

The impact of service quality on brand loyalty; A descriptive study of Smartphone users in higher educational institutions of district Vehari, Punjab, Pakistan.

Muhammad Waseem

PhD Marketing (Scholar), University of Management and Technology Lahore, Pakistan.

Abstract

This research study is to investigate crucial factors such as service quality and brand loyalty of the Smartphones users in District Vehari, Punjab, Pakistan.

Participants of research study are the students of higher education institutes in District Vehari, Punjab, Pakistan. For the explanation of this research study Independent variable is the four dimensions of customer service quality such as Value-added-services, Mobile devices, Price, Customer services and dependent variable brand loyalty.

Researcher has used both explanatory and descriptive approach on this survey based research study. Questionnaire as instrument of data collection is formed by a synthesis of existing constructs in relevant literature. Non-probability technique such as convenience sampling is used for sample design and collected data put in SPSS software version 20 for drawn the deductive conclusion. A series of statistical techniques i.e. frequency distribution, reliability, validity, regression and correlation are conducted to test the hypotheses.

The findings show that service quality dimensions as a whole on brand loyalty are significant, since the 14.5 percent of the total variance is explained. Four service quality dimensions are proved to have positive effects on brand loyalty. Those are Value-added-services (standard beta, .155, p, 0.27) Price (standard beta .184, p, 0.009), Mob devices (standard beta .188, p, 0.007), and Customer services (standard beta .158, p, 0.023).

Value of research study it is of great importance for mobile operators in an emerging market such as that of Pakistan, to understand what the drivers of brand loyalty are. The present study produced useful findings, which can be utilized by Smartphones provider managers, in their effort to develop and implement successful customer loyalty strategies.

The future research study could examine other factors such as trust, attractiveness of alternatives, brand experience and brand image. Moreover, the investigation of the mediation role of switching costs on the link between customer service quality and brand loyalty could enhance the research model.

Keywords: Services quality, Brand loyalty (BL), Mobile devices (MOBDEV), Value-added-services (VADS), Customer services (CUSER).

Introduction:

The roll out of the next-generation mobile internet services will change a lot for everyone even the common man. Smartphone's have blown away world mobile market in recent years. According to the Annual Report (2013-2014) of Pakistan Telecommunication Authority there are 130 million cellular subscribers of different GSM operating companies' e.g. Mobilink, U-fone, Telenor, Warid and Zong in Pakistan and phone density is round 70% of the Pakistan's population use mobile phones and percentage of Smartphone users is increasing day by day. The estimates are based on the tax receipts of the Federal Board of Revenue. Smart Phone market in human history is Spreading Faster than any other Technology. Today's technology scene seems overheated to some. Apple /Samsung are considered the most valuable company in mobile market but this doesn't end here. But the problem is associations between brand loyalty and its determinants customer service quality have not been completely revealed. The dimensional arrangement of brand loyalty and customer service quality needs further study. Outcome of brand on male and female on brand loyalty and its determinants has not been resolute.

Smartphone companies due to ease competition, has become one of the most competitive companies of the world. As trade barriers of international market minimized due to better transportations, sophisticated information technology and government support, the business has witnessed quick globalization and struggle (Daun & Klinger, 2006; Kandampully & Hu, 2007; Shoemaker & Lewis, 1999). According to this situation, developing and containing of brand loyalty is one of the best elements to achieve sustainable competitive advantage. Marketing literature revealed that it is extremely important to gain positive perception of company's most valuable consumers. Some marketing scholars quarrel brand loyalty slowly but showily declining in the developed countries (Tod, 1984; Kapferer, 2006). There are number of studies which confirmed that positive association between customer services and to achieve customer loyalty exists. (Oliver, 1999, Rusell-Bennett, Et

al, 2007). Perception is analyze the Male and Female students of Comsats institute of information technology Vehari Campus, University of Education Vehari Campus, Government Commerce College Vehari and other academics institute in District Vehari, Punjab, Pakistan.

Until recently, consumer brand loyalty and its drives more specifically, customer buying patterns, customer service quality still unexplored. Research article is focus on identification and examination of customer service factors and its effect on brand loyalty.

Literature Review:

Customer Service quality:

During the past few decades' service quality has drawn a lot of consideration from researchers and practitioners due to its strong impact on company performance, purchaser's satisfaction, customer loyalty and profitability. Service quality is usually understood as a measure of how well the layer of the delivered services matches Customer's expectations (**Santos, 2003**).

As an example, the definition of **Gro'nroos (1984)** summary perceived service quality, as "the outcome of an estimation process, where the consumer compares his anticipation with the service he perceives he has received". Furthermore, **Parasuraman et al. (1988)** defined service quality as "the overall evaluation of a specific service boldness that consequences from comparing that firm's achievement with the customers' general expectations of how corporation in that perseverance should perform". Several measuring instruments have been developed positioning to capture and explain the service quality dimensions.

Van der Wal et al. (2002) used SERVQUAL to investigate service quality importance in a mobile telecommunications company in South Africa. SERVQUAL is also employed by **Johnson and Sirikit (2002)** to investigate service quality intuition in the Thai telecommunications industry. The consequence showed that the means is recommended for process-driven service corporation such as telecommunications, banking, and retailing.

Brand Loyalty:

Customer loyalty is often examined from a behavioral kernel of prospect by measuring object such as quantity of repeat purchases, "share of wallet" and purchase frequency. A frequent assumption is that loyalty translates into an unspecified sum of repeat purchases from the same supplier over a specified period (**Egan, 2004**). In this line, **Oliver (1999)** defined loyalty as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior". **Dick and Basu (1994)** suggested that loyalty has both attitudinal and behavioral elements and argued that it is determined by the strength of the connection between relative treatment and repeat patronage.

Examining loyalty under the attitudinal lens, it may be derived from psychological involvement, favoritism and a sense of goodwill towards a particular output or service (**Oh, 1995 cited by Kim et al., 2004**).

Research Design:

Recognizing the examination reason, model, and theories advanced discussed a quantitative methodology is utilized within this exploration. Malhotra (2004) kept up that a quantitative methodology is an examination system that embarks to quantify the information with a specific end goal to utilize detail for dissecting the information set. Information accumulation strategy was utilized for this sort of study is quantitative. Besides, quantitative examination systems have adequately been utilized as a part of steadfastness studies, especially in the article of smart phone industry's settings (**Back, 2005; Bowen & Shoemaker, 2003; Chitty et al., 2007; Han et al., 2008**).

Researcher used both descriptive and explanatory approach in this survey based research study. Besides, a study based strategy is adaptable and flexible for gathering information (**Kumar et al., 1999; Malhotra, 2004**). Survey based systems can assemble a huge specimen of information rapidly and proficiently (**Hair et al., 2006b; Sekaran, 2005; Zikmund & Babin, 2007**). It is a research design in which data is collected with the help of questioners (**McIntyre 2005**). Scholar used the questioner as instrument of data collection from participants.

In multivariate facts, generally methods are relevant just to persistent scales (**Hair et al., 2006b**). Utilizing Likert-sort scales in multivariate facts raises an issue if the scales could be treated as nonstop scales (**Byrne, 2010; Hair et al., 2006b**). Researcher has used a five-point Likert scale from strongly agrees (1) to strongly

disagree (5), in research study for the measurement of variable such as customer service quality and brand loyalty.

Sample size and sample design is important factors that should be considered by researchers (Sekaran, 2005). Malhotra (2004) maintains that non-probability sampling is a method where the selection of sampling units is primarily based on the decision of the researcher. This research used non probability sampling for several reasons. Firstly, identifying an aim population in the smart phone is difficult (Back, 2005), with the requirement of equality of creature chosen among aim population unfeasible.

Researcher adopts the technique of Non-probability convenience sampling for data collection from respondents. The field research target sample consisted on 200 students both male and female users in higher education institutions located in the district Vehari, Punjab, Pakistan. The survey took post in November 2015 in District Vehari, Punjab, Pakistan. The resulting specimen comprises 190 valid questionnaires.

Data Findings and Analysis:

Demographic:

Statistics

		What is the Brand of your main mobile phone today (or the latest you own)?	What is your age?	What is your Gender?	What is the level of education?	What is your current household income?
N	Valid	190	190	190	190	190
	Missing	0	0	0	0	0

Reliability:

Item name	Mean	SD	Number of items	Cronbach Alpha
Value added-services	3.50	0.724	2	0.702
Price	3.41	0.705	2	0.736
Mobile devices	4.01	0.676	2	0.860
Customer Services	3.47	0.593	2	0.773
Customer Loyalty	3.31	0.673	3	0.890

Interpretation:

Cronbach's alpha (Cronbach, 1960), is calculated for each scale, ranged between 0.702 and 0.890. Thus, all scale exhibited over 0.7 reliability level, which is the minimum approval level (Nunnally, 1967).

Regression.

Results analysis:

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.380a	.145	.126	2.74843

a. Predictors: (Constant), CUSER, MOBDEV, PRICE, VADS

Interpretation:

In this case the value of R square is .145 showing that 14.5% variance in overall evaluation of customer loyalty is explained by predictor variable.

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.979	1.538		1.287	.200
	VADS	.235	.106	.155	2.230	.027
	PRICE	.369	.139	.184	2.655	.009
	MOBDEV	.321	.118	.188	2.720	.007
	CUSER	.559	.244	.158	2.288	.023

Interpretation:

Four service quality dimensions are proved to have positive direct possessions on loyalty. VADS (standard beta, .155, p, 0.27) Price (standard beta .184, p, 0.009), Mob devices (standard beta .188, p, 0.007), and Cuser (standard beta .158, p, 0.023).

Model Results

Hypothesis	Model Variables	Sig Value (P)	Beta (β) Standardized Coefficients	Results
H1	VADS→BL	.027	.155	Supported
H2	PRICE→BL	.009	.184	Supported
H3	MOBDEV→BL	.007	.188	Supported
H4	CUSER→BL	.023	.158	Supported

Hypothesis

CUSTOMER SERVICE QUALITY DIEMENSIONS;

H₁: Value added service has positive effect on loyalty.

H₂: Price has positive effect on loyalty.

H₃: Mobile device has positive effect on loyalty.

H₄: Customer services have positive effect on loyalty.

Discussion:

The research study showed that service quality is a major forecaster of brand loyalty, with three out of the four importance of the chosen means (pricing, value added-services, Mobile devices) having significant positive effects on brand loyalty. Customer services importance percentage is found to have significant positive effect on loyalty. This can be attributed to the deed that in nowadays after procurement services is the core and primary handicap of Smartphone provider.

Furthermore the items of this scale tins be considered as largely expected common circumstance features. Finally the value-added services, mobile device and price scales did expose a significant positive influence on customer loyalty. This indicate that Smartphone user pay much more attention to core service issues as well as service enhancement issues like value-added services and advanced phone devices. There is a money of will in literature for the positive kinship between buyer Service quality and loyalty (e.g. **Aydin and Ozer, 2005; Gerpott et al., 2001; Kim et al., 2004; Lee et al., 2001**).

Value of work and practical implications:

Customer loyalty is a factor of paramount confidence in an emerging services market sector, such as that of the Smartphone sector in Pakistan. Therefore, it is of great respect for Production director of Smartphone supplier to understand what the loyalty's drivers are.

The research consequence verified the dimensionality of this model, thus indicating that it can be a very useful tool, for both researchers and practitioners, when intending to degree service importance in the mobile sector. Furthermore, since to the best of my awareness similar research has not been undertaken in district Vehari, Punjab, Pakistan the useful findings produced tins be utilized by mobile yield administrator towards the offshoot and implementation of practices that evidence lead to loyal customers.

Recommendations for further research:

Furthermore, in lineup to investigate under a more holistic approach customer loyalty, a future study could also examine added thought that pertinence loyalty such as trust, brand image, brand experience, purchasers perceived involvement, inertia and attractiveness of alternatives or examine the impact of customer loyalty on profitability. Therefore, future research could look into the possible mediation bureau of switching costs on the link between satisfaction and loyalty.

References

Ruyter, K. and J. Bloemer: 1999, 'Customer Loyalty in Extended Service Settings', *International Journal of Service Industry Management* 10(3), 320–336.

Oliver, R.L. (1999), "Whence consumer loyalty?", *Journal of Marketing*, Vol. 63 (Special Issue), pp. 33-44

Santos, J. (2003), "E-service quality: a model of virtual service quality dimensions", *Managing Service Quality*, Vol. 13 No. 3, pp. 233-46.

Gro'nroos, C. (1984), "A service quality model and its marketing implications", *European Journal of Marketing*, Vol. 18 No. 4, pp. 36-44

Parasuraman, A., Berry, L.L. and Zeithaml, V.A. (1988), "SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality", *Journal of Retailing*, Vol. 64 No. 1, pp. 12-40.

Jones, M.A., Beatty, S.E. and Mothersbaugh, D.V. (2002), "Why customers stay: measuring the underlying dimensions of services switching costs and managing their differential strategic outcomes", *Journal of Business Research*, Vol. 55, pp. 441-50.

Egan, J. (2004), *Relationship Marketing: Exploring Relational Strategies in Marketing*, Pearson Education, and Harlow.

- Dick, A. and Basu, K. (1994), "Customer loyalty: toward an integrated conceptual framework", *Journal of the Academy of Marketing Science*, Vol. 22 No. 2, pp. 99-113.
- Anderson, R. E. & Srinivasan, S. S. (2003). E-satisfaction and e-loyalty: a contingency framework. *Psychology and Marketing*, 20(2), 123-38.
- Choi, C., Kim, C., Sung, N. & Park, Y. (2007). Evaluating the quality of service in mobile business based on fuzzy set theory. *Fourth International Conference on Fuzzy Systems and Knowledge Discovery*, Haiku, China, August 2007, 483-7.
- Hutcheson, G. D. & Moutinho, L. (1998). *Journal of Marketing Management*, 14(7), 705-720.
- Johnson, M.D. and Fornell, C. (1991). A framework for comparing customer satisfaction across individuals and product categories. *Journal of Economic Psychology*, 12(2), 267-86.
- Kim, M. K., Park, M. C. & Jeong, D. H. (2004). The effects of customer satisfaction and switching barrier on customer loyalty in Korean mobile telecommunication services. *Telecommunications Policy*, 28(2), 145-59.
- Lim, H., Widdows, R. & Park, J. (2006). M-loyalty: winning strategies for mobile carriers. *Journal of Consumer Marketing*, 23(4), 208-18.
- Santos, J. (2003). E-service quality: a model of virtual service quality dimensions. *Managing Service Quality*, 13(3), 233-46.
- Van der W. Pampallis, A. & Bond, C. (2002). Service quality in a cellular telecommunications company: a South African experience. *Managing Service Quality*, 12(5), 323-35.
- Winfried Daun, Raffaella K. (2006). Delivering the message: How premium hotel brands struggle to communicate their value proposition. *International Journal of Contemporary Hospitality Management*, 18(3), 246 – 252.
- Wirtz, J. (2003). Halo in customer satisfaction measures. *International Journal of Service Industry Management*, 14(1), 96-119.