

Role of Corporate Reputation, Brand Awareness & Expected Service Quality on Consumer Attitudinal Loyalty: A study on Telecommunication sector of Patna

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Abstract: In recent years, the corporate image concept has attracted a lot of interest among managers, consultants and academicians. In this era of severe competition corporate image is increasingly become pivotal for telecom companies, to create differentiation. The research aims at enriching the knowledge and understanding of the impact of corporate image, brand awareness and expected service quality on consumer's attitudinal loyalty in telecommunication services. On the basis of extensive literature review, three hypotheses have been formulated and a hypothetical model has been developed for this study. Descriptive analysis was used to explain the demographics of the sample. For testing the hypotheses a multiple regression method has been applied and the result shows that perceived service on consumer attitudinal loyalty. It has also been found that corporate reputation and brand awareness has not much role on consumer attitudinal loyalty in telecommunication sector in Patna, which is partially contradictory to some of the earlier research works.

Key Words: Corporate Image, Brand Awareness, Perceived Service Quality, Consumer Attitudinal Loyalty

I. INTRODUCTION

In this world of cut-throat competition, survival of the fittest is the reality of business. This world is full of conflicts of interest, diverse opinions and ideologies and each company has some philosophy of its own and makes great efforts to advocate and communicate the philosophy to all the concerned publics. But the proliferation of such corporate philosophies is not a one-day wonder. The process of reputation creation has to be nurtured over a long period of time. Once established, good corporate reputation stands in good stead for the companies in turbulent times. Literature reveals the fact that corporate reputation has a profound effect on consumer's loyalty (Kim & Lee, 2010)¹. According to Brucks (1995)², Brand Awareness has a positive effect on consumer's knowledge about the brand and their overall perception about the brand. Hartline and Jones (1996)³ found that many factors within service encounters can establish perceived value, whereas perceptions of quality and value may help in determining organizational effectiveness. Corporate image represents an opportunity for telecom organizations to enhance their distinctiveness by linking unique and credible corporate characteristics to their services, thus enabling important synergies to be developed⁴. In this era of severe competition telecom companies are continuously involved in retaining their existing customers by positioning a unique image in the consumers mind. Gradually the companies have realized the fact that the best way to retain customers is to create an emotional attachment with them. This research work is an attempt to synthesize some of the key prior research works on the concept of Corporate Image, Brand Awareness, Expected service Quality and their effect on consumer attitudinal loyalty in telecommunication sector in Patna.

One of the most important services in Indian economy is telecommunication. All social, economic, political, cultural, trade and commercial activities are undertaken using telecommunication. The nature of a country's

¹Young-Ei, Kim. & Jung-Wan Lee (2010). *Relationship and customer image in mobile communication markets*. Africa Journal of Business Management Vol. 4(18), pp. 4035-4041. Available online at <http://www.academicjournals.org/AJBM>

²Brucks, Merrie (1985). "The Effects of Product Class Knowledge on Information Search Behavior," *Journal of Consumer Research*, 12 (June), 1 -16.

³Hartline, Michael D., O. C. Feffel. (1993). *Service quality implementation: the effects of organizational socialization and managerial actions on customer-contact employee behaviours*. Marketing Science Institute Report No. 93-122. Marketing Science Institute, Cambridge, MA, 31-57.

⁴Corporate Image. Retrieved from- <http://www.referenceforbusiness.com/small/Co-Di/Corporate-Image.html>

telecommunication industry affects its pace of commercial and domestic activities. Bihar too registered a tremendous growth in the telecom sector during the recent past. In 2013-14, the total number of telephone connections increased by about 10 percent to 603.62 lakh, with the private operators increasing their share to around 96 percent. It may also be seen that the number of landline connections, mostly under BSNL, is coming down sharply over the years. Though the number of mobile connections by both private sector and BSNL is increasing, the growth rate is far higher for the private sector⁵. Patna, the second largest city in eastern India, had a population of 5,838,465 (according to census report, 2011⁶) and the monthly growth rate of wireless connections is 2.34%,⁷ which is the highest in the country. With large number of market share and huge growth potential, telecom sector of Bihar can be considered as one of the best sectors to measure consumer loyalty.

Literature reveals the fact that; corporate image has a profound effect on consumer loyalty. (Kim. & Lee 2010)⁸. Corporate reputation or image is defined as the perception of an organization that customers' hold in their memories. Brown and Dacin (1997)⁹ claim corporate image derives from customers' perceptions of capability and social responsibility. Corporate capability refers to the company's expertise in delivering product and service offerings, such as effective innovation and high service quality, while corporate social responsibility refers to the company's management of social issues. Corporate image thus impacts a customer's evaluation of service quality, satisfaction and loyalty (Andreassen and Lindestad, 1998;¹⁰Zins, 2001¹¹).

Ability of a retailer and consumer to organize and recall a brand is known as brand awareness (Aaker, 1996).¹² Brand knowledge is conceptualized in terms of two components, brand awareness and brand image (Aaker, 1996). Brand awareness is the first and prerequisite dimension of the entire brand knowledge system in the consumers' minds, reflecting their ability to identify the brand under different conditions: the likelihood that a brand name will come to mind and the ease with which it does so (Keller, 1993)¹³. Brand awareness can be bifurcated into **brand recognition** (consumers' ability to confirm prior exposure to the brand when given the brand as cue) and **brand recall** (consumers' ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other cues).

As we know that services are complex activities or group of activities, so quality of services will definitely be of complex nature. Service quality is more difficult to measure as compared to measurement of quality of goods (Parasuraman, Berry, and Zeithaml, 1985).¹⁴ Quality has been defined differently by various authors. Some prominent definitions include 'conformance to requirements' (Crosby, 1990)¹⁵. It is the perception which results from comparison of expectations of customers and performance of service in actual part (Parasuraman, Zeithaml, and Berry, 1985)¹⁶. Expected service quality is the overall expectation of the consumer regarding the service before consumption.

Attitudinal loyalty focuses on the cognitive basis of loyalty and isolates purchases driven by a strong attitude from purchases due to situational constraints. Attitudinally loyal customers are committed to a brand or

⁵ Press Release No-13/2014, Telecom Regulatory Authority of India, New Delhi-2014, Available in- <http://www.trai.gov.in>

⁶ Patna District: Census 2011 data. Retrieved from- <http://www.census2011.co.in/census/district/82-patna.html>

⁷ Press Release No. 18/2015, Telecom Regulatory Authority of India. New Delhi, 12th March, 2015. Available in- <http://www.trai.gov.in/WriteReadData/WhatsNew/Documents/PR-TSD-March,%2015.pdf>

⁸ Young-Ei, Kim. & Jung-Wan Lee (2010). Relationship and customer image in mobile communication markets. *Africa Journal of Business Management* Vol. 4(18), pp. 4035-4041. Available online at <http://www.academicjournals.org/AJBM>

⁹ Brown J, Dacin, P. (1997). The company and the product: corporate associations and consumer product responses. *J. Mark.*, 61: 68–84.

¹⁰Andreassen, T.W., Lindestad, B. (1998). Customer loyalty and complex services: the impact of corporate image on quality, customer satisfaction and loyalty for customers with varying degrees of service expertise. *Int. J. Serv. Ind. Manage.*, 9(1): 7–23.

¹¹Zins, A.H. (2001). Relative attitudes and commitment in customer loyalty models: some experiences in the commercial airline industry. *Int. J. Serv. Ind. Manage.*, 12(3): 269–294.

¹²Aaker, D. A. (1996). Measuring brand equity across products and markets. *California Management Review*, 38(3), 102-20. Available on- <http://www.journal-archieves13.webs.com/833-839.pdf>

¹³ Keller, K. L. (1993). Conceptualizing, measuring, and managing customer-based brand equity. *Journal of Marketing*, 57, 1-22.

¹⁴Parasuraman, A., Zeithaml, V., Berry, L. (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49 (4), 41 – 50.

¹⁵Cowles, D., K. R. Evans., & L. A. Crosby. (1990). Relationship quality in services selling: An interpersonal influence perspective. *Journal of Marketing*, 54(1), 68-81.

¹⁶Valari, A. Zeithaml, & Leonard, L. Berry (1985). A conceptual model of service quality and its implications for future research. *Journal of Marketing*, 49 (Fall), 41-50.

company and they make repeat purchases based on a strong internal disposition (Day, 1961)¹⁷. Attitudinal loyalty is also viewed as the extent of the customer's psychological attachments and attitudinal advocacy towards the organization (Rauyruen and Miller, 2007)¹⁸. Accordingly, attitudinal loyalty encompasses positive word of mouth intentions, willingness to recommend to others and encouraging others to use the products and services of a company (Zeithaml et al., 1996).

Objectives of the study:

- ✓ To measure the impact of corporate reputation, brand awareness and expected service quality on consumer attitudinal loyalty in telecommunication services in Patna.
- ✓ Propose opportunities for both telecomm service providers and researchers to uncover unseen facts, thereby improving the ability to enhance consumer base and add to the knowledge base of complex consumer behavior in telecommunication services in Patna.
- ✓ To provide new perspectives in areas of improvements in services.

II. METHODOLOGY

For fixing the research method 'Research Onion' has been referred. 'Research Onion' suggests there could be three broad possible approaches, like; Mono method, Mixed Method and Multy Method (Saunders *et al.*, 2007)¹⁹. A mixed method has been applied for this study. The design adopted is descriptive in nature. In order to collect data, a questionnaire based on a 5-point Likert scale has been used. Data have been collected from 100 samples (Both wireless & Landline service users) selected on the basis of convenience from various areas of the city of Patna. Initially 150 questionnaires were distributed, in total survey yielded 120 responses. Of the 120 responses 20 were considered unusable due to relatively high amount of missing values, while 100 were complete and used for data analysis. Cronbach's Alpha has been calculated to check the reliability of the scales. A Multiple Regression method has been applied to measure how the factors Corporate reputation, Brand Awareness and Service Quality are responsible for creating Consumer Attitudinal Loyalty.

Hypothesis of the Study:

Hypothesis 1: There is no significant relationship between the *Corporate Reputation* of telecommunication service provider and the *Consumer Attitudinal Loyalty*.

Hypothesis 2: There is no significant relationship between the *Brand Awareness* of telecommunication service provider and the *Consumer Attitudinal Loyalty*.

Hypothesis 3: There is no significant relationship between the *Expected Service Quality* of telecommunication service provider and the *Consumer Attitudinal Loyalty*.

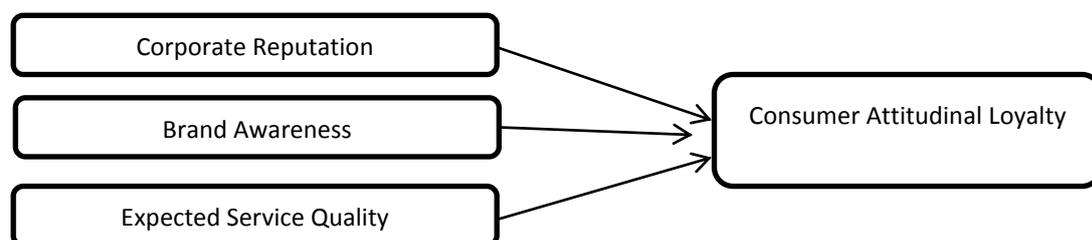


Figure: Hypothesized relation between variables (Conceptual Model)

III. DATA ANALYSIS AND DISCUSSION

¹⁷ Day, G.S. (1969) A two-dimensional concept of brand loyalty. *J AdvertRes*, 9(3), 29-35.

¹⁸ Rauyruen, P., Miller, K.E., (2007). Relationship quality as a predictor of B2B customer loyalty. *J Bus Res*, 60(1), 21-31.

¹⁹ Saunders et al. (2009). Cited in Hinkelmann, Knut & Witschel, Friedrich, Hans. Meta Science. Extracted From-
http://knut.hinkelmann.ch/lectures/project2013/p1_5_how-to-choose-a-research-methodology.pdf

Descriptive Statistics:

Gender		Frequency	Percent
Valid	male	53	53.0
	female	47	47.0
	Total	100	100.0

Age		Frequency	Percent
Valid	less than 20 years old	17	17.0
	20-40 years old	76	76.0
	40-60 years old	7	7.0
	Total	100	100.0

Duration of Service Consumption		Frequency	Percent
Valid	more than 1 year	9	9.0
	more than 2 years	42	42.0
	more than 5 years	39	39.0
	more than 10 years	10	10.0
	Total	100	100.0

Construct Reliability:

The cronbach's alphas value calculated is .729. In general alpha value 0.60 is acceptable. The alpha value .729 indicates scale is reliable.

Hypotheses Testing:

Method used: Multiple Regressions

TABLE- Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.569 ^a	.324	.303	.79807

a. Predictors: (Constant), PERCEIVED SERVICE QUALITY, CORPORATE REPUTATION, BRAND AWARENESS

b. Dependent Variable: CONSUMER ATTITUDINAL LOYALTY

TABLE -ANOVA ^s					
Model	Sum of Squares	Df	Mean Square	F	Sig.

1	Regression	29.278	3	9.759	15.322	.000 ^a
	Residual	61.144	96	.637		
	Total	90.422	99			

TABLE – Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.286	.282		1.015	.312
	CORPORATE IMAGE	.087	.160	.062	.545	.587
	BRAND AWARENESS	.153	.147	.121	1.039	.302
	SERVICE QUALITY	.682	.199	.436	3.425	.001

a. Dependent Variable: CONSUMER ATTITUDINAL LOYALTY

Above tables shows the result of multiple regression analysis. In model the value of R is .569. This value indicates that there is a moderate high correlation among all the independent variables and dependent variables.

The value of F is 15.322. This value is greater than tabulated value from F Table (8.5494 according to F df 3, 96 at 0.05 percent significance level). This value indicates that the model developed can be considered as good.

From the table of coefficient value of corporate image is .545 which is less than tabulated value (1.9842), so hypothesis 1 is accepted (supported). Brand awareness has t value 1.039 which is smaller than tabulated value (1.9842), so hypothesis 2 is accepted (supported). Expected service quality has t value 3.425 which is greater than tabulated value (1.9842), so, hypothesis 3 is rejected (not supported).

Discussion:

The above analysis reveals the fact there is no significant relationship between the Corporate Reputation and Consumer Attitudinal Loyalty. It has also been found that there is no significant relation between the Brand Awareness and Consumer Attitudinal Loyalty. These findings contradict some of the earlier research works, which reveals the fact that, these two factors can be considered as the determinants of consumer loyalty. The study also reveals that Expected Service Quality has a significant relationship with Consumer Attitudinal Loyalty. So, it can be concluded that, Perceived Service Quality is a strong antecedents for establishing customer loyalty in telecommunications service markets. On the basis of empirical research, the above findings can be generalized.

IV. CONCLUSION

This study endeavored to help marketing practitioners better understand the key drivers that create and maintain customer loyalty in a highly competitive market. The results reinforced some of the previous research findings. It suggests that Perceived Service Quality plays a crucial role for creating consumer attitudinal loyalty. Marketing managers should consider the roles of effective service quality in creating such loyalty among the consumers. Key to profitability in telecom sector is customer loyalty. As service quality has an impact on loyalty, telecom management needs to emphasize on effective HR policies, better physical evidences, better signal quality etc. on a continuous basis and in innovative ways to retain their satisfied consumers for longer period of time.

This study contributes to the Perceived Service Quality and Customer Attitudinal Loyalty literature. Since most prior research in Consumer Loyalty has been conducted in the consumer sector, a primary contribution of this study was to provide in-depth understanding of attitudinal loyalty in the telecommunication services sector.

Limitations:

Several issues, linked with the limitations intrinsic in the current study, require additional research considerations. The sample was collected from a small group of consumers only. The findings of the research partly contradict some of the prior research works. Therefore, future research can be extended to diversified samples in order to ensure this model's full applicability to other settings. There is enough scope to add other decision-making variables to enrich the empirical findings of this study.

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