

Impact of Brand Communication on Customer Brand Loyalty: A Study on Mobile Service Providers

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Abstract: - The increasing competition in every sector has led the marketing professionals discuss and debate about factors that drive customer loyalty. Communication is central to human behaviour, connecting individuals and creating relationships. Communication plays a pivotal role in brand building as the features and benefits of a product can be communicated through the message of the advertisements or other promotional activities. Brand awareness which could be achieved through brand communication is the first step towards purchase of a brand. This paper attempts to study the impact of brand communication on customer brand loyalty for mobile service providers.

Keywords: Marketing Communication, Advertisement, Brand Loyalty, mobile service providers.

I. INTRODUCTION

Communication is central to human behaviour, connecting individuals and creating relationships. Organizations need to communicate with people who are inside and outside the organization, with different companies up and down the supply chain and with a variety of audience. Effective communication increases trust and commitment in business relationships. The importance of successful communication was highlighted in Sheth's conceptual framework of buyer-seller interaction, which suggested that a satisfactory sales outcome is dependent on the degree to which the parties involved are compatible regarding the style and content of their communication (Sheth, 1976).

Marketers measure the success of a brand by its ability to sustain its brand value in the face of competition. Communication plays a pivotal role in brand building as the features and benefits of a product can be communicated through the message of the advertisements or other promotional activities. Brand awareness which could be achieved through brand communication is the first step towards purchase of a brand. Brand Communication helps to show different attributes of the brand to the customers leading to brand awareness and repeat purchase behavior or brand loyalty. This paper attempts to study the impact of brand communication on customer brand loyalty for mobile service providers.

II. LITERATURE REVIEW

Reichheld and Sasser, 1990 stated that brand loyalty is the ultimate goal of marketing. They emphasized that if the

service organizations desired to grow their business then they need to track the lost customers. According to them customer defection rates had significant effect on company's bottom line. A careful examination of customer defection rates could accurately indicate towards profit swings and thus managers' attention could be drawn towards the specific things that are causing customers to leave. The authors have cited examples of companies dealing in credit cards, financial consulting, magazine publishers, direct mailers, life insurers, cellular phone companies and banks which believe in continuously collecting customer data in order to know the customer defection rates. Dick and Basu, 1994 developed a conceptual framework for studying customer loyalty. They stated that true brand loyalty exists when customers have a high relative attitude toward the brand which is then exhibited through repurchase behavior. This relationship between attitude and repurchase behavior is mediated by social norms and situational factors. As per the framework Cognitive antecedents (accessibility, confidence, centrality and clarity), Affective antecedents (Emotion, Feeling states/moods) and Conative antecedents (switching cost, sunk cost, expectation) contribute towards loyalty resulting in motivational, perceptual and behavioural consequences. The authors in their paper concluded that the task of managing loyalty would involve the following tasks:

- Determine the loyalty status of the customer in terms of strength of the relationship and compare it with competitor offerings
- Identify relevant antecedents and consequences in the given market context
- Measure the contribution of antecedent factors and the likelihood of different consequences and
- Identify causal variables on which target is underperforming compared to competitors

The authors have discussed how marketing communication activities for different category of goods could lead to positive attitude towards the brand. For example for convenience goods purchased frequently with minimum effort, attitude accessibility can be increased by repeating advertisements with distinctive brand recognition elements like logos, packaging etc. whereas in case of specialty or shopping goods, testimonials could serve as a good marketing communication tool to generate positive customer attitude. Duncan and Moriarty (1998) emphasized upon the importance of communications in marketing and remarked that an

organization with meaningful communication with the customers can benefit through cultivating stronger customer relationship. This leads to increased customer value and loyalty exhibited by repeat purchases by the customer. Oliver (1999) defined brand loyalty as a deeply held commitment to rebuy or re-patronize a preferred product/ service consistently in the future, thereby causing repetitive same brand or same brand-set purchasing, despite situational influences. It was stated that loyalty and satisfaction were two distinct concepts and not two manifestations of the same concept. Where satisfaction on one hand meant post usage stage of one time or repeated consumption, loyalty in contrast was an attained state of enduring preference to the point of determined defense. Oliver (1999) also investigated the aspect of consumer satisfaction response that had implications for loyalty and also tried to understand what portion of the loyalty response was due to the satisfaction component. His analysis established that satisfaction was a necessary step in loyalty formation but became less significant when loyalty began to set in through other mechanisms like personal determinism (“fortitude”) and social bonding at personal and institutional level. The researcher in his paper discussed the irrationality of loyalty stating that greater regional and global competition, price competition and market fragmentation were the reasons behind rational consumers being swayed to patronize the competitor’s product or service with the preferred lower price or more personally customized better features.

Holland and Baker (2001) emphasized the importance of customer participation in creating site brand loyalty. They said that organizations should not have a one sided approach to creating a brand by just launching a website. Instead to create a strong brand there needs to be a communication with the customers and only then they would be able to respond to customer needs and preferences.

Ball, Coelho and Machas (2003) used the constructs of trust and communication and extended the European Customer Satisfaction Index (ESCI) model’s explanation of loyalty by carrying out a research on customers of banking sector.

A study by Karaosmanoglu & Melewar (2006) shows that companies have realized the importance of dissemination and alignment of the core ideology of the company to the communication processes and activities to achieve a favorable public exposure. It was concluded that organizations could achieve a favorable reputation by constantly working towards sustaining a consistent image over the years. Such organizations could benefit by gaining strategic and competitive advantages such as high employee satisfaction and commitment, more familiarity with company’s products and services, increase in sales and better relations with the community, opinion leaders, investors and share holders. Zehir et. al. 2011 conducted a survey on 258 respondents in Turkey to study the effect of brand communication and service quality of global automotive brands in building brand loyalty through brand trust. The analysis revealed that perceptions of brand communications and service/brand

quality were antecedents to brand trust and therefore brand loyalty. The model guiding this research stated that brand communication and service quality build brand loyalty through brand trust. Sadek, H., Redding, P., & Tantawi, P. (2015) investigated the major marketing communication tools and their impact on building bank brand equity in the Egyptian context. Brand awareness, perceived brand quality, brand associations, brand loyalty and brand trust were the constructs of the study. A qualitative study through semi structured interviews was carried out and data collected was analyzed using themed analysis. Their analysis revealed that in the Egyptian banking the most effective tool was personal selling followed by direct marketing and finally advertising. The researchers in their study proposed a conceptual framework which stated that the major marketing communication tools i.e personal selling, direct marketing and advertising directly affected the customer based brand equity (CBBE) dimensions of awareness, perceived brand quality, association, loyalty and trust and this overall affected the brand equity. Sahin, Turhan, & Zehir (2013) highlighted that direct mail communications, trust and attitudes toward advertising were the major antecedents for a customers’ satisfaction with a brand. They further stated that satisfied customers buy more, accept higher prices and have a positive word of mouth effect. In order to analyze and explain the relationships between the variables structural equation model was used. Their findings were consistent with the theoretical framework developed for the study. The research suggested that direct mail communications, attitudes towards advertising and the positive brand experience resulted in satisfaction which further enhanced the trust of the customer for the brand. The customer trust, satisfaction and the brand experience were manifested through behavioural repurchase intentions and word of mouth referrals.

III. RESEARCH OBJECTIVE

The present paper attempts to explore the effect of brand communication on customer brand loyalty for mobile service providers.

IV. RESEARCH METHODOLOGY

Churchill’s (1979) approach to questionnaire development was used for this research. Scales from several other relevant empirical studies were combined to make an initial list of questions. Through pilot testing period, some of the selected items were reworded for ease of understanding. Five point likert scale (5 = strongly agree to 1= strongly disagree) was used to answer the questions. Thirty four statements were used to capture the customer response for the constructs: Repurchase Intention, Positive Word of Mouth and Attitude towards Advertising and Customer Brand Evaluation. The items used to measure repurchase intention and positive word of mouth were taken from the work of Boulding et.al. (1993), Zeithaml et al (1996) and Bloemer et. al (1999). The items to measure attitude towards the advertising and customer brand evaluation were taken from the work of Holbrook and Batra

(1987). In addition the respondents were asked to respond to some descriptive questions including age, gender and their present mobile service provider.

V. THE STUDY

The analysis of the study is based on the primary data collected from mobile phone subscribers from Indore (MP). Customers of varied mobile phone subscribers were approached for stimulating the response. The questionnaire was administered to 120 mobile subscribers by using random sampling method out of 120 questionnaire administered 100 completely filled questionnaire were retained for the purpose of the study. The data comprised of mobile subscribers from varied service providers like Airtel, BSNL, Idea, Vodafone and Reliance.

VI. THE SCALE

We found that the scale with the 34 items, when administered the scale displayed a high reliability with Cronbach Alpha of 0.846, greater than 0.70, suggested by Hair et al., (2006) as acceptable.

Reliability Statistics

Cronbach's Alpha	N of Items
.846	34

H0: There is no significant impact of brand communication on brand loyalty

In order to study the impact of brand communication on brand loyalty linear regression analysis was conducted. The value of R square indicates that the model explains .622 variation and significant impact of brand communication on brand loyalty.

Table 1: The impact of brand communication on brand loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.601 ^a	.622	-.078	6.10311

Table 2: ANOVA

Sum of Squares	df	Mean Square	F	Sig.
865.312	25	34.612	.929	.002

a. Dependent Variable: Brand Loyalty

b. Predictors: (Constant), Brand Communication

Further table 2 explains the impact of brand communication on brand loyalty. The results indicates that there is an impact of brand communication on brand loyalty (F=.929, p<0.05). The reason behind this could be consumers recall brand name if they are frequently exposed to various brand communication by their mobile subscribers which tend to make them stick towards the same brand and gradually convert them in loyal customers.

VII. CONCLUSION

Brand communication plays a vital role in shaping the attitudes of the customers towards the brand. As spoken in marketing literature, all organizations strive to create awareness and positive brand attitude for the products and services offered by them. This awareness and associations get imprinted in customers mind and is reflected through repeat purchases, positive word of mouth and satisfaction with the brand. The research results on mobile service providers also substantiates that brand communication does have a significant impact on brand loyalty.

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QUESTIONNAIRE

- Age

a) Below 25 years () b) 25-35 years () c) 36-45 years () d) above 45 years ()

- Gender a) F () b) M ()

1. Which mobile service provider you use (Kindly tick)

a) Airtel _____ b) Idea _____ c) Reliance _____ d) BSNL _____
 e) Vodafone _____ f) other (please specify) _____

2. State your favorite mobile service provider _____

3. Remember the recent TV commercials of your favorite mobile service provider and put a tick mark against the column to show your level of agreement with the statements provided

Part A

S. No		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	The commercial was lots of fun to watch and listen to					
2	I thought it was clever and entertaining					
3	The enthusiasm of the commercial uplifts my mood					
4	The ad wasn't just selling the product- it was entertaining me and I appreciate that.					
5	The character (or person) in the commercial captured my attention.					
6	The commercial kept running through my mind even later					
7	I just laughed at it- I thought it was very funny and good.					
8	I was getting distracted-trying to watch the screen and listen to the words at the same time					
9	It required lot effort to follow the commercial.					
10	It was too complex. I wasn't sure of what was going on.					
11	I was so busy watching the screen; I didn't listen to the talk.					
12	The commercial gave a new idea					
13	The commercial reminded me that I'm dissatisfied with what I'm using Now and I'm looking for something better.					
14	I learned something from the ad that I didn't know before.					
15	The ad told me about a new product I think I'd like to try.					
16	During the ad I thought that the product might be useful to me.					
17	After seeing the ad I thought that it's a good brand and I wouldn't hesitate					

	recommending it to others.					
18	I know that the advertised brand is dependable, reliable one.					
19	I have seen this commercial so many times- I'm tired of it.					
20	I think this is an unusual commercial. I'm not sure I've seen another like it.					
21	What they showed didn't demonstrate the claims they were making about the product.					
22	The ad didn't have anything to do with me or my needs.					
23	The commercial did not show me anything that would make me want to use their product.					
24	It was an unrealistic ad- very far fetched.					
25	The commercial irritated me-it was annoying					

Part B

S. No	I will.....	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.say positive things about the services to other people					
2recommend the service to someone who seeks my advice					
3encourage friends and relatives to buy the services					
4consider the service as first choice in the next few years					
5shift to a competitor that offers more attractive prices					
6switch to a competitor when there are problems with the services					
7buy the services out of my choice not out of compulsion					
8	I know that the advertise brand is dependable and reliable one					
9not move to other brand because it's not worth the effort					

4. Kindly rank the media on its effectiveness for advertising by mobile service provider from 1-5

(1 for topmost rank and 5 for last rank).

- a) News Paper _____
- b) T V Commercial _____
- c) Magazines _____
- d) Billboard _____
- e) Internet _____