FACTORS AFFECTING BRAND LOYALTY IN SMARTPHONE AMONG YOUNG CONSUMER IN KOTA BHARU, KELANTAN

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ABSTRACT

A smartphone is a mobile phone with computer and internet search capabilities, which distinguishes it by its size and functionality. It has become a source of entertainment, communication tools, search engines and more. This has led to the decision to choose the smartphone industry as the main topic for this thesis. Building a strong brand loyalty is vital and want to maintain brand loyalty had to face major challenge. Creating brand loyalty is a crucial element of long-term profitability and competitive advantage. The purpose of this research to measure the relationship of the factor that influenced young consumer to be loyal with one brand towards smartphone. The respondents of this research were Malaysian young consumer which is covered in Kota Bharu, Kelantan using questionnaire. It was discovered the customer satisfaction, brand trust and product attributes which were the major factor affecting brand loyalty among young consumer towards smartphone. The findings show that customer satisfaction, brand trust and product attributes have significant influenced on brand loyalty towards smartphone. Based on the relationship, young consumer can provide loyalty for certain brand if those factor meets their needs and wants.

Keywords: Brand Loyalty, Brand Trust, Customer Satisfaction, Product Attributes, Smartphone

1. INTRODUCTION

1.1 Research Background

The brand was said to be a reflection of high-quality assurance as well as assurance of satisfaction of use due to the similarity of functionality that manufacturers have promised. A brand is a word or symbol that connects the mind to a company or product.
According to Muhammad (2013), customers can be loyal to the brand because they understand the brand and are confident in the purchase and because of its uniqueness and comfort. Customers may be attracted to a particular brand because it assesses brand quality, constraints, lack of alternatives or simply because the customer is comfortable. It occurs when consumers realize that the brand offers a good product feature, image or quality at the right price. This perception can be translated into repeat purchases that lead to loyalty.

A smartphone is an electronic device that can easily provide a variety of functions and usages. A smartphone is a mobile device that not only makes and receives calls, but also text messages and voicemails. The basic function of a smartphone is to be able to access the Internet and access digital media such as pictures, music and videos. Also, smartphone needs to have the ability to make use of small computer programs called applications or apps (Karen, Han & Benjamin, 2013).

Today, smartphones were seen as a lifestyle trend for middle-up and middle-aged teenagers. It was undeniable that these clever gadgets have greatly influenced the way people handle everyday affairs. Song et al. (2013) report that as many as 40% of Malaysians own more than two mobile phones. The mobile feature has an application that is very similar to the application used by the computer, giving users easy access to any formal or informal information. Compared to regular mobile phones, smartphones are mobile phones with advanced computing capabilities and connectivity.

To create brand loyalty among the younger generation, retailers has identify the key factors that drive consumers to a brand. All brands of smartphones have the same functionality. Indirectly this promotes a tendency to be disloyal to one brand. Now, loyalty no longer exists. Most consumers when they were dissatisfied with a smartphone brand or any product, they can simply switch to another brand. While there has been a lot of research done on the factors that influence brand loyalty to smartphone brands, there was still little research on the brand's loyalty factor among young consumers. This study was only focused on young consumers and the factors that influence their purchasing decisions. This study aims to study and analyse specifically the factors that influence purchase intention towards young consumers' smartphone brands. Young people within a certain age range were chosen because this group has the highest smartphone purchase rate.

1.2 Research Objectives

The objectives of this research were to determine the significant relationship of:

2. Brand trust and brand loyalty in smartphone among young consumers.
3. Product attributes and brand loyalty in smartphone among young consumers.
2. LITERATURE REVIEW

2.1 Brand Loyalty

Brand loyalty is the ability to stay with one brand even changes several of product produce from that brand. Gommans et al, (2001) Brand loyalty is a deep-rooted commitment to re-purchase or re-purchase preferred products/services in the future, resulting in repeated purchases of the same brand or the same brand, albeit potentially having a potential impact and marketing efforts to switch behaviors. Brand loyalty is the degree to which a customer recommends and continues to purchase the same product/service. Loyalty occur when a person satisfies with the product performance of particular brand that enhance the behavior of a person to keep loyal to the brand.

Brand loyalty can be described by many approaches. According to Operant Conditioning Approach, this approach sees the consistency of the purchase one brand in the long term is indicated as a brand (Assael, 1984). Some experts and researchers use the term repurchase type to explain about the loyalty (Ehrenberg & Goodhart, 1968; Ehrenberg, 1964; McConnell, 1968; Morrison, 1966; Seth, 1968; Tucker, 1964). Seth (1968) defines brand loyalty as a relative function of the purchase of a brand within a certain period, similar with Seth (1968), Tucker (1964) explain if there are two brands of Cola drinks were offered to someone at certain time period, the level of loyalty that person can be measured from the frequency relative other brands which he would select. If he chooses a brand from B brand in some times of observation, then it could be said to be loyal. Shukla (2009) said behavioural approach operationalize loyalty into four ways: (1) measured based on the actual consumption of goods or services. This approach typically combines the volume and frequency of purchases within a certain time period; (2) a certain proportion; (3) measured by the probability of repurchases; (4) measuring the time consumers make the brand switching. All the approach can be described as brand loyalty as it brings same brand chosen by consumer.

2.2 Customer Satisfaction

There are many ideas and theories about the definition of customer satisfaction. Customer satisfaction is a response from the customer. Determining the characteristics of a product or service itself provides satisfactory consumer-related achievements, including poor and excessive performance (Han et al. 2008). Consumer satisfaction is the result of comparative expectations and experience. Consumers will be happy when a brand meets or exceeds their expectations (W. Khristianto, I. Kertahadi and I. Suyadi, 2012). Consumer satisfaction research began in the marketing field of the 1970s and is currently based on “confirmation of the expected paradigm” (Bakri and Elkhani, 2012). Customer satisfaction has always been a topic of great interest in the literature (Anderson and Mary, 1993). In addition, marketers believe that meeting customers is a key element of business activity, especially in a highly competitive market (Anderson, 2005).
In general, customer satisfaction refers to the interaction between retailers and consumers, and how they actively promote their market service experience. Since retailers can work well with customers and when customers are satisfied with the services that retailer provide, they will definitely respond positively. According to Boselie, Hesselink, and Wiele (2002), satisfaction is a positive, emotional state due to the evaluation of all aspects of the working relationship between one party and the other.

### 2.3 Brand Trust

The motivation of standard consumers to rely on brand qualifications to achieve their stated goals is called brand trust (Moormal et al. 1993). This definition covers two general methods of trust in the literature (Dwyer and Lagace, 1986). Firstly, Trust is seen as deterministic, emotional and partner expertise; reliability due to expectations of the value of the exchange partner (Ramiz, Qasim, Rizwan, As-lam, & Khurshid, 2014). Secondly, the trust is the behavioral intention reflected from confidence on a partner and shortcoming and uncertainty about the trustee (Moormal et al. 1993). Believe in the reliability and honesty of one party, build trust (Moorman et al. 1992).

Trust is the most important determinant of brand loyalty because it creates the relationship between brands and customers that Morgan and Hunter (1994) said. In many literature studies, trust is identified as a predictor of loyalty, and if established, the customer will be satisfied (Chaudhuri and Holbrook, 2001). Trust is stated very important for satisfaction by Berry (2000). As per Morgan and Hunt (1994) and Chaudhuri and Holbrook (2001), brand trust leads to brand loyalty or commitment, the exchange relationship created by trust is highly valued (Chaudhuri and Holbrook, 2001). A lasting desire to maintain a valuable relationship is defined as the commitment by Moorman, Zaltman, and Deshpande (1992). In other words, trust and commitment should be linked because trust is important in relational exchanges and promises to commit to this valuable relationship. In this connection, Moorman, Zaltman, and Deshpande (1992) and Morgan and Hunt (1994) find that trust leads to commitment in business-to-business relational exchanges. Therefore, it tends to be reasoned that both purchase and attitude loyalty are provided by the trust. Trustworthy brands should be bought more frequently and should result in a higher level of commitment.

Brand trust is the key to customer commitment, especially in high involvement products or services. He also said that brand trust and brand influence are the two main factors that influence customers' attitudes and behaviors towards brand loyalty (Li & Chaipoopirutana, 2016). Partner credibility has a certain impact, helping to build loyalty, no customer willing to become an untrustworthy partner. It has been discovered that trust is the primary determinant of relationship commitment, and brand trust prompts brand devotion. He also showed that brand trust is directly related to purchase and attitude loyalty (Kuusik, 2007).
2.4 Product Attribute

Product attribute are product elements that consumers consider important and are used as the basis for purchasing decisions (Stanton, 2009). In today’s highly competitive marketplace, marketers are looking to build long-term profitable business relationships with their customers. Because consumers use product attributes to evaluate the benefits they seek before purchasing products (Oghojofar, Ladipo and Rahim, 2012). Shaharudin, Hassan, Mansor, Elias, Harun and Aziz (2010) also reported that marketing has gone through series and stages of marketing evolution. In a marketing philosophy, the overall organization’s goals depend on the level of customer satisfaction, not competitors. From a marketing perspective, competitive advantage can be achieved through a range of intermediate objective, such as providing unique product attributes.

The Kano model was originally developed by Professor Nono in the 1980s. This theory provides an effective way to classify the customer’s evaluation of attributes into different types. Kano’s theory divides important product features into three groups and explains the direction path between properties. The first theory divides attributes into two: essential attributes and distinguished attributes. Essential attributes include the basic attributes necessary for product performance, and distinguishing attributes is the property that helps companies distinguish between their products and competitors’ products. Kano classifies the “must-have” and “performance” properties as basic properties and the “attractive” properties as differentiated properties.

The purchaser buys the product not for the product but for the benefit of purchasing the features and functions of the product’s attributes (Lancaster, 1966; Zhang, Rau & Zhou, 2015). However, from the point of view of consumers and designer, many important product characteristics are neither physical nor objective.

2.5 Research Hypothesis

On the basis of above discussion, we can create the following hypothesis:

H1: There is positive influence of brand loyalty on customer satisfaction in smartphone among young consumer in Kota Bharu, Kelantan.

H2: There is positive influence of brand loyalty on brand trust in smartphone among young consumer in Kota Bharu, Kelantan.

H3: There is positive influence of brand loyalty on product attribute in smartphone among young consumer in Kota Bharu, Kelantan.
3. METHODOLOGY

![Conceptual Framework](image)

Figure 1: Conceptual Framework

This study uses both types of data collection method which are primary and secondary data. This study used survey questionnaire as the primary data source by using questionnaire, while in the secondary data collection is from journal, articles, internet and electronic database. According to Krejcie and Morgan (1970), if the population is around 100,000, the respondent needed are 383. A purposive sample size of 394 smartphone users of young consumers from Kota Bharu were selected as respondents of this study. The study mainly focus on young consumer in Kota Bharu and the questionnaire were only distributed among this specific group of people. The age limit is set to be 15 to 30 years old. According to World Population Review (2019), Kota Bharu, Kelantan have population of approximately 314,946.

The selection of the sample in this study will be simple random sampling. It is a measurable method of drawing representative information by selection individuals because of the ease of their volunteering and willing based on Cox and Hassard (2010). After the data collection process was done, SPSS software is used to conduct the analysis. SPSS is a predictive software to enable accurate analysis of result for better decision making and problem solving in academic research.
4. FINDINGS

4.1 Reliability

Table 1: Reliability, Mean and Standard Deviation

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach’s Alpha</th>
<th>No of Items</th>
<th>Mean</th>
<th>S. D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Loyalty</td>
<td>0.877</td>
<td>5</td>
<td>4.2046</td>
<td>.72965</td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>0.946</td>
<td>5</td>
<td>4.2340</td>
<td>.72523</td>
</tr>
<tr>
<td>Brand Trust</td>
<td>0.926</td>
<td>5</td>
<td>4.2137</td>
<td>.71560</td>
</tr>
<tr>
<td>Product Attribute</td>
<td>0.873</td>
<td>5</td>
<td>4.1792</td>
<td>.72756</td>
</tr>
</tbody>
</table>

Construct’s reliability has been measured by Cronbach’s alpha, above Table 1 shows the reliability of all construct is more than 87% which is more than acceptable. Table 1 also shows the mean and standard deviation for brand loyalty, customer satisfaction, brand trust and product attribute.

Mean of all above variables was nearer and closer to the scale of 4.2 mostly which lies between agree and strongly agree responses. From above results, it concludes that trust is the worthiest element which affects the brand loyalty and product attribute has the least contribution to make loyal customers.

4.2 Correlations

Table 2: Pearson Correlation Coefficient

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Brand Loyalty</th>
<th>Customer Satisfaction</th>
<th>Brand Trust</th>
<th>Product Attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Satisfaction</td>
<td>.839**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Trust</td>
<td>.826**</td>
<td>.868**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Attribute</td>
<td>.803**</td>
<td>.831**</td>
<td>.836**</td>
<td></td>
</tr>
</tbody>
</table>
Hypothesis 1: There is a significant relationship between brand loyalty and customer satisfaction. The results showed that a significant positive correlation coefficient between brand loyalty and customer satisfaction ($r = .839$, $p < .01$). The result demonstrated that the strength of association between brand loyalty and customer satisfaction was strong.

Hypothesis 2: There is a significant relationship between brand loyalty and brand trust. A significant positive correlation coefficient showed between brand loyalty and brand trust with the value of .826 ($p < .01$). The strength of relationship between brand loyalty and brand trust was strong.

Hypothesis 3: There is a significant relationship between brand loyalty and product attribute. The final findings indicated that there is a significant positive correlation coefficient between brand loyalty and product attributes ($r = .802$, $p < .01$). The correlation coefficient gained shows a strong relationship.

5. DISCUSSION

The purpose of this study is to measure the relationship of the factors that influenced young consumer to be loyal with one brand towards smartphone. There were three independent variables (customer satisfaction, brand trust and product attributes) that can affect brand loyalty towards smartphone. The researcher has chosen young consumer in Kota Bharu, Kelantan as respondent for this study. Respondent has been chosen from age 15-30 years old and have shown data in the descriptive analysis that include gender, age, race, education level, income, brand of smartphone, and experience using smartphone.

Based on 394 respondents of young consumer, the Cronbach’s Alpha for reliability analysis shows all variables consistency and stability are good which is customer satisfaction is 0.946, followed by 0.926 that represent for brand trust and product attributes is 0.873. Next, dependent variables (brand loyalty) is 0.877 are recorded.

Based on result generate, for Pearson analysis customer satisfaction from young consumer has a significant impact on brand loyalty in smartphone. The significant level of customer satisfaction is at 0.000 which lower than alpha value 0.01. Besides, β-value is which express that the relationship between customer satisfactions with brand loyalty are positive. According to Youl & John (2010) brand satisfaction has a positive influence on brand loyalty.

According to the finding, product quality has a significant impact on the brand loyalty in smartphone among young consumer. The significant level of customer satisfaction is at 0.000 which lower than alpha value 0.01. Besides, β-value is which express that the relationship between products quality with brand loyalty are positive.

Furthermore, the study reveals that product attribute also has a significant impact on brand loyalty in smartphone among young consumer. The significant level of customer satisfaction is at 0.000 which lower than alpha value 0.01. Besides, β-value is which express that the relationship between product attribute with brand loyalty are positive. From the results, researcher can describe that all independent variables have significant relationship with dependent variable.
6. RECOMMENDATION

Researcher hereby propose some recommendation and alternative to beat those restrictions. Since this study had only focused on young consumer in Kota Bharu, Kelantan, it is recommended that further studies can be carried out to other generation and place in Malaysia, not only focused in Kota Bharu, Kelantan. Secondly, researcher suggests that one-to-one communication can abstain from misconception of the respondents while noting the survey. Next recommendation, in further studies also can concentrate on particular brand, so it can help developer or marketer of that brand to improve their smartphone product with features that people want in their smartphone.

7. CONCLUSION

This study was focus on the factors affecting brand loyalty in smartphone among young consumer in Kota Bharu, Kelantan. From the analysis of the entire variable, it has been satisfied the minimum requirement of reliability since all the Cronbach’s Alpha coefficients shows greater than 0.6 which is all the independent variable (customer satisfaction, brand trust, product attributes) had the significant relationship to the dependent variable (brand loyalty). Regarding the result of analysis performed in order to determine whether or not customer satisfaction, brand trust and product attributes has an impact on brand loyalty, it was found out that all independent variables has significant relationship to brand loyalty in this study. Based on the relationship, young consumer in Kota Bharu can provide loyalty for certain brand if those factor meets their needs and wants. The most important part, developer or marketer can acknowledge these factors before produce a smartphone in the future to increase chance of brand loyalty from young consumer. The results show factors that affecting brand loyalty in smartphone were really play important role among young consumer. This research had been complete successfully.

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