

FACTORS THAT INFLUENCE BRAND LOYALTY AMONG SMARTPHONE USERS IN KLANG VALLEY

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ABSTRACT

This research aimed to study and examine on the factors influencing brand loyalty among the smartphone users in Klang Valley. The smartphone industry has entered into a fierce competition where smartphone manufacturers are required to constantly produce creative technological innovation and ideal marketing strategies to win consumers' trust and gain brand loyalty. However, it is difficult to gain brand loyalty nowadays as there are plenty of alternatives in the marketplace. Therefore, it would be fascinating to conduct this research in analysing smartphone users' behaviour as Klang Valley is considered as a fast-moving economic hub in Malaysia as it has higher density as compared to the other states. Convenient sampling method was adopted in this research and the questionnaire was distributed via online google form. A total of 391 responses were used for data analysis. Correlation analysis revealed that there was significant positive relationship between the factors and brand loyalty. As for regression analysis, it indicated that there is only one factor – customer satisfaction appeared to have significant influence towards brand loyalty.

Keywords: Brand loyalty, customer satisfaction, price, brand innovativeness, smartphone users, Klang Valley.

INTRODUCTION

Smartphones are devices with more advanced computing capabilities and connectivity than a regular mobile phone. Back in the 2000s, the basic features of a mobile phone allow users to make calls and send text messages to keep in touch with each other. However, in 2007 Apple Inc. revolutionized the mobile industry to a whole new level by offering customer an innovative product with the features such as a touch screen interface and a virtual keyboard. The first smartphone running on Android was then introduced to the market in late 2008. The smartphone industry has been growing and developing steadily since then.

In fact, the introduction of smartphones has dramatically changed our lifestyle, as this does not only apply in Malaysia, but it affects globally (Lin and Chang, 2013). According to Ndesangia (2015), harsh market conditions and the rapid changes of technology in the smartphone industry has driven smartphone manufacturers to offer unique and innovative products with desired attributes that can meet the consumer's demand in the

market. Hence, smartphone industry is becoming more chaotic in recent days due to the fact that too many smartphone manufacturers are in the competition which is why all smartphone manufacturers need to implement winning market strategies that can help to emphasis on customer retention, instead of obtaining new customers to enhance its market shares (Turel and Serenko, 2006). Based on Hogan, Lemon and Libai (2003) and Lee-Kelley, Gilbert and Mannicom (2003), both of their studies has found that it would be more profitable to retain existing customers than to obtain those new ones.

Brand loyalty has become an important component of marketing strategies and tactics in the high competition market that is full of unpredictable circumstances and subside product differentiation (Fournier and Yao, 1997). The transformation of smartphone industry with the increased competition among the marketplace has shown the importance of identifying the factors that influences brand loyalty (Ndesangia, 2015). Therefore, it is crucial to understand which factor has made customer change their decision when they are choosing the technological product like smartphone (Moore, 2002). As a result, smartphone manufacturers have to construct and develop an ideal marketing strategy that can generate profits by retaining existing loyal customers through reinforcing brand loyalty (Kim, Park and Jeong, 2004).

Significant of Study

This research is significant for all smartphone manufacturers and dealers in Klang Valley as it helps to identify the factors which it will influence their potential customer to make decision while they are selecting a new smartphone device. The purpose of this research is to study the customer perception and satisfaction towards smartphones and it is to investigate whether these independent variables will affect smartphone users to switch brand. The independent variables in this study that may influence the brand loyalty involved customer satisfaction, price and brand innovativeness. This research will be mainly focus on smartphone users' perception on each of the factors that mentioned earlier.

Smartphone are getting more common these days. However, not every smartphone in that launched in overseas are available for smartphone users to purchase in Klang Valley. In Malaysia, people who are tech concern would love to understand and try out all the smartphone that has been launched in overseas. This may be a hobby or job for them as we can see there are so many online influencers making videos for reviews on smart devices. This is a potential market for entrepreneur to do by importing those unique and innovative smartphones into Malaysia and make business. This study can help these entrepreneurs to understand and capture a clearer picture of how smartphone user decision can be influence by the factors, and therefore, these entrepreneurs can develop an appropriate marketing strategy to avoid losing loyal customers.

On the other hand, the government sector would understand how the factors influence on consumer behaviour in this study. Government can be beneficial by this study because the study can be applied in other retail industry as well. The government or Malaysia Retail Association (MRA) can encourage local retailers by providing relevant seminar, and at the same time protecting the consumers' interest and rights. As for scholars and academic researchers, the study will act as a reference for future research on similar topic. The findings of this study can be resourceful in providing useful information to the researchers and consumers in the future.

LITERATURE REVIEW

Customer Satisfaction

Customer satisfaction is an experience-based assessment by customers of how they rate the overall functionality of services obtained by the provider have fulfilled (Gerpott, Rams and Schindler, 2001). It is an outcome of the subjective evaluation that a chosen brand has meets and exceeds the customer's expectations (Lau and Lee, 1999). Customer satisfaction can also be referred as a major outcome of marketing activities that link processes culminating in purchasing products or services, and consumption with post-purchase phenomena such as changes in buying attitude, repeat purchase, and brand loyalty (Seyedaliakbar et al., 2016). Jahanshahi et al. (2011) referred customer satisfaction can be referred as a response that is involved to a particular focus such as expectations towards products and services, and also the consumption experience; however, the response usually occurs in particular time like after consumption or based on accumulated experience throughout the process. With the respect to the particular time perspective, there are two types of satisfaction are identified, which is transactional and overall (or cumulative) satisfaction (Spiteri and Dion, 2004). As for the transactional satisfaction is referring to a specific purchase occasion; and the overall satisfaction is basically referring to the accumulated experience that reflects the customer's accumulated impressions for the product or service (Yang and Peterson, 2004).

Customer satisfaction can be used as an indication for future possible revenue (Hauser, Simester and Wernerfelt 1994; as cited in Khan 2012). According to Lin and Wu (2011), customers who received poor products and services can lead to dissatisfaction, and customer may decide not to have long-run relationship with the company. As a result, customer satisfaction as an indication can help to avoid having unsatisfied customer in order to maintain positive relationship with customer for the long-run perspective of company (Hauser, Simester and Wernerfelt 1994; as cited in Khan 2012). According to Oliver (1981), satisfaction or dissatisfaction is determined by the impression of customer following with a purchase, whereas this impression is created by the positive or negative discrepancy between the customer's expectations.

Based on the topic that this research focused on, customer satisfaction in smartphone users' perspective can be referring to an immediate response to the overall product or service experienced by the customer. The example of customer satisfaction from smartphone user perspective will be, the higher the user considers the usability experience with the smartphone, the greater the user satisfaction with the smartphone (Lee et al., 2014). From this, it shows that the theories that mentioned in previous research can be also apply in the recent technology era even if the society has changed rapidly to catch up the current trend.

Relationship between Customer Satisfaction and Brand Loyalty

Understanding the level of customer satisfaction with the product is basically the key concept when examining brand loyalty (Murray and Kline, 2015). A study by Lockshin and Spawton (2001) has concluded that customer satisfaction with perceived quality of a product or service is the most important factor related to profitability and return on investment. This shows that customer satisfaction can be culminating in brand loyalty if the experience is met or beyond the customer's expectations. A similar study by Awan and Rehman (2014) has

concluded that, satisfied customers have a higher likelihood of repeating purchases in time. Customer satisfaction is the necessary foundation for company to retain the existing customers (Guo, Xiao and Tang, 2009).

Pura (2005) suggested that mobile technology can deliver satisfaction when user contexts are fun, exciting and enjoyable to them. As a result, mobile technology can deliver satisfaction. Customer satisfaction and the intention to keep engaging with the company may depend on user's perceived value to continue with chosen activities in the future (Kim, Kim and Wachter, 2012). To be concluded for what Pura (2005) and Kim, Kim and Wachter (2012) has mentioned, it means that customer satisfaction can actually be present as an outcome in remaining loyalty to a company as if they are satisfied with the product or service provided by the firm.

Parasuraman, Zeithaml and Berry (1994) and Oliver (1997) has stated that customer that feel satisfied when their demands are met will consequently continue to purchase and use the same product or service by the firm. This has brought to a result that the customer satisfaction would be retained as brand loyalty will be met when the product quality and the level of service provide remains the same or when it's beyond the customer's expectations. Many researchers have concluded that the customer satisfaction on the products and service provided by the firm has been recognized as a critical concept that positively increases brand loyalty and influences on continuance buying intention from customer (Kim et al., 2015).

Major smartphone companies implied important attributes to their customers to enhance the level of customer satisfaction (Chen and Ann, 2016). Based on the result by Kim et al. (2016), their research has concluded that customers who have high satisfaction with a smartphone manufacturer will have higher brand loyalty towards the smartphone company. Therefore, throughout the results that been found in the previous research, it was hypothesized that the customer satisfaction has a positive influence on brand loyalty. As customer satisfaction is an action after consumption, so it has positive impact on brand loyalty due to the reason that brand loyalty can be described as buying habit towards satisfied customer as they are so satisfied with the service and product to repeat purchase from the same firm.

H₁: Customer satisfaction has positive influence on brand loyalty.

Price

Price is the amount of money being charged for a product service or the sum of the values that customer exchange for the benefits of having or using the product or service (Kotler and Armstrong, 2010). Hence, it is postulated that buyers generally have a range of acceptable prices for considered purchases. Thus, buyers may decide not to purchase a product or service when the price is perceived to be too high, neither when the price is perceived to be too low. As well, many consumers use price as an indicator to judge the product or service quality provided by the firm (Alfred, 2013). According to Alfred (2013), they stated that psychology places a strong part in pricing a product. Therefore, the value of money basically varies from different people due to the fact that everyone has different perception as some might think the product or services that are listed in a high price is valuable; where there are people who might think it does not worth the money (Karen, Han, and Chan, 2013).

The acceptable price range concept provides the implication that perceived value is positive when prices are acceptable. However, perceived value can be positive only when the value inferred from the perception of quality is greater than the value sacrificed by paying the price (Monroe, 1984). In the customer's point of view, price basically represents the amount of money that consumer must sacrifice or give up in order to get the product or service (Zeithaml, 1988). Meanwhile, Erickson and Johansson (1985) has states that majority of the consumer has it in mind that price act as a role of quality-signalling cue reflecting the conventional wisdom that "you get what you pay for".

The basic fundamental mind-set on purchasing a smartphone is to make sure the price we paid was worth for the product (Jardinico, 2015). In fact, price is usually the biggest deciding factor for consumers when selecting a smartphone (Sikka, 2014). Living in the advanced technology era right now, price can be affecting our decisions on purchasing the latest gadgets due to the fact that keeping ourselves with the latest high-tech gadgets might cost us a bomb as a fast performance smartphone minimum cost would be from RM2k and above. Therefore, the theories mentioned above can be applies in the current market right now as well because there are a wide range of alternative smartphone for consumer to select and make purchase, they will pay for the price in order to receive or get the latest smartphone that can meet their expectations with the advanced features of the smartphone.

Relationship between Price and Brand Loyalty

Based on a research concluded by Bei and Chiao (2001), they have found that perceived price has positive influence (through customer satisfaction) on brand loyalty. In fact, from the customer's perspective, price is referring to what is being sacrificed to obtain a product or services, which this is possible to display the intention of repeat purchase behaviour or become a loyal customer of the brand (Al-Msallam, 2015). One of the most important key determinants in price factor would be the price fairness. Price fairness plays a crucial role as it will lead to brand loyalty. Price fairness is referring to consumers' assessments on whether the firm's price of its products or services is reasonable, acceptable or justifiable (Xia, Monroe and Cox, 2004; Kukar-Kinney, Xia and Monroe, 2007). A research has shown that customer's decision to accept particular price has direct connection with brand loyalty (Martín-Consuegra, Molina and Esteban, 2007). Charging fair price can helps to develop brand loyalty (Al-Msallam, 2015).

According to Srikanjanarak, Omar and Ramayah (2009), the study exemplifies that service quality is not the only attributes that will lead to brand loyalty, but fair price does influence positively to brand loyalty as well. In order to build long term profitable relationships with loyal customers, it is a must for a firm to create loyalty of their customer through setting fair price onto the product or services the firm has developed (Hassan et al., 2013). Based on Trivedi and Raval (2016), they revealed that price is the foremost important influencing factor that influencing the choice to purchase a smartphone.

The influence of price on the relationship with the brand loyalty had a contradictory result in the literature. Dodson, Tybout and Sternthal (1978) argued that price has negative effect towards brand loyalty, as they as they found that the ratio of repeat purchase after purchasing products or services at a promotional price is less than the ratio after non-promotional purchase. Morais, Kerstetter and Yarnal (2006) also affirmed that the influence between price and brand loyalty is negative if the firm consistently offers advantageous

prices. However, these studies argue that there is no relationship between price and brand loyalty (Neslin and Shoemaker, 1989; Ehrenberg, Hammond and Goodhardt, 1994). According to Campo and Yagüe (2008), their study also concluded that price has no influence towards brand loyalty in the long term. This is because consumer may repeat purchase with the firm when they offer an advantageous price, this action is not a preference for the brand loyalty, but it is an effect of promotions (Campo and Yagüe, 2008).

Customers perception of price is mainly based on whether the smartphone companies market 'underpriced' or 'overpriced' of their products (Ling, 2014). Based on Ling (2014), price positively influence smartphone user to be brand loyal due to the fact that customers respond strongly to smartphones price in the marketplace whenever there is changes or when there is a new product launched. Therefore, this shows that price can positively influence onto brand loyalty, which the firm has to justify the reasonable price to market their products or services. Thus, throughout the results that been found in the previous research, it was hypothesized that the price has positive influence on brand loyalty.

H₂: Price has positive influence on brand loyalty.

Brand Innovativeness

It has been long acknowledged that innovativeness is one of the most valuable assets of organizations in the recent years as we are living in the technology era whereby all the firms need to be creative and innovative in order for the firm to be sustainable in the marketplace. Based on a statement given by Tajeddini and Trueman (2008), they pointed out that due to rivalry competition in the marketplace, globalization and an explosion of technology in recent years, innovation and differentiation are considered as a necessity for every company to sustain. This is why today's market success is highly dependent on the innovativeness of the firm, rather than its capital, capacity or costs. According to Keller and Aaker (1998), brand innovativeness is one of the brand images, a key competitive weapon and a priority for firms when forging corporate reputations. In other word, brand innovativeness has become a pre-requisite for a firm's competitive advantage (Rhee, Park and Lee, 2010). Furthermore, brands that are perceived as being innovative in the minds of consumers have been found to have a positive impact to the firm's credibility, in which it will make the firm to be appeared in a more professional and trustworthy manner (Aaker, 2007; Keller and Aaker, 1995).

Brand innovativeness has been widely acknowledged in generating the growth of the firm by increasing sales revenue and creating repurchasing opportunities by customers (Zhang, Liang and Wang, 2016). Based on the research by Pappu and Quester (2016), he stated that brand innovativeness is the 'extent to which consumers perceive brands as being able to provide a new and useful solution to meet their customer's needs'. So, it is important for the firm as well due to the fact that consumers will view a brand as innovative if its novel and creative efforts have market impact (Kunz, Schmitt and Meyer, 2011). Novelty is defined as the 'degree of a user perceives an innovation to be a new and exciting alternative' to an existing product (Wells et al., 2010).

In fact, smartphones nowadays have short life-cycles, which lead to a rival competition among all the firms who is developing smartphones (Tan et al., 2012). That is why smartphone manufacturers needs to be brand innovative as often as possible to

introduce new features or new products to attract customers. For customer to be loyal to certain firm, the firm needs to consistently develop new products with innovative ideas so that it can attract customer's attention because this factor can affect the buying decision in the end of the day.

Relationship between Brand Innovativeness and Brand Loyalty

There are three different explanations to explain how does brand innovativeness influence on brand loyalty. First of all, brand innovativeness may serve as a cue in influencing consumer's cognitive and emotional satisfaction, whereby it will consequentially influence the brand loyalty (Kunz, Schmitt and Meyer, 2011). As well, innovativeness may influence consumer brand loyalty directly due to the reason that consumer view innovative brands as more capable of fulfilling their needs and consumer will be reciprocate by being more committed to the such brands (Eisingerich and Rubera, 2010). Based on what Henard and Dacin (2010) stated, perceptions of innovativeness may lead to higher consumer involvement; therefore, it has indirectly influencing brand loyalty as well.

There is a study focusing on brand prestige where it concluded that prestige-seeking consumer can be motivated to be brand loyal if the brand offers distinct image that reflects the firm's innovativeness (Kim, Kim and Hyun, 2016). This shows that successful major innovations can basically help to fulfill the brand promise towards their customer so that it can strengthen the brand loyalty and associations (Keller and Lehmann, 2006). However, the absence or failure of innovative products and services to deliver on the brand's promise will negatively affect the image and the loyalty of customer towards the brand (Brexendorf, Bayus and Keller, 2015).

The influence of brand innovativeness on the relationship with brand loyalty had a contradictory result in this literature. A study that done by Pappu and Quester (2016) has concluded that brand innovativeness does not have influence towards brand loyalty and the relationship was not statistically significant. Pappu and Quester (2016) also argued that customers may not remain loyal with their current manufacturer when they are lack of new product information. This is because consumers can rely on other available information that provide by another firm. When consumers perform heuristic technique in knowing the product information by themselves, the perception of risk is high for consumers not to be brand loyal with the firm (Lichtenstein and Burton, 1989).

It shows that brand innovativeness is positively influencing brand loyalty because consumers nowadays demand for new and innovative smartphone products to be impressed by a few of the major smartphone companies. Thus, throughout the results that have been found in previous research, it was hypothesized that brand innovativeness has positive influence on brand loyalty.

H₃: Brand innovativeness has positive influence on brand loyalty.

Brand Loyalty

Brand loyalty implies a consistent pattern of purchase from a specific brand over time and it forms a favourable attitude towards a brand (Quester and Lim, 2003). Brand loyal customers are the loyal consumers of the brand and usually perform repeat purchases and perform word-of-mouth advertising by recommending the brand to their surroundings (Erciş et al., 2012). According to Kuikka and Laukkanen (2012), brand loyalty basically segregated into two approaches which is the behavioural and attitudinal approach; as for behavioural brand loyalty is often described to be synonymous with repeat purchase behaviour, whereas the attitudinal brand loyalty has gone beyond repetitive purchasing behaviour and implies a true commitment to a specific brand. In other words, behavioural brand loyalty is an actual action of repurchasing products or services by the firm; and attitudinal brand loyalty leads to consumer willingness to purchase the products or services even it is at a higher price or when they are facing obstacles, they will still purchase the products or services in the end of the day and overcome any obstacles they are facing (Lazarevic, 2012).

Brand loyalty has proposed into two different perspectives in defining it, which is behavioural brand loyalty and attitudinal brand loyalty (Bandyopadhyay and Martell, 2007). Behavioural brand loyalty is referring to be synonymous with repeat purchase; whereas the attitudinal brand loyalty is stated to be the authentic brand loyalty that goes beyond repetitive purchasing behaviour and implies a true commitment to a specific brand (Day, 1969). This is because behavioural brand loyalty does not give a clear picture on why customer made repetitive purchase, or even sometime decides to switch away and buy other competitive brands (Allan and Joel, 1996).

Brand loyalty is interconnected to the user's repetitive buying behaviour over time with a positive biased emotive, evaluative or behavioural tendency towards a brand (Sheth and Park, 1974). Hence, integrated marketing communications plays a crucial role in convincing consumer's brand loyalty (Šerić and Gil-Saura, 2012). According to Sasmita and Mohd Suki (2015), consumers who perform rebuying a preferred products or service consistently actually has the initiated repetitive purchasing behaviour towards the same brand over time.

In their research, Alok and Srivastava (2013) also found that brand loyalty not only to ensures repeat purchases and generates positive publicity with greater value in terms of reliability, it also leads to other benefits such as cross buying intentions, priority brand preference to the company when it comes to products and services. This can provide a stable competitive edge to the company as well as to enhance the revenue and profit to the company (Alok and Srivastava, 2013).

As for an example for brand loyalty, Lee (2016) pointed out that Apple users who are so used to the unique layout and operation system that created by Apple has very less intention to switch brand as high brand loyalty implies that regular user would want to continue using the same brand of the smartphone or other devices. Hence, they might have a little consideration for adopting other brands, but most of the customer who are loyal to Apple would choose not to adopt other brand due to the fact that adapting an operation system layout is difficult.

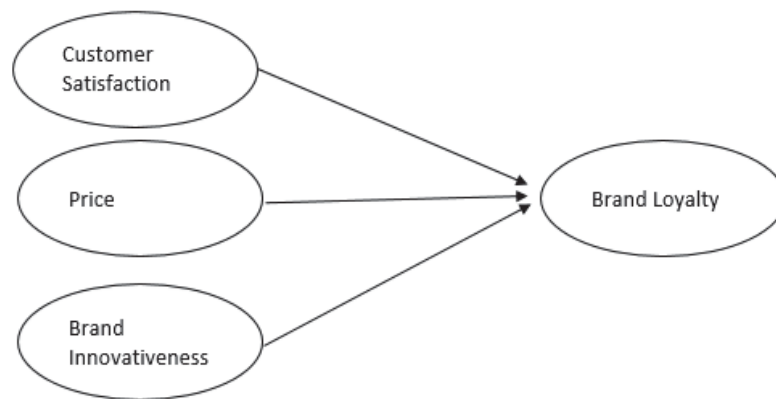


Figure 1: Research Framework

RESEARCH METHODOLOGY

Research Design

Quantitative research method was used for data collection to investigate the influence of service quality and service recovery towards customer satisfaction. It was a cross sectional study where the data was collected once at a particular time.

Data Collection Method

Under non-probability sampling, one of the sampling methods is being used in this research, which it is called as the convenience sampling. By using convenience sampling, the researcher can easily access and obtain for the research sample. The target population in this research is the smartphone consumers who live in Klang Valley. In this research, a total of 400 sets of questionnaires were distributed to the smartphone users through online google form and 391 responses were used for data analysis for 9 responses were invalid as some of them do not have a smartphone and some smartphone users are not living in Klang Valley.

Instrumentation

Data for the study were obtained by distributing the set of questionnaires to the target sample group. Self-administered online questionnaire were used to conduct the study. It will consist of four sections. A 4-point Likert scale (1 = strongly disagree, 4 = strongly agree) were used to measure Section A, Section B and Section C of the questionnaire. **Section A** of the questionnaire consisted of 7 questions related to brand loyalty. **Section B** of the questionnaire 8 items used to measure customer satisfaction. **Section C** of the questionnaire refers to the 6 questions used to measure price. **Section D** of the questionnaire refers to the 4 questions used to measure brand innovativeness.

The result revealed that the Cronbach's Alpha coefficients for all the variables tested were relatively high: customer satisfaction (0.963), price (0.891), brand innovativeness (0.916), and brand loyalty (0.943).

Assumptions of Parametric

Before choosing a statistical test to apply to the data collected, the researcher addressed the issue of whether the data are parametric or not. Statistical tests are used to analyse some aspect of a sample. The assumptions of parametric were met when: sample data are continuous and measurements met the minimum sample size requirement (Saunders, Lewis and Thornhill, 2016), the ratio of cases/samples (N) to variables (IV) exceeded 5:1 (Osborne and Costello, 2002), more than 70 percent of the questionnaire can be measured using scale, there was a linear relationship among the two variables and data collected were normally distributed based on the results obtained from the normality test conducted.

Statistical Analysis

The data collected from the questionnaires were analysed through a series of statistical test. The data collected were analysed using the SPSS statistical analysis software for Windows. The statistical procedures for quantitative research include reliability analysis, normality test, descriptive statistics, Pearson's correlation and multiple regression analysis

RESULTS AND DISCUSSION

The Relationship between Customer Satisfaction, Price, Brand Innovativeness and Brand Loyalty

Table 1: Correlations between the Three Variables

Variable	BL	CS	P	BI
Brand Loyalty (BL)	-			
Customer Satisfaction (CS)	0.851**	-		
Price (P)	0.710**	0.792**	-	
Brand Innovativeness (BI)	0.710**	0.805**	0.738**	-

** . Correlation is significant at the 0.01 level (1-tailed).

A Pearson correlation was run to determine the relationship between service quality between customer satisfaction, price, brand innovativeness and brand loyalty. The data in Table 1 showed no violation of normality and linearity. There are significant relationship between customer satisfaction, price, brand innovativeness and brand loyalty.

Regression Analysis

Table 2: Regression Analysis: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.853 ^a	.728	.726	.36933	1.685

a. Predictors: (Constant), Customer satisfaction, Price, Brand Innovativeness

b. Dependent Variable: Brand Loyalty

The adjusted R² value as shown in Table 2 is 0.726. With this, it can be deduce that 72.6 percent of the variance in the dependent variable – brand loyalty, can be explained by the variance of the independent variables, which are customer satisfaction, price, and brand innovativeness. The Durbin-Watson statistics is recorded at 1.685 indicates a positive autocorrelation (Saunders, Lewis and Thornhill, 2016).

Table 3: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	141.427	3	47.142	345.602	.000 ^b
	Residual	52.789	387	.126		
	Total	194.216	390			

a. Dependent Variable: Brand Loyalty

b. Predictors: (Constant), Customer satisfaction, Price, Brand Innovativeness

The F-ratio in Table 3 tests whether the overall regression model is a good fit for the data. The *F*-test result was 345.602 with significance ('Sig.') of .001. This meant that the probability of these results occurring by chance was less than 0.001. The table shows that the independent variables (Customer satisfaction, Price, Brand Innovativeness) statistically significantly predict the dependent variable (Brand Loyalty), $F(3, 387) = 345.602, p < 0.05$. Thus it can be deduced that the regression model is a good fit of the data.

Table 4: Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.079	.112		0.709	.479
Service Quality	.789	.054	.745	14.517	.000
Service Quality	.102	.054	.085	1.894	.059
Service Recovery	.050	.049	.047	1.012	.312

a. Dependent Variable: Brand Loyalty

Table 4 shown that there is only one independent variable has direct influence towards the dependent variable (brand loyalty), which is customer satisfaction has direct influence towards brand loyalty. Customer satisfaction has positive influence towards brand loyalty ($\beta=0.789, n=391, p<0.05$). Therefore, the H_1 that developed earlier in chapter two is not

rejected. The finding of this research is similar to Awan and Rehman (2014); Guo, Xiao and Tang (2009); Kim, Kim and Wachter (2012); and Kim et al. (2016), as these studies concluded that the higher the customer satisfy with the products or services provided, the higher the loyalty will be gained towards the firm. This has shown that customer satisfaction has positive influence towards the brand loyalty.

However, the result has shown that price does not have direct influence towards the dependent variable (brand loyalty) ($\beta=0.102$, $n=391$, $p>0.05$). Therefore, the H_2 that constructed earlier is rejected due to the reason that the significance is higher than 0.05. This means, there is no influence between prices towards brand loyalty. The finding of this research can be supported with a past study that has the similar result that was done by Campo and Yagüe (2008); Neslin and Shoemaker (1989); Ehrenberg, Hammond and Goodhardt (1994), as they have concluded that there is no influence between price and brand loyalty.

Followed by the last variable, in which the result has shown that brand innovativeness has no direct influence towards brand loyalty ($\beta=0.050$, $n=391$, $p>0.05$). Hence, H_3 is rejected as the significance value is higher than 0.05. The finding of this research is similar to the study done by Pappu and Quester (2016), as the study has concluded that brand innovativeness was not statistically significant on brand loyalty. This shows that it has indirect influence between both variable.

CONCLUSION

Brand loyalty represents the creditability of the firm. This is because customers will only become a loyal customer when they receive products or services that meet or exceed their expectations on the products or services provided by the firm. For the firm to generate or maintain more brand loyal customers, the firm will need to be creative and innovative in creating and producing excellent products or services for their loyal customers, so that their customers do not perform brand switching even if the competitors of the firm provide better offers. Therefore, it is important for the firm to understand which factors can influence in customer's decision in brand switching and how can the firm prevent it to be happen. This study was conducted to identify the factors that influences brand loyalty among smartphone users.

In this research, there were a total of three research objectives to be met. Through the data analysis and findings, all the three research objectives have been met. The first research objective was to study the influence between customer satisfactions towards brand loyalty. Throughout the findings, we get to understand that independent variable – customer satisfaction; has positive influence towards brand loyalty as displayed via the regression analysis done. The findings show that customer satisfaction has direct and positive influence towards brand loyalty as customer satisfaction is recognized as a necessary foundation that positively increases or enhance customer's brand loyalty towards the firm.

The second research objective was to study the influence between prices towards brand loyalty. Throughout the result from the findings the researcher has met the second research objective by knowing the independent variable – price; does not have influence towards brand loyalty. Therefore, this research has concluded that price has no influence

towards loyalty. With the various marketing plans and payback options available, pricing of a product may not be the main influence of brand loyalty.

The last research objective was to study the influence between brand innovativeness towards brand loyalty. From the result of the findings, the researcher has met the third research objective as it shown that the independent variable – brand innovativeness; does not have influence towards brand loyalty. Hence, the findings of this research obtained that brand innovativeness has no influence towards brand loyalty. This may be the result of the fast paced innovation of the smartphone industry which causes smartphone users to be indifferent towards the minor yet continuous innovations of respective brand.

Recommendations

The findings of this research are advantageous to the related industry as it can help the smartphone industry to enhance their concern in certain area to enhance their loyal customers. This research beneficial a few parties which it includes smartphone firms, entrepreneurs who has intention to start-up a business in smartphone industry. According to the results of the findings, although not all the variables has positive influence towards brand loyalty, but all the independent variables (customer satisfaction, price and brand innovativeness) has positive relationship towards brand loyalty. Therefore these are the area that smartphone manufacturers need to look into to retain their loyal customers.

First of all, customer satisfaction has always been the main concern by most of the firm in the market. This is because customers' dissatisfaction may lead to bad reputation for the firm and it may lead to a loss for the firm if such situation happens. That is why all firms will try their best to look into the current trends and demands to meet customer's expectation. There are plenty of ways to test the market, but the safest way to study the current consumer behaviour is through most recent research that has been done by any researchers. This research helps the smartphone firms and entrepreneurs to understand and capture smartphone user's behaviour through the survey that this research has been done. By then, they will be able to understand the area that should be focused if they would like to enhance the brand loyalty rate.

Although price may not have direct influence towards brand loyalty but it definitely has relationship between both variables. By acknowledging this study, it helps the firms to capture a clearer understanding on how smartphone users value the price of a product. For example, smartphone firms or entrepreneurs can offer augmented product for customers to feel that the firm actually appreciate and value them, no matter before, during or after the purchasing process. So that customers can turn to a loyal customer in the end of the day.

Thirdly, brand innovativeness may be one of the factors that made the customer perform in brand switching. Although this research has shown that it has weak linkage towards brand loyalty, but it has positive relationship towards brand loyalty. As smartphone is one of the technology devices that we uses every single day now, so it is fairly important for smartphone firms or entrepreneurs to understand the importance of creating new and innovative products constantly, so that it would attract new customers and retain the existing customers. This can be one of the ways to retain brand loyalty.

Brand loyalty is an outcome from a chain of activities, in which it includes excellent products or services presented by the firm. In order to gain brand loyalty from customers, smartphone firms and entrepreneurs who has intention to start a smartphone business can take the recommendations as a consideration to provide better products or services to gain more brand loyalty from their existing customers.

Limitations and Future Research

The first limitation of this research was that the researcher only focuses into the smartphone user perspective in Klang Valley. Instead, future researchers are recommended to broaden into a larger sample size of respondents or to collect sample from other cities in the region. It is recommended to conduct survey in several fast-moving economic cities in Malaysia, so that a comparison study between smartphone users in other cities can be done. A comparison study among smartphone users of different demographic segments can also be conducted to gain valuable insights on their brand loyalty behaviour.

The adjusted R^2 value for the ANOVA test done is 0.726. With this, it can be deduce that 72.6 percent of the variance in the dependent variable – brand loyalty, can be explained by the variance of the independent variables, which are customer satisfaction, price, and brand innovativeness. In which this means that there is other factors are yet to be discovered, and as for now, it is explained by unknown factors. Therefore, future researcher has an opportunity to look into the unknown factors such as brand experience, perceived brand quality, service quality, corporate social responsibility, and brand trust.

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