

THE IMPACT OF SERVICE QUALITY AND BRAND AWARENESS ON BRAND LOYALTY: (A STUDY OF TELECOMMUNICATION COMPANIES IN NIGERIA)

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Abstract: The study investigate the impact of service quality and brand awareness on brand loyalty. The participants of the survey were 400 mobile telecommunication subscribers from the fourteen local government areas of Zamfara state derived using Taro Yamane sample size formula. Regression analysis was the statistical tools used to test for the two hypotheses using version 22 SPSS. The findings suggested that that there exist significant positive influence between brand awareness and brand loyalty, service quality and brand loyalty. The present research provides resourceful and clear findings for telecommunication companies which can be harnessed in their effort to create and implement successful customer loyalty strategies. Future research can also look into other sub-variables under brand awareness like traditional advertisement, non-traditional advertising, sales promotion, leveraging on the web, sponsoring local and social events and their ratio of relative significance on brand loyalty.

Keywords: Brand Awareness, Brand Loyalty, Service Quality.

1. INTRODUCTION

Brand awareness means the ability of a consumer to recognize and recall a brand in different situations (Aaker,1996). Brand awareness is an important indicator of consumers' knowledge about a brand, the strength of a brand's presence in the consumers' minds and how easily that knowledge can be retrieved from memory (O'Guinn, Allen and Semenik 2009). Brand loyalty can be conceptualized as the final dimension of consumer brand resonance symbolizing the consumer's ultimate relationship and level of identification with a brand (Keller, 2008).

According to Jacoby and Kyner (1971) brand loyalty is the biased (nonrandom) behavioural response (purchase) expressed over time by some decision-making unit with respect to one or more alternative brands out of a set of such brands and is a function of psychological(decision-making, evaluative) process. The definition is expressed by a set of six necessary and collectively sufficient conditions.

Over the past four decades brand loyalty has been recognized as a focal point of marketing literatures and for practitioners. It is considered as a contributor to build and maintain brand equity (Aaker, 1991). As brands gain exclusive, positive, and prominent meaning in the minds of a large number of consumers, they become irresistible and irreplaceable, and win the loyalty of the consumers (Erdogmus and Cicek, 2012) Brand loyalty, in return, brings sales revenues, market

share, profitability to the firms, and help them grow or at least maintain themselves in the marketplace (Keller, 2008; Aaker, 1991, Kapferer, 1997).

The present-day marketplace is flooded with a wide variety of product brands. Consequently, synchronizing with this inundated of diverse brands in the market has become lurid for the simple consumer (Suresh, Monahan & Naresh 2012). Today's, organizations aim is not only sell their products or services, but also make relationship to customers that lead to customer loyalty in happen during the process that consist introduce products to customer, knowing it, and then selecting it. If there process was customers, knowing it, and then selecting it. If this process was passed successfully, customer will be loyal to brands (Tajzade et al, 2009; Doostar et al, 2013). Tandoh (2015) mentioned that the increasing of consumer awareness has made consumers choose to buy their acquainted and favorable brand. Therefore, if businesses want to overcome their competitors, they have to make consumers adore to purchasing their products and brands.

Representing one of the most important factors believed to explain consumer brand choices, it is no surprise that the concept of brand loyalty has aroused an enormous interest among academics as well as practitioners within the field of marketing and consumer behaviour (Jensen and Hansen, 2006)

Zeithaml (1988) defined service quality as the judgment of customers about the overall superiority of a product or service. Service quality is determined by consumers themselves, and occurs when an organization provides services that meet the needs of consumers (Metters et al. 2004).

The telecommunication sector in Nigeria has become very competitive since the recent deregulation by the Obasanjo's regime over twelve years ago. The sector attracts considerable foreign investment due to the influx of both local and foreign investors into the market. Customers switch from one telecom service provider to another looking for service brands that will meet their expectations. These problems are likely to render some telecom outfit non-competitive in the short run and a possible liquidation in the long run. There is therefore, the need to consider brand awareness and quality service as very important in planning a business strategy for creating customer loyalty. The research work will create the awareness to the four major telecom service providers (MTN, Globacom, Airtel and Etisalat) in Nigeria to embark on brand loyalty driven activities.

These hypothesis are formulated and tested:

H₀₁ There is no significant relationship between brand awareness and brand loyalty

H₀₂ There is no significant relationship between quality service and brand loyalty.

2. CONCEPT OF BRAND AWARENESS

Malik, Ghafoor, Iqbal and Shahbaz (2013) brand awareness is the probability that, consumers are familiar about the availability and accessibility of a company's product and service. It is consumers' ability to identify the brand under different conditions, as reflected by their brand recognition or recall performance (Kotler and Keller, 2012). Moisescu (2000) describe that Brand awareness can be depicted 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). Brand awareness is very important because if there will be no brand awareness no communication and no transaction will be occur (Percy, 1987). Some of the consumers can make rule to purchase only those brand which are famous in the market (Keller, 1993).

There are two main types of brand awareness, namely 'aided awareness' and 'top of the mind awareness' (Farris et al. 2010). Aided awareness occurs when a consumer is provided with a list of brand names and they recognize the brand from the given set whereas 'top of the mind awareness' occurs when the name of the brand is automatically recollected because the consumer very promptly associates the brand with the product category (Keller 2008). Koniewski (2012) asserted that Brand awareness is a measure of the effectiveness of a company's marketing activity and, that the strength of the consumer's emotional link with the brand is better reflected by the brand named first, than by spontaneous recall. He referred to spontaneous recall as the brands named by the consumer himself/herself. These are the ones from among which the consumer chooses, when buying the product of a given category. Spontaneous brand recall thus defines the consumer's selection range. To Neumeier (2006) brand recall means, when consumers see a product category, they can recall a brand name exactly and, brand recognition means consumers has ability to identify a brand when there is a brand

cue. That is, consumers can tell a brand correctly if they ever saw or heard it. Tangible attributes of branding, such as a brand name, logo, symbol, icon, and metaphor, facilitate consumers' awareness of a brand. Moreover, advertising and positive word-of-mouth regarding a brand may enhance brand awareness, which plays an important role in consumer decision-making (Aaker, 1996, 2007; Pitta & Katsanis, 1995; Tandoh, 2015)

3. THE CONCEPT OF SERVICE QUALITY

Service quality is not an easy task to quantify and being evaluated, because it is not a product to quantify but it is customer's evaluation and subjective perception about something (Sabir et al., 2013). Service quality is a unique feature of a product and image, that it put the product at a better competitive advantage ahead of other close substitute and competitors products. It encourages customers to good mouth the product to others which according to Gundersen (1996) service quality leads to higher profitability. Ennew and Binks (1999) also argued that service quality can be used to differentiate between two service provider's services and, to win strategic competitive advantage. The service quality delivered is a key determinant of overall satisfaction, which in turn leads to customer retention and loyalty. Parasuraman et al. (1991) believe that consumers' perception of service quality has a positive influence on their willingness to recommend the company to others, and that willingness to recommend is an important indicator of customer loyalty.

In 1990 Zeithamlet, al. presented the five dimensional SERVQUAL scale to measure the service quality. These dimensions are: responsiveness, reliability, assurance, tangibility and empathy. These constructs have higher correlation with each other (Saleem, 2014). According to Grönroos (1984) the quality experienced by a customer is based on two dimensions (a technical and a functional dimension), moderated by the company image. The functional dimension takes into account the way a service is provided (e.g., courtesy, attention, promptness, professionalism). The technical dimension refers to the result of the service as such (e.g., a life insurance policy). Rust and Oliver (1994) add a third dimension to Grönroos' proposition, taking into account the environment where the service is provided

4. CONCEPT OF BRAND LOYALTY

Aaker (1991) defines brand loyalty as symbolizes a constructive mind set toward brand that leading to constant purchasing of the brand over time. Brand loyalty is a measure of the extent to which consumers are loyal to a particular brand over a period of time, which emphasizes a consistent repurchase of the same brand (Sheth & Mittal 2004). Simply put, Brand loyalty result in a particular customer developing a psychological and emotional attachment, dependence, passion and affinity to a particular product leading to frequent repurchase even when other competing products are not out of sight. Loyal customers are repeat customers who choose a company's brand without even considering other alternatives. (Latif et al, 2014) They buy more and regularly and also they frequently recommend as well as advice about a brand to others (Mantemach, 2010)

Oliver (1999) also describe loyalty as a deeply held commitment to re-buy or repatronize a preferred product or service consistently in the future, causing repetitive same brand or same brand-set purchasing, despite situational influences or marketing efforts. brand loyalty is constructed over time through a collection of positive experiences that requires continuous effort and concentration to detail.

There are two types of loyal customers. The behavioral and the emotional, the behavioral customers will become loyal with brand but not emotional however the emotional customers will also be emotional with the particular brand in which they interested (Jones et al, 1995; Malik et al, 2013).

Empirical Studies

Agyei et al (2013) examined the relationship between service quality and customer loyalty in the Kenyan mobile telecommunication service industry. The SERVQUAL model was adopted in the study. 320 Kenyatta University students drawn from five of its campuses were selected for the population of the study using multi-stage stratified sampling technique. Pearson product-moment correlation coefficient and regression analyses were the parametric statistical tools used to test the association and effect in the study. A significant relationship was found between service quality and customer loyalty.

Recent study conducted by Waseem (2016) the study investigated the impact of service quality on brand loyalty of the Smartphones users in District Vehari, Punjab, Pakistan. Participants of research study were the students of higher education institutes in District Vehari, Punjab, Pakistan who were served questionnaire for data collection. For the explanation of this research study, independent variable is the four dimensions of customer service quality such as Value-added-services, Mobile devices, Price, Customer services and dependent variable brand loyalty. He used both explanatory and descriptive approach on the study. Non-probability technique such as convenience sampling is used for sample A series of statistical techniques i.e. frequency distribution, reliability, validity, regression and correlation are conducted to test the hypotheses. The findings showed that service quality dimensions as a whole on brand loyalty are significant.

Tandoh (2015) investigated the impact of brand awareness on brand loyalty of Sinapi Aba Savings and Loans Ghana Limited. Data was drawn from both primary and secondary sources and the main instrument for data collection was the questionnaire and interview involving 301 respondents sampled from the customers of Sinapi Aba Savings and Loans Ghana Limited across Ghana and a brand manager of Sinapi Aba Savings and loans Limited. The finding from the research showed that, the brand awareness strategy that customers were mostly aware of was the traditional advertising. The findings concluded that brand awareness has significant impact on brand loyalty.

5. RESEARCH METHODOLOGY

The research design used for this work was the survey research design. In this research work, primary method was used for the collection of data. Also, the use of survey research design is due to the fact that the data are point in time. The population of this study comprised of all the subscribers in the 36 states plus Abuja the nation's capital which, according to the last population census of 2006 is 140,000,000 million people. And the sample size was reduced using the computation below. The sample size of this study was derive using Taro Yamane formula to estimate it.

$$n = \frac{N}{1 + N(e)^2}$$

n= Sample size

N=Population size

e= sample error (assuming 5%)

l= constant.

$$n = \frac{140000000}{1 + 140000000(0.05)^2}$$

$$= \frac{140000000}{1 + 140000000(0.0025)}$$

$$= \frac{140,000,000}{1 + 350,000}$$

$$= \frac{140000000}{350001}$$

$$= 399.99 \text{ or } 400$$

A questionnaire was designed to collect data from subscribers in Zamfara state in the Northwest Geopolitical Zone of Nigeria. The questionnaire was distributed among the 14 local government areas in the state, based on the telecoms service coverage. A five point likert scale was also designed and 400 copies of questionnaire was distributed and, the researchers added additional 50 copies of questionnaire to indicates a successful return of 400 copies of questionnaire that was used in the analysis. Ordinary least-square regression model was adopted using SPSS Version 22. The simple linear regression models are stated below:

$$BL = \beta_0 + \beta_1 BA + \mu \dots \dots \dots \text{equ. (1)}$$

Where BA= Brand Awareness, CL= Brand Loyalty, μ = Error term capturing, other explanatory variables not explicitly included in the model. β_0 = Constant Parameter

$$BL = \beta_0 + \beta_1 SQ + \mu \dots \dots \dots \text{equ. (2)}$$

Where SQ= Service Quality, CL= Brand Loyalty, μ = Error term capturing, other explanatory variables not explicitly included in the model. β_0 = Constant Parameter

6. DATA ANALYSES

SPSS RESULT FOR $BL = \beta_0 + \beta_1 BA + \mu$equ. (1)

Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.590 ^a	.348	.346		1.012

a. Predictors: (Constant), BRAND AWARENESS

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	217.209	1	217.209	212.015	.000 ^b
	Residual	407.751	398	1.024		
	Total	624.960	399			

a. Dependent Variable: Brand Loyalty

b. Predictors: (Constant), BRAND AWARENESS

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.709	.118		14.496	.000
	BRAND AWARENESS	.553	.038	.590	14.561	.000

a. Dependent Variable: Brand Loyalty

As shown above, the model fit the data, the coefficient of determination adjusted R^2 , which measured the proportion of changes in the dependent variable that is explained jointly by the independent variable, was 0.346 and the remaining 0.654 is explained by other factors outside the model. This implied that a unit change in the independent variable (Brand Awareness) could bring about 34.6% changes in the dependent variable (Brand loyalty) or This suggests that brand awareness can explain 34.6% of consumer loyalty variation. This therefore reinforces the fact that the model is of good fit. The model is adequate since the F-statistics (212.015) is significant at 1%. This means that the coefficient of the explanatory variable is statistically significant. The result of the regression model simply show brand awareness encourages customer to patronize particular telecommunication product consequently brand awareness has significant influence on brand loyalty.

SPSS RESULT FOR $BL = \beta_0 + \beta_1 SQ + \mu$equ. (3)

Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.794 ^a	.631	.630		.761

a. Predictors: (Constant), SERVICE QUALITY

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	394.439	1	394.439	681.009	.000 ^b
	Residual	230.521	398	.579		
	Total	624.960	399			

a. Dependent Variable: Brand Loyalty

b. Predictors: (Constant), SERVICE QUALITY

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.799	.102		7.851	.000
SERVICE QUALITY	.813	.031	.794	26.096	.000

a. Dependent Variable: Brand Loyalty

As shown above, the model fit the data well and the explanatory power was relatively high and significant. The coefficient of determination adjusted R^2 , which measured the proportion of changes in the dependent variable that is explained jointly by the independent variable, was 0.63 and the remaining 0.37 is explained by other factors outside the model. This implied that a unit change in the independent variable (Service Quality) could bring about 63% changes in the dependent variable (Brand loyalty) or This suggests that service quality can explain 63% of the brand loyalty variation This therefore reinforces the fact that the model is of good fit. The model is adequate since the F-statistics (681.009) is also significant at 1%. This means that the coefficient of the explanatory variable is statistically significant. The result of the regression model explains that Service Quality encourages customer to repurchase a particular product of a telecom service provider frequently thus service quality has significant influence on brand loyalty.

7. DISCUSSION OF FINDINGS

The findings from the analyses above endorse the impact of brand awareness on brand loyalty among the subscribers of mobile telecommunication service in Zamfara state. This is also in tandem with the findings of Dhurup et al (2014), Tandon (2015), and Firnd et al. (2015) on the impact of brand awareness on customer loyalty. The finding also collaborate with study of Sabir et al (2013), on the positive significant influence of service quality on brand loyalty but disagree with the study of Chao et al (2015) which concluded that there is no significant positive relationship between service quality and customer loyalty. Instead, this relationship is mediated by customer satisfaction. Similar view is partially supported by Saleem et al. (2014).

8. CONCLUSION AND RECOMMENDATION

This study conclude that brand awareness and service quality have significant positive influence on brand loyalty among mobile telecommunication subscribers in Zamfara state. The study therefore recommend that, mobile telecommunication companies if loyalty must be ensured, fixing their nationwide epileptic service is not an option because high service quality will boost customer satisfaction, eventually resulting in brand loyalty.

Likewise, the in the face of fierce competition, most customer prefer to purchase brands that they are familiar with. Therefore, telecommunication companies but employ various awareness campaign to induce prospective customers to attempt first trial and eventually loyalty.

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