

CHAPTER 5: DISCUSSION AND CONCLUSION

5.1 Introduction

This chapter presents in-depth discussions of the findings obtained from **Chapter 4**. The conclusion of this study discusses whether the findings support the proposed hypotheses, answer the research questions, and meet the research objectives. Implications and recommendations are provided for mobile service providers to gain insights into retaining their customers through constant improvement in the areas that matter to mobile users. The contributions of the study are presented based on theoretical, methodological and practical approaches. Finally, suggestions are outlined in this chapter for future research and reference.

5.2 Discussion of Results

5.2.1 Normality Tests

According to the findings obtained from the analyses of sample normality, both graphical and statistical results reflect the positive approach. Hence, the overall results of the normality tests confirm that the sample used in this study is normally distributed. This result demonstrates that the sample is well defined and the stratified convenience sampling is appropriate for the present study. As a result, the homoscedasticity of the sample is ensured and the sample is representative of the real population. Henceforth, the findings of this study can be confidently generalised to the population.

5.2.2 Descriptive Analysis

Comparison of Means

In the descriptive analysis of the means of all items for each variable, all items indicated a mean score of more than 3.00 (**Table 4.3**). Responses to the items were measured on a seven-point and ten-point Likert scale accordingly, where 1 is “Strongly Disagree” and 7 and 10 mean “Strongly Agree”. Hence, the findings demonstrate that the majority of the respondents agreed with the importance of the proposed items. Thus, these items are significant in measuring their loyalty towards the mobile service providers they are currently using.

The means of all computed items variables are more than 3.00 (**Table 4.4**). The results demonstrate that, in general, most of the respondents agreed with the importance of all the proposed variables as contributing to their loyalty towards a mobile service provider. In the comparison of means between variables, “Customer value” has the highest mean score, followed by “Service Quality” and “Brand Trust”, which indicates about 6.70. Subsequently, “Brand Image”, followed by “Price” have the lowest mean scores compared to the others.

The findings show that mobile users place more importance on customer value, which is the mediating variable in the proposed conceptual model that comprises a combination of importance for Service quality, Brand Trust, Brand Image (and Price. In addition, service quality is reported to have a relatively high mean score based on the five-dimensions measured. The important service quality items include quality of network coverage, customer service and service processes. Brand Trust and brand image have an overall domino effect on the service value and stronghold by the mobile service

provider. Reliability and credibility of a mobile service provider is very much dependent on the customers experience through the service touch-points of the mobile service provider. With the experience and information received (advertising and promotion, campaign, event, etc), customers would be able to form the most relevant brand image of the mobile service provider.

5.2.3 Validity and Reliability Test

The validity and reliability of the instrument employed in this study were examined through factor analysis and Cronbach's alpha coefficient test, respectively. Overall, IVs, MV and DV in this study have high Cronbach's alpha values, which are above 0.70. In conclusion, the validity and reliability of the test ensures the appropriateness of this instrument. The instrument is reliable and valid in measuring the concepts proposed in this study. Furthermore, it proves that the adaptation and further modification of the instrument are relevant in the present study.

5.2.4 Pearson's Correlation

According to **Table 4.10**, the results exhibit a positive and strong correlated relationship between the independent variables and the dependent variables. The correlation relationship between Customer value and Customer loyalty was retested in **Table 4.11**, the results indicate a high significant level at $p < .01$. Hence, there is a significant relationship between each independent variable (IV₁ to IV₄), mediating variable and dependent variable.

5.2.5 Multiple Regression

Based on the findings obtained from the multiple linear regression analysis presented in **Chapter 4**, the multiple regression equation is as follows:

$$DV = 0.85 + 0.38IV_4 + 0.37 IV_3 + 0.19IV_1$$

Where,

DV = Customer Value

IV₁= Service Quality

IV₃= Brand Trust

IV₄= Price

There are three significant predictors presented in this model with customer value temporarily identified as the dependent variable. Service quality has the highest coefficient value meaning that these attributes have the highest contribution towards customer loyalty. The second highest contribution predictor is brand trust, followed by price. Brand Image is the only silent predictor. This finding is in line with the respondents' perceived importance through the mean scores presented.

Taking into account the findings from Pearson's correlation and multiple regression, the present study concludes that the proposed factors have a positive relationship that contributes to customer loyalty towards the mobile service provider. To be precise, all the proposed factors appear to be important attributes in influencing customer loyalty.

5.2.6 Sobel Test

The Sobel test provides an indication of whether the indirect effect of IV on DV via the mediator is significantly different from zero. In this study, the results in **Table 4.18** indicate that the mediator, Customer Value, has a significant effect ($p < .05$) on the relationship between the independent variables and the dependent variable, Customer Loyalty. The result supports hypothesis 5 of this study in which customer perception of the value positively influences customer loyalty in the telecommunication industry.

5.3 Conclusion

From the 22-item scale of SERVQUAL, it is worth highlighting the top five service quality attributes based on perceived importance, these attributes include quality of network coverage, quality value-added services (VAS), keeps it records accurately, service staff are consistently courteous to customers, and operating hours and location are convenient.

Conventionally, the quality of network coverage is the most important quality-related factor that drives customer perceived service quality. Interestingly, based on the study conducted by Wang *et al.* (2004), in examining the integrated framework for service quality, customer value and satisfaction with China's Telecommunication Industry, network quality is one of the expanded dimensions on top of the SERVQUAL model five-dimension. The measures of this study further reinforces the importance of the quality of network coverage in the setting of mobile service providers.

Value-added services (VAS) (such as GPRS and 3G coverage) are given features that customers expect their mobile service providers to offer without incurring service charges. Free features need to be genuine and good in quality.

Taking into account the findings of the Pearson's correlation and multiple regression, the present study concludes that the proposed factors have a positive relationship on customer loyalty towards the Malaysian established mobile service providers.

As presented in **Chapter 1**, customer and brand relationship is the reciprocity, mutual exchange and fulfilment of promises. 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 (Keller, 2008), with brand image and brand trust appearing to have a significant consequential connection to each other in respect to the results produced. Brand image appears to be the silent attribute, which is justified by study findings that suggested that brand imagery depends on the extrinsic properties of the product service, including the ways in which the brand attempts to meet customers' psychological or social needs. All in all, it is the way people think about a brand abstractly, rather than what they think the brand actually does. Thus, imagery refers to more intangible aspects of the brand, and consumers can form imagery associations directly from their own experience or indirectly through other sources of information. Many kinds of intangibles can be linked to a brand including values. In the context of this study, brand image and brand trust could have very similar values and definitions making it difficult for the respondents to differentiate between.

Keller (2008, p.74) proposed the customer-based brand equity model (CBBE) as a yardstick by which brands can assess their progress in their brand-building efforts as well as a guide for marketing research initiatives. With respect to the latter, one CBBE

application aids in brand tracking and providing quantitative measures of the success of brand-building efforts.

Based on the present study, the measures proposed for brand image might be attempting to tap into more consumer emotions with respect to emotional branding than measuring imagery specifically, hence, the silent attribute and vague connection to customer perceived value. The basic premise of the CBBE model is that the true measure of the strength of a brand is the way consumers think, feel, and act with respect to that brand. The CBBE model suggests the following measures of brand building blocks for brand imagery:

1. To what extent do people you admire and respect use this brand?
2. How much do you like people who use this brand?
3. How well do the following words describe this brand: down-to-earth, honest, daring, up-to-date, reliable, successful, upper class, charming, outdoorsy?
4. What places are appropriate to buy this brand?
5. How appropriate are the following situations to use this brand?
6. Can you buy this brand in a lot of places?
7. Is this a brand you can use in a lot of different situations?
8. To what extent does thinking of the brand bring back pleasant memories?
9. To what extent do you feel you grew up with the brand?

In this study, the relationship between customer loyalty and perceived service quality, brand image, brand trust, cost, and customer value is investigated. The results demonstrate that all of the factors proposed have a positive effect on customer loyalty in

the context of the telecommunication industry through the mediating factor of customer perceived value.

This study leads to a better understanding of the essence of the branding perspective in the service industry. The study reveals that three main determinants contributed to customer loyalty – service quality, brand trust and price – and have a strong influence over customer value, which is a mediating factor. Perceived service quality is mediated through customer value and leads to customer loyalty, which represents an important addition in our understanding of the interrelationships among these three constructs.

In addition, this study highlights the need to examine the influence of the service brand within the customer value-loyalty framework, and then test for mediating factors. Previous research reported a direct linkage between trust and loyalty in both business-to-business settings (Ganesan, 1994; Morgan and Hunt, 1994; Osterhus, 1997) and business-to-consumer settings (Chaudhuri and Holbrook, 2001; Erdem and Swait, 2004; Garbino and Johnson, 1999), however, they do not test for mediation.

Examining the research findings in the context of the core customer value-loyalty process is also important. The findings from the proposed conceptual model show strong evidence of the customer value trade-off with significant relationships between service quality and cost on customer value, and strong support for the relationship between customer value and loyalty. These results are consistent with the findings from the study of Sirdeshmukh *et al.* (2002), which shows that customer value is a key influencer of loyalty within the airline context. They also provide support for Holbrook's (1994, p.22)

assertion that customer value is the fundamental basis for all marketing activity. Additionally, the need to integrate the branding strategy around the customer value-loyalty process is consistent with the contemporary views of Woodruff (1997), Srivastava *et al.* (1999), Rust *et al.* (2000) and others who emphasize that the end customers value experience is the key source of competitive advantage.

As more and more companies are realizing the importance of retaining existing customers rather than focusing entirely on the acquisition of new accounts, customer loyalty marketing is playing an ever stronger and more important role within corporate strategy.

On closer examination, we see that these loyalty programmes have become commodities themselves. The primary, and in most cases, the exclusive benefit for the customer is a discount in some form or another. In nearly all cases, this discount is given either in a straightforward manner (members get 10% off) or in soft currency such as airline miles. The lack of differentiation among benefits has, therefore, made loyalty programmes within an industry interchangeable and, consequently, the loyalty programmes are losing their competitive edge.

Loyalty marketing has reached a plateau and must now move to the next level, which is a value-oriented customer loyalty programmes. The new value-oriented customer loyalty programmes attempt to establish an emotional relationship between the company and the customer to create long-term loyalty.

In conclusion, the present study is successful in testing the proposed hypotheses. Furthermore, the research questions are answered as well as achieving the objectives of

this study. In other words, this study is complete, and the findings of the study could be beneficial to mobile service providers.

Table 5.10: Overall results of hypotheses testing

	Hypothesis	Result
<i>H1</i>	Service quality has a significant and positive effect on customer perceived service value.	Accepted
<i>H2</i>	Service brand image has a significant and positive effect on customer perceived service value.	Rejected
<i>H3</i>	Brand trust has a significant and positive effect on perceived service value.	Accepted
<i>H4</i>	The higher the perceived price, the lower the customer perceived value.	Accepted
<i>H5</i>	Customer perceptions of the value of the market offer positively influences customer loyalty.	Accepted

5.4 Implications of the Study

The research instrument employed in this study is based on the adaption and further modification of previous studies by Brodie *et al* (2009) and Johnson and Sirikit (2002). This instrument has passed the validity and reliability tests in this study indicating the appropriateness of the proposed conceptual model. By extending the airline study by Brodie *et al*, the findings of this study have further discovered and reassured the valuable insights and major antecedents that contribute to mobile service providers in Malaysia.

This conceptual model includes the branding elements that reflect the broader service brand perspective (brand image and brand trust). The research shows that each factor plays a critical role in support of the theoretical framework, which can be used and

applied in a practical context. These findings demonstrate the important linkage of direct influence between the branding-value parameter and how this model contributes to customer loyalty.

5.5 Limitations of the Study

This study is not conducted without limitations. As the data is cross-sectional, it is difficult to draw accurate causal linkage between the proposed sets of variables. The sample size may be too small ($N = 300$) to be representative of the population, thus, the result may not be generalizable. It is important to acknowledge that some individuals will be providing data on all variables, which may lead to potential same source bias (Carragher, Mulvey, Scarpello & Ash, 2004).

There is also the possibility of common method bias that generally accounts for considerable variance among self-report measures and which can inflate relationships among variables. Self-report assessment is unlikely to yield a complete picture of the respondents' emotional lives. Participants may intend to rely on a cognitive set of rules in evaluating items intended to measure constructs that are supposed to be conceptually distinct (Diener, 1994). The interactions among the variables may be more complex than the proposed framework, therefore, the obtained results may only provide limited support for the proposed framework.

5.6 Suggestions for Future Research

Dick and Basu (1994) conceptualize customer loyalty as the strength of the relationship between customers' relative attitude towards an entity (brand, firm, store, etc.) and repeat

patronage (behaviour). For future work, it is recommended to investigate the relationship between customer relative attitude and behavioural loyalty by mapping the respondents' consumption pattern to the level of brand resonance.

Behavioural loyalty is necessary but not sufficient for resonance to occur (Chaudhuri and Holbrook, 2001). Some customers may buy out of necessity – because the brand is the only readily accessible brand, or the one they can afford, or other reasons. Resonance, however, requires a strong personal attachment. Similarly, loyalty guru Reichheld (1996) points out that although more than 90 percent of car buyers are satisfied or very satisfied when they drive away from the dealer's showroom, fewer than half buy the same brand of automobile the next time. Hence, creating greater loyalty requires creating deeper attitudinal attachment through marketing programmes, products, and services that fully satisfy the consumer needs.

In respect of this concept, it is suggested that even if customers tend to be attitude loyal because of high perceived service quality, brand image and trust, and price through customer value, they may not behave loyally, or vice versa. Therefore, the effect of all the variables tested in this study should be integrated to behavioural loyalty and attitude loyalty should be taken into consideration for future research.

Many previous studies presented the interrelationship of customer satisfaction and customer loyalty based on the notion that a satisfied customer is most likely a loyal customer. Although, customer satisfaction is not one of the constructs in the framework of Brodie *et al* (2009), for future research, it is recommended to integrate customer satisfaction to test the linkage that contributes to customer loyalty.

5.7 Summary of the Chapter

The findings of the present study are extensively discussed in this chapter. Furthermore, this chapter summarizes the tasks completed in this study by reporting the hypotheses testing, answering the research questions and the achievement of the research objectives. In addition, this chapter also outlines some limitations and recommendations for mobile service providers. The study ends with the contributions of the study and some suggestions for future research.

References

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