lifestyle. Kataria and Saini (2020) declare that the higher the compatibility between the brand image and customers' lifestyle, the higher the customer satisfaction with the brand. Sop and Kozak (2019) postulated that customer satisfaction fully mediates the effect of lifestyle congruence on brand loyalty.

H5: Lifestyle congruence positively influences customer satisfaction and Brand Loyalty.

Customer Satisfaction and Brand Loyalty: According to Ilyas et al. (2020) and Fornell et al. (1996), satisfied customers would repeat purchases and endorse the brand to others. Brand loyalty increases when a customer feels positive towards and appreciates a particular brand (Brakus et al., 2009). A study by Homburg et al. (2009) empirically supported that customer satisfaction significantly and directly impacts loyalty.

H6: Customer satisfaction positively influences brand loyalty.

Mediating Effect of Customer Satisfaction: Alexandris et al. (2004) reveal the significant relationship between perceived quality and brand loyalty and the mediating role of customer satisfaction. Chiou et al. (2002) concluded that trust positively influences customer satisfaction, which results in an increased level of loyalty. Perceived value and perceived quality significantly contribute to consumers' repurchase intention (Chang & Wildt, 1994; Pappu et al., 2005).

H7: Consumer satisfaction mediates the relationship between perceived quality, perceived value of cost, brand identification, trust and lifestyle congruence, and brand loyalty.

Table 1. Variable and its Definition

Construct	Items Notation	Explanation
Perceived Quality	PQ1	I am satisfied with the quality of the shoe brand I use.
	PQ2	I am confident in the high quality of my brand.
	PQ3	My brand will meet my functional needs.
	PQ4	I believe my brand will be reliable over time.
	PQ5*	The quality of my brand is important to me.
	PQ6*	I am satisfied with the quality of my brand.
Perceived Value of Cost	PVC1	The amount I paid for the shoe brand aligns with its perceived value.
	PVC2*	The price of my shoe brand seems fair to me.
	PVC3	The benefits I received from your shoe brand is worth the cost.
	PVC4	I felt like I got a good deal for the price I paid for my shoe brand.
	PVC5	I am satisfied with the overall value I received for the cost of currently using a brand.
	PVC6*	I believe that my shoe offers good brand value for the price compared to others.
Brand Identification	BI1	I believe that my brand's shoes meet my expectations.
	BI2*	The price of my current brand seems fair.
	BI3	The benefits that I received from Brands are worth the cost.
	BI4	I feel that I got a good deal for the price I paid for this brand.
	BI5	I satisfied with the overall value you received for the cost of my brand.
	BI6*	I believe that the brand is affordable for its target audience.
Brand Trust	BT1	I am proud to be associated with my brand, and I would recommend it to others.
	BT2*	I am still considering purchasing products from the brand despite the negative experience.
	BT3	I feel that the brand values its customers and their satisfaction.
	BT4*	Brand loyalty programs and incentives can influence my trust in a brand.
	BT5	I think a brand's transparency and honesty level affect customer loyalty.
	BT6	I think a brand's reputation affects your decision to purchase other brands.

Life Congruence	LC1	I believe that my brand aligns with my values and beliefs.
	LC2	My current brand matches my personality and lifestyle.
	LC3	I am satisfied with my brand's performance and quality.
	LC4	My brand meets expectations and needs.
	LC5*	I would like to recommend my shoe brand to others.
	LC6*	I would feel anxious if I had to go without the brand.
Customer Satisfaction	CS1	My current shoe brand is as good as I expected.
	CS2*	My current shoe brand is worth the price I paid for it.
	CS3	This brand entirely fulfils my needs.
	CS4	This brand generally meets my expectations.
	CS5	I am satisfied with the reliability of the shoes I purchased.
	CS6*	I am satisfied with the design and style of the shoes I purchased.
Brand Loyalty	BL1	Brand reputation influences my purchase decision.
	BL2	I am willing to pay more for my preferred brand compared to a competitor's.
	BL3	I would recommend my current brand to friends or family members.
	BL4	I would recommend my current brand to a friend looking for a quality shoe brand.
	BL5*	The brand name is important to me when I choose a pair of shoes.
	BL6*	I do research before trying a new shoe brand.

*NOTE: * Variables are excluded while data analysis through Structural Equation Modeling (SEM) (See Table 1)*

Study Area and Population

The study area for this research is the Kathmandu Valley, which includes the three cities of Kathmandu, Lalitpur, and Bhaktapur (Rajbhandari et al., 2022). The geographic coordinates of the Kathmandu Valley are latitudes 27°32'13" and 27°49'10" north and longitudes 85°11'31" and 85°31'38" east. It is located at a mean elevation of about 1,300 meters (4,265) above sea level in the bowl-shaped, and thus, the Kathmandu Valley covers an area of 395 km² (Maharjan et al., 2022). The Kathmandu Valley is the centre of various Major industries, and because of the lack of infrastructural development and services elsewhere in other parts of the country, the Kathmandu Valley has become a hub for many business and service activities (Ishtiaque et al., 2017). Kathmandu is a hub for different industries, and there could be a larger market for shoes in the city, with more potential customers to survey and interview for research. As the capital city, Kathmandu has a higher brand awareness and recognition among consumers than other areas of Nepal. This could make exploring the relationship between brand equity and customer loyalty easier in the research, as customers in Kathmandu may be more likely to have strong opinions on the brands they are familiar with.

A non-probability with convenience sampling technique will be used for the study due to the lack of an exact number of shoe customers in the Kathmandu Valley. The convenience sampling method is used for the survey as respondents are selected based on their availability and accessibility rather than being

selected randomly from a larger population (Bryman, 2016). Cochran developed Equation to generate a representative sample for proportions in large populations, which is given as: $n_0 = Z^2 pq/e^2$, Where n_0 = sample size for study, Standard tabulated value for 5% level of significance (z) = 1.96, prevalence or proportion of an event 50% = 0.50, $p = 0.5$, $q = 1 - P$, = 0.5, Allowable error that can be tolerated (e) = 5%. This study also undertakes a 5% non-response error. Thus, 403 respondents were used for the study.

Research Instrument, Data Collection and Data Analysis

A research instrument is a tool or method used to collect data or information in a research study, for example, interviews, observations, and surveys (Pandey & Pandey, 2021). A structured questionnaire was used to collect the primary data. We used the 5 Likert scale for the construct, where (1= strongly disagree) and (5 = strongly Agree). To measure customer satisfaction and loyalty, we used seven constructs, i.e. the perceived quality (six items), perceived value of cost (six items), brand identification (six items), brand trust (six items), life congruence (six items), customer satisfaction (six items), customer loyalty (six items). A structured questionnaire was prepared to collect data from 403 respondents. Kobo Toolbox is used to collect the data, and pilot testing is done on 15 samples. Data is analyzed using descriptive and inferential methods using structural equation modelling (SEM). Different software used for analysis, such as Microsoft Excel, SPSS (version 21) and SPSS AMOS (version 22), were used to analyze inferential data.

Results

Socio-Demographic Analysis

A total of 403 shoe customers were surveyed in this study; all the respondents were male (100%), as this study showed male shoe customer loyalty. Most respondents were bachelors (47.89%) and fell in the age group (20-29). The result is similar to the study by Cuong (2020), where most respondents were in the age group 18-25. The study revealed that youngsters below the age group 29 loved to purchase the shoe brands Addidas, Nike, New Balance and then Gold Star by 13.89%, 12.90%, 7.69% and 6.45% of respondents, respectively, and they are mostly the students, while the age group above them loves to purchase Nike shoe than other brand. This study demonstrated that those with income levels 25000-50000 mostly prefer to buy the brands Addidas (11.91%), Nike (8.19%), and New Balance (6.70%), respectively.

The findings show that young customers typically buy shoes annually and are strongly inclined to purchase brands like Nike, Adidas, and Goldstar. (See Table 2).

Table 2. Socio-Demographic Variable

Title	Category	Number	Percentage (%)
Gender	Male	403	100
Age	13-19	36	8.93
	20-29	121	30.02
	29-39	85	21
	40-64	36	8.93
	Education Level	SLC/ SEE	6
	+2/ High School	66	16.38
	Bachelor	193	47.89
	Master and Above	49	12.16

Occupation	Students	126	31.27
	Teaching	37	9.18
	Medical Personnel	8	1.99
	Army/Police	11	2.73
	Driving	5	1.24
	Business	50	12.41
	Farmer	2	0.5
	Other Government Job	37	9.18
	Other Private Job	115	28.54
	Others	12	2.98
Income Level	Below 25000	25	6.25
	25000-50000	168	41.69
	50000-100000	85	21.09
	100000 and above	11	2.73
	No Income	114	28.29
Frequency of shoe purchases	Monthly	6	1.49
	Half- Yearly	88	21.84
	Few Times in a Year	265	65.76
	Yearly, Once in a Two Year	26	6.45
	Once in a Two Year	8	1.99
	Others	6	1.49
Shoe Brand purchase in Kathmandu	Nike	98	24.32
	Addidas	105	26.05
	Bata	10	2.48
	Goldstar	66	16.38
	New Balance	57	14.14
	Others	67	16.63

Source: Field Study (2023)

General Understanding of Shoe Brand

The study shows the general understanding of shoe brands among the respondents. The study shows that customers mainly purchase shoes for occasions (43.92%), while (37.72%) purchase for doing physical activities. Additionally, (88.59%) of respondents revealed that they recommend the shoe brand they have last purchased to others and are more likely to purchase the same brand again (41.94%). Furthermore, they reveal that the quality of the shoe brand is excellent (48.39%), so the brand name they are purchasing the shoe is crucial for them (65.01%)

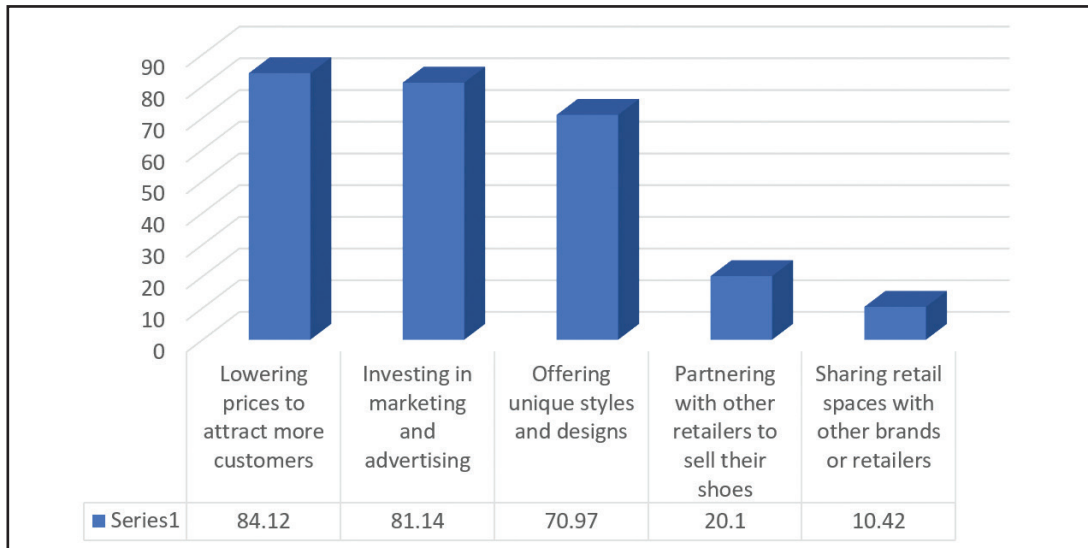
Table 3. General Understanding of Shoe Brand

Title	Category	Number	Percentage (%)
Primary Motivation for Shoe Purchases	Physical activities	152	37.72
	Office Purpose	63	15.63
	Specific Occasions	177	43.92
	Accommodate foot problems or injuries	9	2.23
	Others	2	0.50
Recommendation for the Latest Shoe Purchase	Yes	357	88.59
	No	46	11.41
Likelihood of Repeated Purchase of the Same Brand	Extremely Likely	169	41.94%
	Somewhat likely	211	52.36%
	Neutral	19	4.71%
	Somewhat Unlikely	2	0.5%
	Extremely Unlikely	0	0
Quality of Last Purchased Shoes	Excellent	195	48.39%
	Good	186	46.15%
	Average	21	5.21%
	Poor	1	0.25%
	Very Poor	0	0
Brand Importance When Buying Shoes	Extremely Important	103	25.56%
	Somewhat Important	262	65.01%
	Neutral		
	Somewhat unimportant	9	2.23%
	Extremely Unimportant		0.25%

The study sheds light on the exceptional quality of the shoe brand, as indicated by almost half (48.39%) of the respondents. This emphasis on quality is complemented by the observation that the brand name holds significance for a significant proportion (65.01%) of consumers, indicating that it plays a pivotal role in their purchase decisions.

Challenges and Way Forward for Betterment

In order to purchase the desired shoe brand (95.04%), respondents disclosed that there are different challenges. The majority of them reveal that reaching the right audience (82.88%) is the major challenge. Lack of resources for marketing and advertisement (73.45%), competition from other shoe brands (47.89%), lack of interest in fashion (25.06%), and lack of availability of branded shoes (14.64%) are other challenges they have faced during the purchase of shoe. Nearly all respondents (99.2%) indicate that reducing shoe prices (84.12%) and investing in marketing (81.14%) could mitigate purchase challenges (Figure 2). Additionally, 70.97% suggest new styles, promotions, digital marketing, focusing on quality products, and customer-centric efforts, which are seen as enhancers for the Nepalese shoe market.

Figure 2. Managerial Solutions to Purchasing Preferred Shoe Brand

Source: Field Survey (2023)

Inferential Analysis

Summary Statistics

The data is summarized through mean, standard deviation, skewness, and kurtosis. The mean and standard deviation of the result are in the range of 3.5931 to 4.6104 and 0.74715 to 1.23984, respectively, while the skewness ranges from -1 to 1. Likewise, explanatory factor analysis using Principal Components Analysis (PCA) and varimax rotation is done using SPSS (version 22), which helps reveal relationships between variables and explain their common variance. The KMO and Bartlett's test should verify the usability of the data before testing the relationship. The result of the KMO value is 0.825, which meets the criteria of 0.50 (Napitupulu et al., 2017). Bartlett's test of sphericity shows a value <0.05 , which indicates sufficient correlations. Common method bias is the error when the data collected influences the result more than an actual relationship between the variables (Aguirre & Hu, 2019). Furthermore, common method bias is explained through Harman's single factor test to determine that the first extracted value explains less than 50% variance. The value in this study shows there is no common method bias, as the value is 26.68%

Confirmatory Factor Analysis (CFA) and Measurement Model

Confirmatory Factor Analysis (CFA) is used in the research to validate or confirm the underlying structure and relationships among a set of observed variables and their latent constructs (factors) that a researcher hypothesizes (Yang, 2005). CFA is a technique to verify the observed variables; it is used to test multiple hypotheses simultaneously (Phakiti, 2018). It examines if a collection of components has the expected effect on answers. The fitness indicators CMN/DF is 3.518, RMR is 0.041, RMSEA is 0.079, GFI is 0.838, IFI is 0.914, TLI is 0.901 and CFI is 0.914 are used to assess if the model fit is great or not. The result demonstrates that the model fit in this study is excellent since all the indicators meet the criteria, which are CMN/DF < 3 , IFT > 0.90 , TLI > 0.90 , and CFI > 0.90 requirement for good fitting (Brown, 2006). A measurement model is used to implement SEM to test construct validity. As indicated in Table 4, convergence and discriminant validity were used to confirm the data's validity, and Cronbach's Alpha and CR were used to measure the reliability. For the data to demonstrate

convergence validity, it should satisfy the condition of $CR > 0.70$ and $AVE > 0.50$. Similarly, for the data to demonstrate discriminant validity, it should satisfy the condition of $AVE > \text{MSE}$ and the square root of $AVE > \text{correlation}$. The finding of this study demonstrates both convergence convergent and discriminant validity as it satisfies the required criteria (See Table 4 and Table 5).

Table 4. Reliability and Validity

Construct	Indicator	Factor Loading	Cronbach's Alpha	CR	AVE	MSV
Perceived Quality	PQ1	.781	0.888	0.889	0.670	0.173
	PQ2	.784				
	PQ3	.830				
	PQ4	.667				
Perceived Value of Cost	PVC1	.840	0.934	0.934	0.780	0.164
	PVC3	.864				
	PVC4	.802				
	PVC5	.843				
Brand Identification	BI1	.735	0.886	0.887	0.662	0.173
	BI3	.798				
	BI4	.735				
	BI5	.747				
Brand Trust	BT1	.879	0.946	0.947	0.817	0.039
	BT3	.849				
	BT5	.866				
	BT6	.867				
Life Congruence	LC1	.791	0.90	0.901	0.697	0.156
	LC2	.847				
	LC3	.799				
	LC4	.669				
Customer Satisfaction	CS1	.803	0.941	0.943	0.806	0.084
	CS3	.910				
	CS4	.839				
	CS5	.873				
Brand Loyalty	BL1	.793	0.896	0.904	0.709	0.140
	BL2	.613				
	BL3	.881				
	BL4	.861				

The latent construct shows the correlation between variables and identifies that every variable is correlated with each other, implying there are no normality, validity, or reliability issues in datasets.

Table 5. Latent Construct Correlation

	CS	PQ	PVC	BI	BT	LC	BL
CS	0.898						
PQ	0.192	0.819					
PVC	0.182	0.310	0.883				
BI	0.207	0.416	0.405	0.814			
BT	0.069	0.128	-0.043	0.198	0.904		
LC	0.194	0.393	0.382	0.395	0.083	0.835	
BL	0.289	0.293	0.374	0.233	0.011	0.152	0.842

Test of Hypothesis

The study has six hypotheses from Hypothesis H₁ to H₆. Hypotheses H₁, H₂, H₅, and H₆ have a significant relationship whereas Hypothesis H₃ and H₄ show an insignificant relationship. Mediation analysis evaluates the relationship between the independent and dependent variables. To test this, Hayes Process Macro is used. This test is used to check the relationship of mediating variable “customer satisfaction” with the independent variable (perceived quality, perceived value of cost, brand identification, brand trust, Life Congruence), and the dependent variable (customer loyalty).

In this inferential phase regression analysis, variable analysis and assessment of the normal pattern are analyzed using SEM. The latent variable and observed variable are assessed. The model fitness standard shows good shape. The result of CMIN/DF is 3.518<5, which can be accepted. The p-value is less than 0.05, showing the meaningful association between latent and observed variables. For accepting the hypothesis, the p-value needs to be less than 0.05, i.e. (<0.05).

Figure 3. Path Analysis

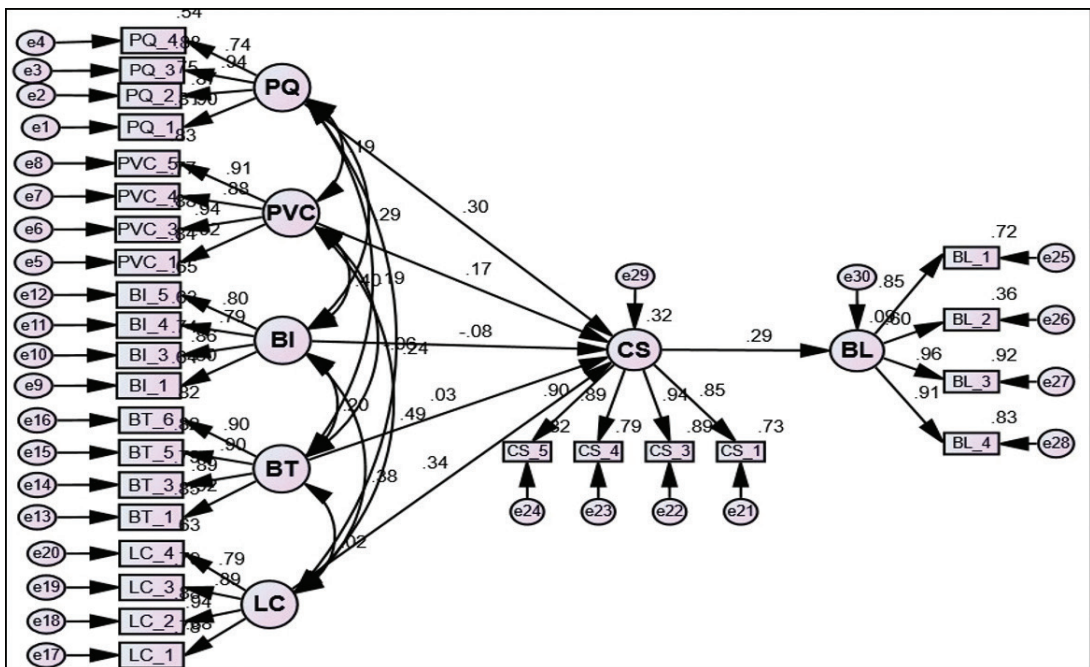


Table 6. Hypothesis Testing

	Estimate	S.E.	C.R.	P	Conclusion
H ₁ : PQ → CS	.352	.058	6.024	***	Supported
H ₂ : PVC → CS	.171	.054	3.170	.002	Supported
H ₃ : BI → CS	-.128	.088	-1.448	.148	Not Supported
H ₄ : BT → CS	.031	.045	.703	.482	Not Supported
H ₅ : LC → CS	.381	.063	6.065	***	Supported
H ₆ : CS → BL	.259	.046	5.662	***	Supported

Mediation Analysis

Mediation analysis tests whether there is a significant impact on independent and dependent variables to test the result of the Hayes Process Macro. The mediation analysis shows direct and indirect effects on the model. In this study, five mediation analyses have been investigated, such as PQ → CS → BL, PVC → CS → BL, BI → CS → BL, BT → CS → BL, LC → CS → BL. The direct effect is (c'), indirect effect (a*b). Direct effect is measured through the p-value criteria ($p \leq 0.05$; $p \leq 0.01$; $p \leq 0.001$). The indirect effect is measured through the criteria of lower and upper values of Bootstrap. In the study, the results show that PQ (CS (BL, PVC (CS(BL) has met the criteria of both direct and indirect effect, which shows a partial mediation between these variables. Meanwhile, LC(CS (BL) shows the significant result of indirect effect (i.e., full mediation), and BT → CS → BL does not fulfil any criteria, which shows no mediation.

Table 7. Mediation Analysis

Hypothesis	Direct Effect		Indirect Effect		Decision
	Effect (C')	Effect (a*b)	BootLLCI	BootULCI	
PQ → CS → BL	(0.2028)***	0.0706	0.0243	0.1248	Partial Mediation
PVC → CS → BL	(0.2174)***	0.0525	0.0104	0.1005	Partial Mediation
BI → CS → BL	(0.2012)**	0.0577	0.0092	0.1129	Partial Mediation
BT → CS → BL	(0.0186)	0.0170	-0.0080	0.0536	No Mediation
LC → CS → BL	(0.0089)	0.1039	0.0467	0.1728	Full Mediation

Note: * $p \leq 0.05$; ** $p \leq 0.01$; *** $p \leq 0.001$

Discussion

In this study, multiple linear correlations were utilized to analyze the impact of brand equity on male shoe customer satisfaction and loyalty reliability. The results of hypotheses H₁, H₂, H₅ and H₆ are statistically significant, which shows that customer satisfaction has a relationship with perceived quality, perceived value of cost, life congruence which further impact customer loyalty.

Hypothesis 1 shows the strong relationship between perceived quality, customer satisfaction, and loyalty. According to Kataria and Saini (2020), perceived quality is the source of satisfaction. The perception of quality products leads to customer satisfaction. Customers feel satisfied when their product expectations are fulfilled (Juran & Godfrey, 1999). A similar study by Chuenyindee et al. (2022), Subaebasni et al. (2019), Alzoubi et al. (2020), and Rahmawan and Suwitho (2020), perceived quality impact brand loyalty which shows that good quality products create strong brand preferences,

which lastly impacts their commitment with the brand. Perceived quality is an antecedent for customer satisfaction and shares a direct and positive relationship with satisfaction. A Study by Zeithaml (2000) concluded that a brand with a high-quality perception would achieve high satisfaction.

Similarly, Hypothesis 2 reveals the positive relationship between perceived cost value and customer satisfaction. Customer value is the cornerstone of marketing strategy and is essential in customer repurchase. A direct relationship exists between perceived value and customer satisfaction, as both concepts are based on evaluative judgment (Özkan et al., 2020). According to Chitty et al. (2007) and Levesque (2000), there is a direct association between perceived value and customer satisfaction, which leads to customer loyalty. These results are similar to prior research by Chae et al. (2020), where the perceived value of a brand, such as (emotional, social and economic value) is positively related to customer satisfaction. Customer satisfaction can be an antecedent or a result of perceived value. According to Chitty et al. (2007), there is a direct association between perceived value and customer satisfaction, leading to customer loyalty.

Likewise, Hypothesis 5 positively impacts life congruence and customer satisfaction. Customer mainly purchases the brand that correlates with their desired lifestyle. As per Kataria and Saini (2020), the higher the compatibility between the brand image and customer preference, the higher the customer satisfaction. The result shows a similar type of result. Hypothesis 6 shows a positive relationship between customer satisfaction and loyalty. Satisfied customers make repeat purchases and feel positive towards the brand Ilyas et al. (2020). A study by Homburg et al. (2009) empirically supported that customer satisfaction significantly and directly impacts loyalty.

A brand is a strong marketing tool, and the different dimensions of a brand lead to an impact on brand loyalty (Kataria & Saini, 2019). The brand name matters for the customer, and they are likely to recommend the brand they purchase. Reaching the right audience, lack of marketing and advertisement, and lack of availability of branded shoes are some of the challenges the shoe brands face. Promoting the brand, digital marketing, and focusing on the right audience can help increase brand loyalty. Since the paper is based on the Cognitive Dissonance Theory, it validates the applicability of the theory in the Nepalese shoe market, as there is a significant relationship between brand equity and brand loyalty. Similar research by Sial et al. (2016), Dutt and Singh (2018), and Awadallah et al. (2022) corroborates this relationship, validating the theory.

This research has some limitations as this study solely focuses on male customer loyalty, and data was collected from the customer's perspective. With time and budget constraints, data was collected only from the Kathmandu Valley. Further, respondents from the female group can be used as well as data can be collected from the shoe suppliers to know their brand loyalty.

Conclusion

The study examines the impact of brand equity (perceived quality, perceived value of cost, brand identification, brand trust and life congruence) on shoe customer loyalty. The study's finding reveals that the perceived quality, perceived value of cost, and life congruence positively correlate with brand loyalty. However, the customer feels barriers to purchasing the shoe, such as finding the right audience, limited marketing resources, brand competition, and fashion disinterest. The respondents reveal that lowering the prices, investing in marketing and advertisement, focusing on quality and using a customer-centric approach can enhance the Nepalese Shoe market. The study recommends valuable insight to increase brand loyalty, such as raising brand awareness through promotions and social media. Consistently delivering quality products and effective branding helps build trust and exceeds customer expectations. User-friendly websites, detailed product info, and seamless shopping experiences boost satisfaction and loyalty. Secure payments and efficient deliveries further solidify customer bonds, laying the foundation for lasting success. Exclusive access and customization forge strong connections, amplifying brand equity and loyalty among male customers.

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