CHAPTER 2   LITERATURE REVIEW

2.1   Introduction

This chapter presents an extensive literature review and research related to the antecedents of customer loyalty within the parameters of the subject. The theories and concept of each variable relating to past literature will be discussed in this chapter. Moreover, the relationships among the variables are tested. The demonstration of the conceptual model with hypotheses development is clearly outlined.

2.2   Service Quality

The definition of service quality holds that this is the result of the comparison that customers make between their expectations about a service and their perception of the way the service has been performed (Lehtinen and Lehtinen, 1982; Lewis and Booms, 1983; Grönross, 1984; Parasuraman *et al.,* 1985, 1988, 1994).

The concept of service quality is not universally understood and is often used as an overarching term to cover a range of impressions gathered by customers when dealing with service providers. However, these impressions are important factors that influence consumer buying behaviour and service providers are very conscious of the need to integrate and improve this aspect of their operations. Some of the immediate measures taken by service providers are either through staff training or investment in facilities. The SERVQUAL scale developed by Parasuraman *et al.* (1988), and a shortened form of this scale (SERVPERF) was developed by the researchers to be used in an Australian small-business setting.

The psychometric properties of the SERVQUAL scale have been the major subject of research in recent years. The scale was developed from an initial pool of 97 items, generated through a series of focus group sessions conducted with consumers (Parasuraman *et al.* 1988). In the later stages, the initial pool of 97 items were reduced to 22 items to form the SERVQUAL scale with a reliability of above 0.90 reported (Ibid). The scale was tapping on five underlying dimensions of service quality – Reliability, Responsiveness, Assurance, Empathy and Tangible.

Reliability is defined as the ability to deliver the promised service dependably and accurately. It is about keeping promises – promises about delivery, pricing, complaint handling, etc. *Responsiveness* can be described as the willingness to help customers and provide prompt service. This dimension addresses the need for the service personnel's attitude to be attentive to customer requests, questions and complaints. *Assurance* is the service quality dimension that focuses on the ability to inspire trust and confidence. *Empathy* is the service aspect that stresses the treatment of customers as individuals. Finally, *tangible* is the service dimension that focuses on the elements that represent the service physically.

Moreover, service quality is often conceptualized as the comparison of service expectations with actual performance perceptions (Zeithaml *et al*., 1990). On an operational level, research in service quality has been dominated by the SERVQUAL instrument, which is based on the gap model. The central idea in this model is that service quality is a function of the different scores or gaps between expectations and perceptions (P-E). This has provided researchers with the possibility of measuring the performance-

expectations gap (gap 5) ostensibly composed of five determinants. In further developing the expectations side of their gap model, Berry and Parasuraman (1991) and Zeithaml *et al.* (1993) argue that expectations can be conceptualized to exist at two levels: the desired and the adequate. In between, there exists a zone of tolerance reflecting the degrees of heterogeneity that individual customers are willing to accept.

While the SERVQUAL instrument has been widely used, it has also been widely criticized. The validity and reliability of the difference between expectations and performance has been questioned and several authors have suggested that perception scores alone offer a better indication of service quality. The authors also debate the conceptual and operational drawbacks associated with the SERVQUAL model (Cronin and Taylor, 1992; Teas, 1993; Strandvik and Liljander, 1994). Furthermore, application of the SERVQUAL approach is by definition limited to existing services since experience and performance must both be taken into account. Hence, it is difficult to measure the quality of service innovations. In addition, although it may not be a realistic assumption additive relationships between service dimensions are implied by the model (Cronin and Taylor, 1992; Teas, 1993). Cronin and Taylor (Ibid) then proposed the SEVRPERF instrument, which is more concise on a performance-based scale and using five service quality dimensions defined by Parasuraman *et al.* (1988) is an alternative to the SERVQUAL model. A comparison was made between the weighted SERVPERF model and the SERVQUAL model in considering the importance of a quality attribute as a determinant of perceived quality.

Despite the noted criticisms, a large number of applications of SERVQUAL have been widely adopted. An important advantage of the SERVQUAL instrument is that it has been proven to be valid and reliable across a large range of service contexts, such as a dental school patient clinics, a tyre shop (Carman, 1990), discount and department stores (Finn and Lamb, 1991; Teas, 1993), hospitals (Babakus and Mangold, 1992) and higher education (Boulding *et al*., 1993). Although it has been demonstrated that for some services the SERVQUAL instrument needs considerable adaptation (Dabholkar *et al*., 1996), it still seems to be the best alternative for cross-sectional research and industry benchmarking (Fitzsimmons and Fitzsimmons, 1994). Although a considerable number of authors have argued that service quality is an important determinant of service loyalty its exact relationship remains unclear (Gremler and Brown, 1996).

Lehtinen and Lehtinen (1982) give a three-dimensional view of service quality. They see it as consisting of what they term as *interaction*, *physical* and *corporate* quality. At a higher level, and essentially from a customer's perspective, they see quality as being two-dimensional, consisting of *output* and *process* quality.

The model proposed by Grönross (1984, 1990) highlights the role of technical (or output) quality as occurring prior to, and resulting in, outcome quality. In this model technical quality refers to what is delivered to the customer, be it a meal in a restaurant, the solution provided by a consultant, or the home identified by the estate agent. Functional quality is concerned with how the end result of the process is transferred to the customer. This concerns both psychological and behavioural aspects that include accessibility to the provider, how service employees perform their task, what they say

and how the service is performed. Thus, while technical quality can often be quite readily evaluated objectively, this is more difficult to do with functional quality. The model also recognizes that customers have some type of image of the firm, which has a quality that is the result of the evaluation they make of what was expected and what was experienced, taking into account the influence of the organization's image. Finally, Grönroos (1993) emphasized the importance of developing an adaptation of the instrument that takes into account the role of expectations from a dynamic perspective. In the service quality literature, several of these critiques have been explicitly addressed (Zeithaml *et al*., 1996).

Shin and Kim (2008) suggested that service quality is a consumer's overall impression of the relative efficiency of the service provider. They found that service quality is significantly related to customer perceived value and leads to loyalty. Accordingly the overall service quality evaluation from customers would influence the customer perceived value of the service.

2.3   Brand Image

Keller (1993, p.3) defines brand image as the "perceptions about a brand as reflected by the brand associations held in consumers' memory". These associations encapsulate the emotional perceptions consumers attach to a brand (Dobni and Zinkhan, 1990) and symbolic meanings attached to specific attributes of the product or service (Padgett and Allen, 1997). Hence, a brand's image integrates functional and symbolic brand beliefs that form the consumer's overall impression of the brand (Low and Lamb, 2000).

Building upon this understanding, Hsieh *et al*. (2004) define brand image in relation to evoked feelings, impressions, perceptions, beliefs and attitudes towards a brand. The brand image encapsulates the consumer's evaluation of brand meaning (Hoeffler and Keller, 2002), which the organization transfers to the consumer through integrated marketing communication channels such as advertising and sponsorship processes.

To provide a more specific understanding of brand image, Thakor (1996) suggests that brand image can be thought of as benefits, attributes or personality traits. Of particular relevance is the concept of brand personality. Aaker (1997, p.348) defines brand personality as a "set of human characteristics associated with a brand." These personality driven evaluations explain why a consumer may hold an emotional connection towards one brand but not another (Aaker, 1997). A range of direct and indirect encounters with the brand such as advertising processes (Batra *et al*., 1993) create and influence conceptions of brand personality. Thus, external communications largely form brand personality. Despite inferences of the importance of the role of brand image in creating brand equity (Aaker, 1992; Keller, 1993), there is limited understanding about its influence on the customer value-loyalty process. From a theoretical standpoint, Keller's (1993) customer brand equity model suggests that brand image is a key driver in eliciting the attributes, benefits, and attitudes towards the brand, Erdem and Swait (1998) show that a brand's personality influences customer perceptions of service quality and value by using the signalling theory in the study.

This is particularly relevant to the research by Dawar and Parker (1994), which uses the cue utilization theory. They show that an exciting brand personality may store

intrinsic cues, which portray the consumers' experience and influence perceptions of service quality and value. In addition, Yoo *et al*. (2000) show that a store's image has a positive relationship with the perceived quality of the brand.

Furthermore, O'Cass and Grace (2004) provide evidence of the relationship between brand aroused feeling (brand image) and positive brand perception. In addition, the text by Duncan and Moriaty (2002), and recent papers by Reid *et al*. (2005) and Madhavaram *et al*. (2005) highlight the important influences of brand identity and image in an integrated marketing communications environment.

2.4   Brand Trust

The research of the trust concept comes from the analysis of personal relationships, in the field of social psychology, because it is considered an inherent characteristic of any valuable social interaction. It is only recently that the concept has become a popular issue in marketing literature due to the relational orientation emerging in marketing activities (Dywer *et al*. 1987; Ganesan 1994; Geyskens *et al*., 1996; Morgan and Hunt, 1994).

A careful review of all these contributions indicates that the study of trust has resulted in the use of a varied and sometimes confusing terminology when one wants to assert that someone or something is trusted. More specifically, in social science and psychological literature, we have found several terms such as altruism (Frost *et al*., 1978), benevolence and honesty (Larzelere and Huston, 1980) or dependability and responsibility (Rempel *et al*., 1985). Nevertheless, all these concepts share the same idea: trust in a person is a feeling of security based on the belief that his or her behaviour is guided and motivated by favourable and positive intentions towards the welfare and

interests of his/her partner. Therefore, it is expected that he/she does not intend to lie, break promises or take advantage of the other's vulnerability. Therefore, the less the doubt that his or her purposes are questionable, the less the risk to the relationship, hence, the development of a valuable relationship will be less difficult.

The analysis of this dimension alone is not enough to explain trust when it is used to characterize the relationships developed from the psychological arena and, specifically, in the business to business context. This is because in the interactions taking place in this context there is a certain dependence on delivering expected outcomes and performing activities. This different nature has led to the distinction of a second dimension in the concept. This is related to the ability and capacities attributed to a business to perform some activities and accomplish its obligations and promises. As with the first dimension, a wide variety of concepts have been used such as ability (Andaleeb, 1992; Mayer *et al*., 1995), credibility (Ganesan, 1994) or reliability (Hess, 1995).

The previous discussion leads to a consideration of trust in the brand domain. Trust is a feeling of security held by the consumer that the brand will meet his/her consumption expectations. This feeling is based on the two general dimensions of the concept: brand reliability and brand intentions towards the individual.

The first dimension is related to the assumption that the brand has the required capacity to respond to the consumer's needs, for example, by offering the new products that the consumer may need or by a constant quality level in its offering. This dimension implies viewing the brand as a promise of future performance (Deighton, 1992), which

has to be consistently accomplished if the company wants the brand to be trusted by the consumer, increasing his/her brand repurchase intentions on the next buying occasion.

The second dimension related to brand intention is more abstract due to its affective and emotional roots (Michell *et al.,* 1998). Taking into account that in the buying and consumption context the consumer suffers certain vulnerability to the company action and decisions, this dimension is concerned with the belief that the latter is not going to take opportunistic advantage of the former's vulnerability. For example, by intentionally breaking the commercial promise that the brand represents to the individual or not providing help when problems arise. Therefore, this dimension allows the consumers to infer how the brand will perform in the face of situations and circumstances not previously experienced.

Trust also reflects credibility (Ganesan, 1994, p.3) and credibility affects the long-term orientation of a customer by reducing the perception of risk associated with opportunistic behaviours by the firm (Ganesan, 1994). Brand trust represents the recognition that brand value can be created and developed with the management of some aspects that go beyond consumer's satisfaction with the functional performance of the product and its attributes (Lassar *et al*., 1995; Aaker, 1996). This dimension includes other characteristics and qualities of the brand that also have meaning and add value to the consumer.

The research by Sirdeshmukh *et al*. (2002) is the most relevant study and focuses specifically on the influence of customers' trust on customer value and customer loyalty in both retailing and airline service. For the clothing retailer they found that employee

trust influences customer value, while for the airline service, the findings show that trust in the company influences customer value.

2.5 Price

The cost component of the model is dimensionalized and discussed in this section. The literature applied in the service context suggests that the cost, in combination with the benefit of using a service, determines the overall service value, which influences the customers' purchase intention and behaviour (Dodds and Monroe, 1985; Zeithaml, 1988; Monroe, 1990; Dodds *et al.,* 1991). Since cost has a negative impact on customers' budgets, it would have a negative impact on their intention to patronize or re-patronize the service provider.

2.6 Customer Value

Driven by demanding customers, aggressive competition and rapid technological advancement, more and more firms are searching for alternative and new ways to achieve, retain, upgrade and leverage competitive advantage. Some researchers have concluded (Day, 1990; Slater, 1997) that creating superior customer value is a major goal for market-driven firms. In fact, due to its significant impact on the behaviour intentions of customers, delivering superior customer value is inevitably becoming one of the crucial success factors for firms in both the present and the foreseeable future,. Consequently, many firms are transforming their focus from looking within the organization for improvement of quality management, downsizing, business process reengineering or lean production and agile manufacturing to pursuing superior customer value delivery (Day, 1990; Gale, 1994; Naumann, 1995; Butz and Goodstein, 1996; Woodruff, 1997).

Therefore, learning about customer value and related knowledge, which can provide sufficient customers voice to guide managers how to respond, is playing an ever important role in a firm's increasingly competitive environment. Although the significance of customer value is widely recognized, the growing body of research about customer value is quite fragmented and the definition of customer value is divergent.

Zeithaml (1988) considers value as the customer's overall assessment of the utility of a product based on the perception of what is received and what is given. Dodds *et al.* (1991) argue that the buyers' perception of value represents a trade off between the quality or benefits they receive in the product relative to the sacrifice they perceive in paying the price. Gale (1994) considers it as market perceived quality adjusted for relative product price.

Butz and Goodstein (1996) define it as an emotional bond established between a customer and a producer after the customer has used a salient product or service produced by that supplier. Woodruff (1997) defines customer value as a customer perceived preference for, and evaluation of, those product attributes, attribute performances, and consequences arising from use that facilitate achieving the customer's goals and purposes. This is based on the customer's perspective of value derived from empirical research into how customers really think about value.

However, it is obvious that there are some areas of consensus among the different concepts mentioned above. For example, customer value is inherent in or linked through use to certain products or services; customer value is something perceived by customers rather than objectively determined by sellers or other stakeholders, and those perception

processes typically involve a trade-off between what customers receive, such as quality, benefits, and utilities, and what they sacrifice, such as price, opportunity cost, and maintenance and learning cost.

In this study, the researcher adopted the definition accepted by the majority of researchers who define customer value in terms of get (benefit) and give (sacrifice) components (Zeithaml, 1988; Day, 1990; Woodruff, 1997; Slater, 1997), however, some researchers argue that perceived value is made only of benefits (Hamel and Prahalad, 1994; Hunt and Morgan, 1995).

2.7   Customer Loyalty

The conceptualization of the loyalty construct has evolved over the years. In the early days the focus of loyalty was brand loyalty with respect to tangible goods (Cunningham, 1956; Tucker, 1964; Day, 1969; Kostecki, 1994).

Cunningham (1956) on the other hand defined brand loyalty as "the proportion of purchases of a household devoted to the brand it purchased most often".   Subsequently, Cunningham (1961) broadened the spectrum of analysis by focusing on store as opposed to brand loyalty using the same measures he had used earlier for brands. Over time, the foci have continued to expand, reflecting the wider perspective of marketing to include other types of loyalty such as vendor loyalty.

However, in the consumer research conducted in the 1960s and 1970s, customer loyalty was approached predominantly from a behavioural perspective. Jacoby and Chestnut (1978) observe that in these studies the focus was on interpreting patterns of

repeat purchasing in primarily panel data as a manifestation of loyalty. As Day (1969) criticized the behavioural approach because of the lack of a conceptual basis and Bass (1974) pointed out that stochastic components (i.e. randomness that could not be explained) occur in repeat purchasing patterns, researchers began to question the adequacy of using behaviour as a measure of loyalty.

Day (1969) argued that there is more to brand loyalty than just consistent buying of the same brand. Attitude is one of the important factors in brand loyalty's parameters. Building on this work, Jacoby (1969, 1971) provided a conceptualization of brand loyalty that incorporated both a behavioural and an attitudinal component. The behavioural aspect of loyalty focuses on the measure of the proportion of purchase of a specific brand, while attitude is measured by a single scale (Day, 1969) or multi-scale items (Selin *et al*., 1988). Day (1969) obtained a value for loyalty by dividing the ratio of purchase of a brand by the mean scores obtained for attitude.

The behavioural and attitudinal aspects of loyalty are reflected in the conceptual definition of brand loyalty offered by Jacoby and Chesnut (1978). These authors hold that:

> Brand loyalty is (1) biased (i.e. non random), (2) behavioural response (i.e. purchase), (3) expressed over time, (4) by some decision making unit, (5) with respect to one or more brands out of a set of such brands, and is a function of psychological processes.

A review by Jacoby (1971) confirms that prior studies have focused entirely on behavioural outcomes and ignored consideration of what goes on in the customers' minds. Brand loyalty was simply measured in terms of its outcome characteristics (Jacoby and

Chestnut, 1978). This involved determining the sequence of purchase (Brown, 1952, 1953; Lawrence, 1969; McConnell, 1968; Tucker, 1964), proportion of purchase devoted to a given brand (Cunningham, 1956) and probability of purchase (Frank, 1962; Maffei, 1960). It became clear that the consumer's disposition to re-buy is an essential element of loyalty (Gremler and Brown, 1996).

Jones and Sasser (1995, p. 94) state that customer loyalty is "a feeling of attachment to or affection for a company's people, products, or services". Much of the work on loyalty in the 1970s and early 1980s has used this conceptualization (cf. Lutz and Winn, 1974; Goldberg, 1981; Snyder, 1986).

More recently, Dick and Basu (1994) supplemented the behavioural approach with the attitudinal theoretical framework that envisages the loyalty construct as being composed of relative attitude and patronage behaviour. They put forward that true loyalty only exists when repeat patronage coexists with a high relative attitude. Hence, customer loyalty is approached as an attitudinal construct. Attitude denotes the degree to which a consumer's disposition towards a service is favourably inclined (Azjen and Fishbein, 1980). This is reflected, for instance, in the willingness to recommend a service provider to other consumers or the commitment to re-patronize a preferred service provider (Gremler and Brown, 1996; Jain et al., 1987; Pritchard, 1991). Based on a favourable attitude towards a service provider, customers may develop preference loyalty.

In addition to attitude, it has been argued that loyalty may also be based on cognition (Lee and Zeiss, 1980; Oliver, 1996). Berger and Mitchell (1989) show that the degree to which consumers are exposed to advertising increases the ability and

confidence to process information, providing more opportunity for product-related elaboration resulting in product commitment. This is seen as a higher order dimension and involves the consumer's conscious decision making process in the evaluation of alternative brands before a purchase is affected. Gremler and Brown (1996) extend the concept of loyalty to intangible products, and their definition of service loyalty incorporates the three specific components of loyalty considered, namely: the purchase, attitude and cognition. They define service loyalty as:

> The degree to which a customer exhibits repeat purchasing behavior from a service provider, possesses a positive attitudinal disposition toward the provider, and considers using only this provider when a need for this service exists (Gremler and Brown, 1996).

Subsequently, few studies looked at the customer loyalty of services (Oliver, 1997). The intention of this section is to show the evolution of the loyalty construct over time, mapping out the construct's domain and its specific components to provide a clear definition of the service quality construct used in this study. In the case of services, direct experience through the service encounter (as opposed to brand advertising) increases information acceptance and use in repurchase decisions (Smith and Swinyard, 1988).

In a cognitive sense, customer loyalty is frequently operationalized as a conscious evaluation of the price or quality ratio or the willingness to pay a premium price, or, alternatively, price indifference (Pessemier, 1959; Olson and Jacoby, 1971; Raju *et al*., 1990; Fornell, 1992; Zeithaml *et al*., 1996). In other words, customers will make an explicit comparison between what they give and what they get.

As early as 1970, Hirschman argued that a customer who is dissatisfied has basically two options to a negative (service) experience: discontinue the relationship (exit) or communicate dissatisfaction (voice). Customers who voice their dissatisfaction may complain to the service provider (e.g. via a toll free number), its employees or external agencies such as consumer organizations. In the literature on services, perceived service quality is often viewed as a prerequisite for service loyalty and, frequently, loyalty is included in models as an outcome variable (Boulding *et al*., 1993; Cronin and Taylor, 1992; Gremler and Brown, 1996). However, previous studies provide mixed results with respect to the relationship between service quality and service loyalty.

2.8   Conceptual Model

The theoretical model of this study is adapted from the previous studies by Brodie *et al* (2009) and Johnson and Sirikit (2002). The previous study by Brodie *et al*. (2009) proposed a theoretical framework with four aspects of brand as separate constructs. However, researchers recognized that these constructs are not mutually exclusive and conceptually overlapping. The theoretical model by Brodie *et al*. (2009) is presented in **Figure 3.1**.
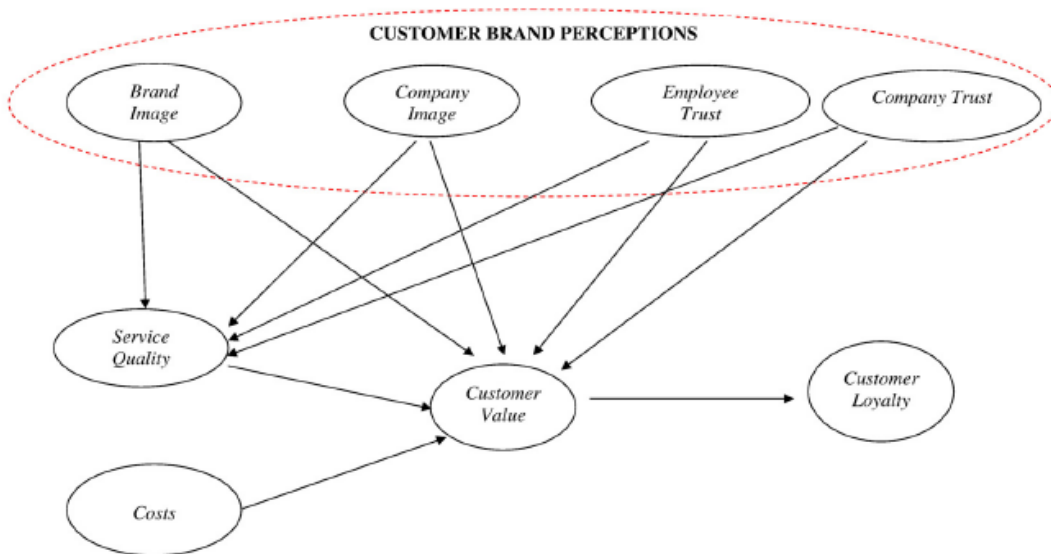
Figure 3.1: A conceptual model by Brodie *et al.* (2009)

Despite being a non-service quality centric research, this study intends to conceptualize full scale factors of service quality by adopting the famous SERVQUAL model as one of the essential antecedents to customer loyalty. The conceptual framework by Johnson and Sirikit (2002) reflected suitable content specificity and structure of how service quality as a tool could achieve a sustainable competitive advantage for the Thai telecommunication industry. The dimensions of service quality model from Parasuraman *et al.* (1988) was adopted by Johnson and Sirikit (2002) and is presented in **Figure 3.2**
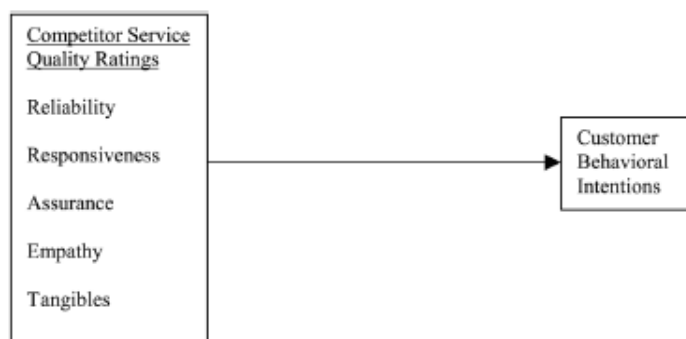

Figure 3.2: Dimension of service quality model from Parasuraman *et al.* (1988) by Johnson and Sirikit (2002)

Based on the hypotheses developed for this study, modification to the developed theoretical model is proposed in accommodating the purpose of this study. The conceptual model of this study adapts four existing independent variables (IVs) from Brodie *et al.* (2009), with Customer Value remaining as the mediating factor and expanding the items in service quality for a holistic perspective. The modification in this study aims to address the important attributes that influence customer loyalty towards mobile service providers, which is in line with the objectives of this study. The proposed conceptual model of this study is presented in **Figure 3.3**.
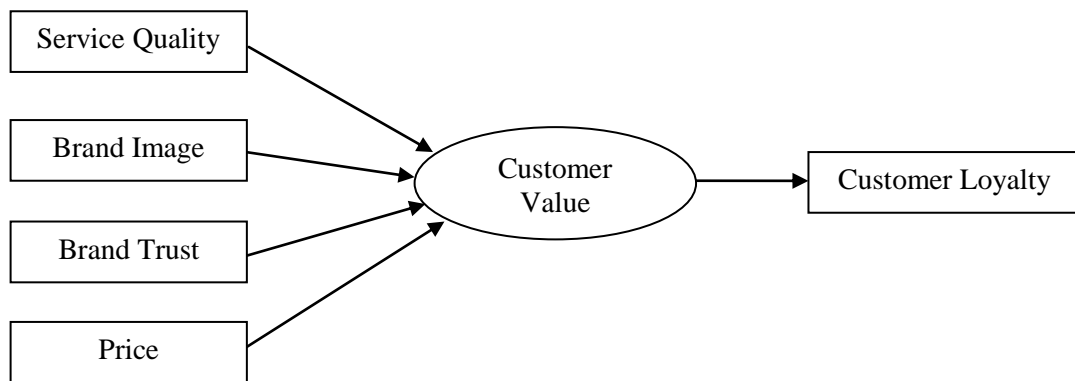

Figure 3.3: The proposed conceptual model in this study, adapted from Brodie *et al* (2009), Johnson and Sirikit (2002)

2.9 Relationship among Variables

In many recent studies, the literature on services marketing has advanced to a level of considerable sophistication and researchers are ready to take on the fundamental question concerning an in-depth understanding of the relationship between service quality and service loyalty.

While loyalty is often included in service quality models as an outcome variable (Cronin and Taylor, 1992; Boulding *et al.,* 1993), there are a number of factors that restrict an in-depth understanding of customer loyalty in services and prevent the generalisability of research findings. It has remained unclear whether or not there is a direct relationship between service quality and loyalty.   Linking both constructs at their dimensional level increases the diagnostics of explaining customer loyalty; the link between service quality and customer value has been established in this study

The nature of customer value in determining customer loyalty, in turn, leads to financial outcomes, which have been a subject of discussion amongst academics and consultants (Woodruff, 1997; Payne and Holt, 1999). With the new area of development, more debates and concepts in this area have been created. Some authors focused solely on the benefits of customer value (Sweeney and Soutar, 2001; Orth *et al*., 2004), while others adopted a cost-benefit dimension with the assessment of value on the basis of get-for-give. This concept explains one simple notion – benefits are what the customer gets, and costs are what the customer gives up (Zeithaml, 1988; Netemeyer *et al*., 2004; Whittaker *et al*., 2007).

In the context of pricing theory, Monroe (1990) refers to customer value as the *worth paid for* trade-off, which was adapted from the study by Bolton and Drew (1991). Furthermore, Varki and Colgate (2001) recommended that this is the most effective way to examine the relationship between customer value and loyalty. Riding on this approach, the relevance of the price variable serves as an important factor in influencing customer loyalty.

While the linkage between customer value and customer loyalty has been established and defined, research by Padgett and Allen (1998), Berry (2000), Dall'Olmo Riley and de Chernatony (2000), and Davis *et al*. (2000) provides a valuable initial understanding of the role of the brand using a service perspective. The findings of the research suggested the involvement of brand integration as an important element in creating value-added processes for customer experience. Dall'Olmo Riley and de Chernatony (2000, p. 140) define the customer-brand-relationship as the reciprocity, mutual exchange and fulfilment of promises. The importance of brand communications and the values service delivery have to work hand-in-hand in leading to customer loyalty (de Chernatony, 2003). Balmer and Gray (2003) expanded the concept of a promise to a wider perspective that involves corporate brand. They suggest that corporate brand is an explicit covenant between an organization and its key stakeholder groups, including customers. In this study, both brand image and brand trust have been adopted as the influence of functional and emotional attributes. Both are key drivers in eliciting the attributes, benefits and attitude towards the service brand and affect customer loyalty.

In this study, within the customer value-loyalty framework, it is suggested that customer perceived service value mediates service quality, brand image, brand trust, and price as discussed above.

2.10 Hypotheses Development

Based on the conceptual model of this study, hypotheses are developed and presented in
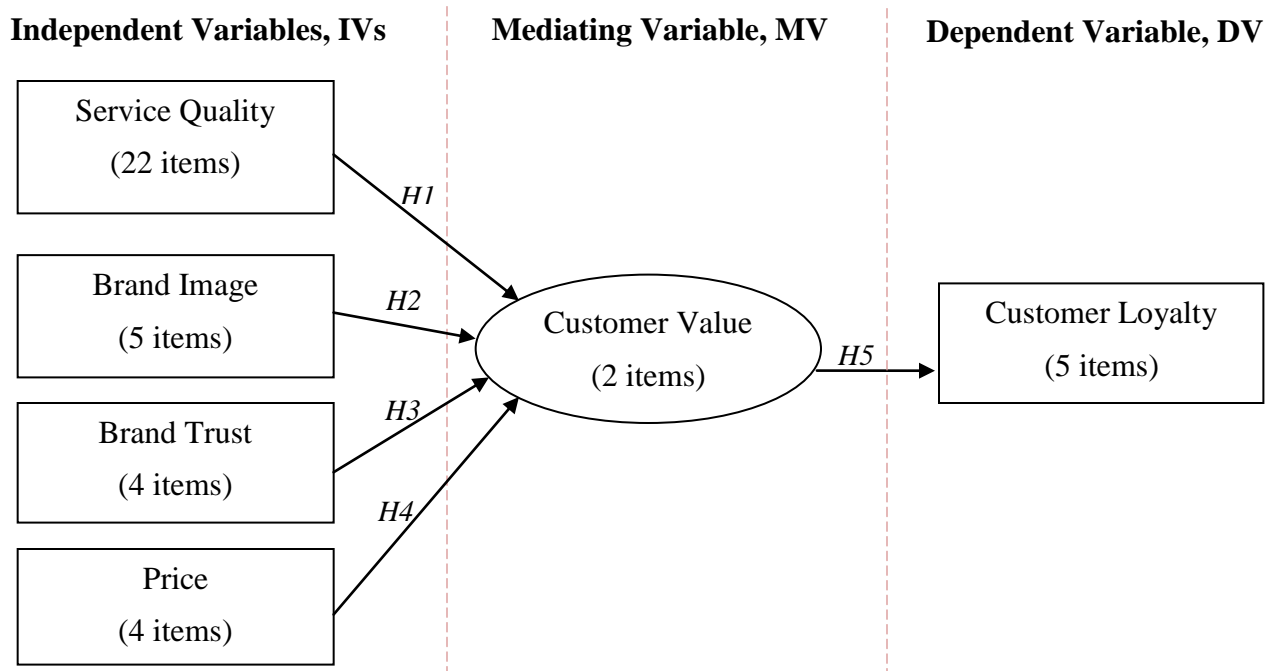**Figure 3.4**

Figure 3.4: The conceptual model and proposed hypotheses of this study

As a summary, in total, five hypotheses are presented:

H1:   Service quality has a significant and positive effect on customer perceived service value.

H2*:*   Service brand image has a significant and positive effect on customer perceived service value.

H3*:*   Brand trust has a significant and positive effect on perceived service value.

H4*:*   The higher the perceived price, the lower the customer perceived value.

H5:   Customer perceptions of the value of the market offer positively influences customer loyalty.

2.11   Summary of the Chapter

This chapter comprehensively discusses the relevant literature from the previous studies. The discussion on the theories and concepts of major antecedents of customer loyalty to mobile service providers

Moreover, the second half of the chapter encompassed the conceptual model and hypotheses development of this study. This model integrates a few previous studies as a new platform, allowing the present study to investigate the relationship between variables to address the research objectives.