Rise of Digital Media to Triumph Brand Loyalty

Alam Kazmi, Syed Hasnain and Zaman, Syed Imran and Wahab, Abdul and Yan, Kou

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Syed Hasnain Alam Kazmi
Faculty of Management Sciences,
Shaheed Zulfikar Ali Bhutto Institute of Science and
Technology (SZABIST), Karachi, Pakistan.
School of Economics and Management,
Southwest Jiaotong University, Chengdu, China.
hasnain.kazmi@szabist.edu.pk

Syed Imran Zaman
School of Economics and Management
Southwest Jiaotong University
Chengdu, China

Abdul Wahab
Department of Management Sciences
Mohammad Ali Jinnah University
Karachi, Pakistan

Kou Yan
Department of Management
Guizhou University
Guizhou, China

Abstract— **Modern era of management has seen a rise in the level of customer engagement, which was not that much of importance earlier. Earlier, brands tend to compete on the products or service they offer. In the recent digital era, it is much more than what a brand has to offer. The emergence of digital media has boosted the importance of customer engagement. Now, customers can easily get in touch with the companies through digital channels. Corporations use these channels to let customers aware about their offerings, ask for suggestions and recommendations, and solve the queries of the customers. This research is focus on ascertaining the relationship between customer engagement, customer satisfaction, and customer loyalty, and to identify how these factors impacts the repeat purchases in telecommunication sector. The research is based on descriptive research design; quantitative research design was trailed for questionnaire developing 5-point Likert scale technique.**

Keywords— customer engagement; customer satisfaction; customer loyalty; repeat purchase

I. INTRODUCTION

In a contemporary world, marketers tend to focus their activities and campaigns around building and maintaining strong relationship with their customers. Companies having strong relationship with their customers tend to have more satisfied customers than those who don't. The relationship is directly related to the satisfaction level of the customer. Higher customer satisfaction level leads to a strong customer loyalty base. In past, the satisfaction of the customers were based on the unique selling propositions (USP's) and/or the point of difference (POD) that a company offers through its products or services [1]. However, in today's world, there remain fewer differences in terms of product or service being offered. Smaller and local companies are also offering more or less similar products and services what large and global companies are offering. There appears a growing concern for the marketers that what needs to be done next in order to stand out in the market, and to attract and retain a large number of customers.

Earlier, product-centric marketing approach was followed by the marketers, where customer's preferences were given least importance, and only organizational profits were taken into account. However, things have changed drastically now, and more preference is given to customer-centric marketing approach, where interaction of the brand and customer is vital. [2]. Customer, in this approach, is considered as a co-producer of the value generated through a particular product or service; hence he/she also shows more interest in the entire process of value creation. This concept of value co-creation has gained popularity in the recent era due to its significance and the impact it generates. Furthermore, the rise of digital media has also boosted the importance of customer engagement to newer heights. Initial steps have been put forward in providing theoretical models for the concept of customer engagement [3]. Various possibilities have also been identified to conceptualize customer engagement and suggestions from different researchers have also been proposed regarding consumer behavior, user experience, psychological processes, and the mediums of interaction.

Researchers in past also have identified various components which help organizations in increasing customer-brand engagement, which also helps them in achieving their marketing objectives. Some of them includes, but are not limited to, service, communication, price, customization, and reputation. This research also focus on these components. The second crucial area is to study the impact of customer engagement on the satisfaction of the customer. [4]. This leads us towards the element of repeat purchase which is the measureable reflection of the customer satisfaction. A happy customer who is not coming again to purchase our product might not be of that much importance and does not even provide financial benefits to the company, than the one who is coming back again and again [5].

A. Problem Statement

Previously, companies in telecommunication sector of Pakistan have failed to convert customer engagement in their satisfaction, which in turn results in lower customer loyalty. There is an example of Ufone that when we talk about the customer engagement factor, Ufone are at the top of other cellular networks in Pakistan. People are very engaged with their campaigns, and they are also actively involved in the social media. However, when rankings are taken into account, they are the 4th best cellular network provider in terms of market share. Which leads us to debate about the effectiveness of the customer engagement. So, it is necessary to not just identify the customer engagement factors, but also to study how much effective they are in terms of repeat purchases [6].

B. Research Statements

1. How customer engagement, satisfaction and loyalty can be gauged in emerging economy's telecommunication sector.

2. Role of customer satisfaction in relationship of customer engagement and loyalty.

3. Relationship of Customer Engagement and Customer Loyalty in context with repeat purchase.

II. SIGNIFICANCE OF THE STUDY

This research paper contributes to the area of research by developing a model which can elaborate the different dimensions of customer engagement. It will help identify the components that help in developing customer engagement, and furthermore, it will lead towards how customer engagement impact the satisfaction of the customer and whether it leads toward loyalty through repeat purchase or not. The other significance of this research paper is to help the telecommunication sector of an emerging economy to identify the key areas of customer engagement. This research will also help them in developing their marketing strategies while keeping in mind the elements of customer engagement. It is important in the telecommunication sector, as the churn rate in this sector is very high, and customers tend to switch brands more frequently.

III. LITERATURE REVIEW

A. Conceptualization

The concept of customer engagement has attracted the marketers and academicians in recent years. It is used as a measuring tool that can help facilitate the predictive power of the behavior of customers including loyalty and referrals. Some of the definitions include, but are not limited to: "a consumer's state of being occupied, fully-absorbed or engrossed," [7], "a psychological process" driving customer loyalty [5], "the level of a customer's motivational, brand-related, and context dependent state of mind characterized by specific levels of cognitive, emotional, and behavioral activity in brand interactions" [8].

Research scholars in marketing have conceptualized engagement as a multidimensional construct. This covers the dimensions of behavioral, emotional, and cognitive aspects of the consumer. There are few researchers who have proposed the concept of customer engagement as a uni-dimensional construct which focuses on the behavioral aspect. However, recent literature on the customer engagement are more inclined towards it being a multi-dimensional construct.

B. Emergence of Digital Media

The weightage of customer engagement has further increased due to the emergence of digital media. Customers have found it more easy and convenient to interact digitally with the brands. Customer not only participate through such platforms, but they also utilize such platforms to co-produce the products according to their needs and wants, which in turn improves their relationship. Digital media is more of an interactive platform by nature, which allows more room for the customers to engage, and at the same time it also helps companies to focus on a customer-centric approach [9].

C. Dimensions of Customer Engagement

Scientists [10] extended their research on customer engagement focusing on six key dimensions. First, they have identified that there is a contrasting difference between interactivity, involvement, and flow in the context of customer engagement. The second dimension highlights different perspectives of past researchers regarding customer engagement. Some study it from a behavioral perspective, others study it from organismic perspective, while the rest of them study it as an ongoing process. The third dimension also mentions customer engagement to be an ongoing process, however, it focuses on the successive interactions with the focal objects. Fourth dimension focuses on broadening the focal object parameters, which includes websites, offerings, brand or company, learning activities, virtual community, or product innovation and development activities. Fifth dimension highlights different roles of customers in the engagement process, including the role of actor they play which helps in the development of their relationship with the focal object, and the role of producers and receivers of communication. The last dimension focuses on the scarcity of the measurement tools for the concept.

IV. CONCEPTUAL FRAMEWORK

Fig. 1. *Framework*

This conceptual framework focuses on identifying the linkage of independent variable of customer engagement with the moderating variables of customer satisfaction and brand loyalty and then their impact on the dependent variable repeat purchase. Then the study also focuses on identifying the direct impact on customer satisfaction, and also to identify whether those factors directly influence customer loyalty.

V. METHODOLOGY

The strategy used for this research is quantitative research method, and since this research follows deductive approach, this leads toward the concept of positivism. Positivism is based on acquiring factual information which is trustworthy enough to infer the results. The researcher, in positivism, is focused on the collection of data and then its interpretation. The research findings in positivism are quantifiable and observable [8]. Furthermore, the researcher is believed to be independent while using a positivism approach. By independent, it refers to the researcher having lesser interaction with his/her research participants during the survey.

A. Research Design

This research will be based on descriptive research design. Descriptive research is based on representing the participants of the population and understanding their characteristics in the most accurate way. Descriptive research is based on survey, case study and observational methods. Survey allows the researcher to use the information quantitatively, and since this research is using survey technique, so quantitative research method is used as it focus on numbers and rationale.

B. Operationalization of Variables

Service is an intangible product being provided by an individual or a group of individuals representing a company. It is offered to the customers of the selected target market in order to fulfill their needs and wants. Customer Satisfaction is a state of an individual, where they evaluate the product or service being offered by a company with their own expectations related to that brand. Here, it is essential to understand how the engagement activities of a brand increases satisfaction among the customers. Or in other terms, whether customer engagement really helps in increasing the satisfaction level, or there is no linkage between these two concepts. Customer Loyalty is the state where a customer is consistently experiencing a positive relation and action with the brand. Loyalty of a customer may be based on the brand value, promise, features, or services offered by the company. Not always is the case that a satisfied customer has become a loyal customer. For converting a customer into a loyal one, the consistent satisfaction is necessary to attain. Repeat Purchase is a measuring tool or technique for the customer loyalty. This research use repeat purchase to gauge the loyalty of a customer which can be generated from the engagement activities [4].

C. Measurement

The indicator of measurement for this research is the variable of repeat purchase. Since this research is focusing on identifying the relationship between customer engagement, customer satisfaction and loyalty, so it will be difficult to measure satisfaction and loyalty. Repeat purchase will work as the measuring indicator for customer satisfaction and loyalty, as if a customer is making a repeat purchase, it will indicate that the customer is happy and satisfied with that particular brand, and this satisfaction further is linked to the loyalty of the customer towards the brand. From scaling perspective, since questionnaire is developed, this research will be based on five-point Likert scale. This help the researcher in identifying the attitude of the respondent, through tapping the affective and cognitive components.

D. Population and Sampling

The population representing this research will be based on the individuals who use any telecommunication network brand in Pakistan. According to 2018 survey report conducted by Pakistan Telecommunication Authority (PTA), the total number of mobile phone users in Pakistan reached the figure of 148 million. Then this research will further filter out the population on two fronts; first one are those who are extremely loyal to their network service providers and are staying with them for quite a long time, and the second one are those who are not satisfied with their network service providers and either they have switched or want to switch the brand. This will also help in identifying the churn rate that this industry entails, as it is one of the burning issues this industry is facing currently, especially in Pakistan. Data has been collected from 100 subjects. The sample size is selected based on the trends from past research papers. The other reason for selecting 100 sample size is that there was shortage of time and resources, due to which sample size could not include more number of respondents. As this research is based on survey methodology, the questionnaire is design and respondents are asked to filled it.

VI. RESULTS & DISCUSSIONS

A. Reliability Scale: All Variables

TABLE I.   RELIABILITY

Cronbach's Alpha	N of Items
0.626	18

Cronbach's Alpha value shows the reliability of the questionnaire. It helps in measuring the internal consistency of the items within a group. The value of correlation shows the relationship between dependent and independent variables. Here, the dependent variable is repeat purchase, and the other variables are customer engagement, customer satisfaction, and brand loyalty with which the relationship is to be examined. The correlation value of customer engagement and repeat purchase is -0.178, which shows that there is a negative relationship between these two variables. On the other side, the relationship between customer satisfaction and repeat purchase is positive, as there correlation value is 0.450. Similarly, the relationship between brand loyalty and repeat purchase is also positive, as their correlation value is 0.459.

B. Regression

TABLE II.   VARIABLES ENTERED/REMOVED[a]

Model	Variables Entered	Variables Removed	Method
1	BL_Avg, CE_Avg, CS_Avg[b]	.	Enter

a. Dependent Variable: RP_Avg b. All requested variables entered.

TABLE III.   MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.611[a]	.374	.354	.62896

a. Predictors: (Constant), BL_Avg, CE_Avg, CS_Avg

TABLE IV.   ANOVA[a]

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	22.663	3	7.554	19.097	.000[b]
Residual	37.977	96	.396		
Total	60.640	99			

a. Dependent Variable: RP_Avg b. Predictors: (Constant), BL_Avg, CE_Avg, CS_Avg

The significance value in the anova table shows whether there is significant difference between the variables or not. If the significance value is less than 0.05 (Sig. < 0.05), it means that there is a significant difference between the variables. Since, the value here is also less than 0.05, which is Sig. = 0.000, this means that there is significant difference in the mean values of the variables. The beta value is used to predict the dependent variable from all the independent variables separately. The coefficient value for customer engagement here is -0.346, which means that for every unit increase in customer engagement, there will be a 0.346 unit decrease in repeat purchase.

VII. CONCLUSION & RECOMMENDATION

The results from this study suggests that customer engagement itself does not necessarily impacts the repeat purchase directly. However, it may lead towards repeat purchase once customer is satisfied and becomes loyal to a particular brand. There is a negative relationship between customer engagement and repeat purchase, which signifies the claim that it is not necessary that if a company is good at customer engagement shall have loyal customers and in return they will purchase their products again and again. There appears a positive relationship between customer satisfaction and repeat purchase, and also between brand loyalty and repeat purchase. This suggests that if a customer is satisfied with a particular brand or if he/she is loyal to that brand, they will definitely make a repeat purchase. On the other side, there is also a positive relationship between customer engagement and customer satisfaction, and also customer engagement and brand loyalty. This justifies that engagement from brand can make a customer satisfied, but again, it does not necessarily translates into repeat purchase.

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