FACTORS AFFECTING BRAND LOYALTY AMONG MALAYSIAN CONSUMERS IN THEIR CHOICE OF MOBILE PHONE BRANDS

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ABSTRACT

Brand loyalty is the means with which consumers express their affective connection with a brand; a key factor in brand selection. Brand loyalty has been described by Keller (2003) as 'brand resonance', which refers to the relationship between the brand and its customers and the extent to which the customer feels they are aligned with the brand. Customers, with true brand resonance, have a high degree of loyalty, actively seek means to interact with the brand and share their experience with others or even recommend the brand to others. In other words, brand recognition and loyalty ultimately depends upon consumer brand resonance. A review of the extant literature reveals there are many factors affecting brand loyalty (Lau et al, 2006). These factors include brand name (e.g. Aaker, 1991; Aaker and Joachimsthaler, 2000; Keller, 2003), brand design (Lindstrom, 1992; Roth and Romeo, 2005; Vincent, 2005) perceived quality (e.g., Boulding et al, 1993; Fornell, 1992; Yoo and Donthu, 2000), price (e.g., Keller, 1993; Teas and Argawal, 2000) and promotion (Czerniawski and Maloney, 1999; Gupta, 1993).

Due to the expansion of the mobile phone market through competition, cheaper handset prices, cheaper calling and messaging rates, the smart phone penetration rate in Malaysia reached 128.7 percent in the first quarter of 2012 (Digital Malaysia, 2012). In this competitively intense environment mobile phone manufacturers are keenly interested in where they should focus their resources in building brand resonance. This study proposes and tests a five-factor model that explains the variations in the choice of mobile phone brands among Malaysian consumers. The findings provide evidence that brand loyalty towards the purchase of a mobile hand set is significantly associated with brand name and perceived quality, whereas other factors like brand design, price and promotion were found to be statistically insignificant predictors in influencing brand loyalty. It is concluded that the results of the present study are consistent with the studies of Lau et al. (2006) and Wong and Sidek (2008), where two factors have emerged as the most significant factors that positively influenced brand loyalty which are brand name and perceived quality. This is despite each of these apriori studies being in the vastly different industry contexts of sportswear. It had been expected that the highly tangible, and relatively less complicated nature of sports apparel, would have engendered a different result. Our study makes a contribution to the literature in two of ways. First, by understanding the antecedent factors that influence brand loyalty among Malaysian consumers mobile handset manufacturers are better able to develop an offering suited to the demands of the market. Second, the findings of the study indicate that marketing managers should concentrate their efforts on building brand loyalty which will contribute positively to a firm's brand equity, gain higher market share, new customers, supporting brand extensions, reducing marketing costs and strengthen the brand position among competing brands.

One limitation of this study is that the respondents were drawn from a sample of Malaysian consumers based in Kuala Lumpur. Respondents from rural areas of Malaysia with lower incomes and less choice of retailers from which to purchase mobile phones, may exhibit different attitudes towards brand name and brand loyalty. Further, other brand related factors such as brand reputation and brand trust were not considered in this research and could be included as brand loyalty measures in future studies.

References available upon request