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Key Determinants of Smart Phone Brand Loyalty

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Abstract

Brand loyalty is one of the main facet to the triumph or downfall for smart phone organization. Consumer behavior have changed over the years due to the technological advancements of smart phone. There is a high competition between the brands of the smart phone manufacturers, so it is necessary to develop customer trust in order to increase brand loyalty. This research is an exploratory study of factors influencing smart phone brand loyalty of Generation Y in Malacca. This research studies the effect of different independent variables (brand image, perceived brand quality, brand experience, customer satisfaction and switching cost) that determines brand loyalty. A survey questionnaire is used as the primary data collection method, using the Likert scale measurement, and the sample size is 250. This study concludes that customer satisfaction and switching cost are significant factors that influence smart phone brand loyalty of Generation Y in Malacca.

Keywords: Smart phone; Generation Y; Brand loyalty; Perceived quality; Brand image; Brand switching cost; Customer satisfaction; Malacca.

1. Introduction

Compared to the year 2015, smartphone sales in Malaysia, in general, had decreased by 5.9% in 2016 (IDC, 2016). There is an observable trend of low brand loyalty among Generation Y aged between 24-32 years old, who accounts for 40 percent of total Malaysia's population (IDC, 2016).

Smartphone industry in Malaysia has been facing stiff competition from local and international manufacturers (Mathew and Thomas, 2018). The increase in individual smart phone ownership among Generation Y alone is insufficient to assist the manufacturer in gaining large market share (Li *et al.*, 2010). The increase in smart phone ownership needs to be complimented with high brand loyalty, which is the key success factor for smart phone businesses (Li *et al.*, 2010). Market share of a smart phone manufacturer could be easily expanded when manufacturers are able to understand the needs of Generation Y and take corresponding actions to enhance the brand loyalty (Mathew and Thomas, 2018). Since most Generation Y smartphone users are not loyal to one particular brand and they switch their smart phones to suit their preferences or currents trends (Mathew and Thomas, 2018), dominance in smartphone industry is temporary due to the short life cycle of smartphones as well as the rapid technological growth. Rapid emerging of disruptive smart phone functions have caused a stir to the established smartphone players, made them struggle to maintain competitiveness (Li *et al.*, 2010). Low customer brand loyalty among Generation Y has tremendously increased the marketing and operational costs and significantly lowered the profit per customer (Nezakati *et al.*, 2013).

Previous literature investigated critical success factors of smartphone diffusion from the perspectives of the market and the ecosystem (Nezakati *et al.*, 2013), benefits of smartphone use and perceived risks among non-adopters (Pansari and Kumar, 2017). Despite the fact that Generation Y, lead the world of smartphone ownership with 85% of them own smartphones (Nielsen, 2014), very few study in Malaysia, has been conducted to enhance the smartphone ownership of this niche group. Considering this significant gap in previous research, the purpose of this study, therefore, is to investigate the key determinants of customer loyalty of smartphones among Malaysian users.

This research will assist the smartphone industry to reduce customer churn and create promising competitive advantage. This study will help smartphone practitioners in determining effective means to lower the perceived switching costs of a smartphone service in combination with increasing the benefit of using that service. This study will also assist in enhancing the level of involvement in the marketing relationship enhancement between consumers and operators, which will certainly improve customer loyalty. As the smartphone operator's role is shifting from full service provider to merely an app-store provider, this study is important in enhancing customer relationship and

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loyalty. To maintain competitiveness in the market, customers' preferences, requirements or thoughts should be always be put at the top priority.

This research will equip mobile marketers with better understandings with regards to young consumers and how to adapt and benefit from their intentions. This study will also provide guidelines for smart phone companies to develop the suitable strategies in order to retain their current customers as well as attracting new ones.

2. Literature Review

2.1. Brand Loyalty

Oliver (1999) defines brand loyalty as being deeply committed to rebuy or repatronize a preferred product consistently in the future despite situational influences.

According to Sirdeshmukh et al. (2018), consumer's that are faithful to a particular brand tends to pay the same or even more money for the products which are similar in function or manner and often speaks highly of its value. Further, faithful consumers always believe that their choice is often superior that others.

Consumer's whom are loyal to a certain brand does not attempt or evaluate any attribute with regards to the alternative brand name but solely rely on the familiar brand that they have recently purchased and they are always content and show positive feelings towards their preferences (Pansari and Kumar, 2017).

Given that the cost of customer retention is lower than that of customer acquisition (Reichheld, 2001), retaining current customers may be key to ensuring business success. The role of frontline employees is critical in developing a basis for customer loyalty (Frow, 2002). The interactions between customers and frontline employees can lead to the customer being, or not, loyal to the brand (Conley, 2017). A high level of customer trust in a service employee can result in a customer's favorable attitude towards a firm, and can lead to the customer's patronage of the firm (Conley, 2017).

2.2. Brand Image

According to Keller (1993) and Lee et al. (2011) brand image is the sensitivity of the customer which are reflected by the diverse relations that they have in their thoughts concerning a particular brand. Brand image is produced by a brand links the perception within the experience of the customer.

Coulter and Zaltman (1994) had emphasized that brand image is one of the important factor for firms to market their goods and services to maximize profit. Brand image plays a major role of proper judgment and evaluating process of a particular product or service, hence influencing brand loyalty. Rahim et al. (2017) defined that brand image as the apparent function and figurative alliance in the mind of customers. When a customer has a strong belief about their particular brand he or she will become profoundly entrenched to the brand image in their thoughts (Lee et al., 2011). As a result, they may straightforwardly spot the particular brand of their preference and will not be influenced by the offerings of other competitors in the market (Lee et al., 2011).

Kuusik (2007) concluded that brand image is one of the significant variables that boost brand loyalty towards a good or service. According to Kuusik (2007), consumer tend to be emotionally and deeply involved with certain brand, of which they feel worthy to suit their very own self-image and ultimately give them more meaning in using a particular product. Lazarevic (2012) stated that brand image is the most notable gauge to attain brand loyalty. Stokburger-Sauer et al. (2012) discovered that strong positive brand image is able to turn consumers into brand loyalists and prevent consumers from switching to other brands. Consequently, an organization that presents positive brand image would be able to convey the brand value to their valued customer which in return leading them to the strengthening of customer loyalty.

Positive brand image may stem from company's sense of uniqueness may differ from each competitors with regards to the color scheme, how it is packaged and presented, weight, exceptional designs and texture (Upamannyu and Mathur, 2013). Strong brand image directly affects the customer's understanding, confidence and information about a particular brand. Therefore, the following hypothesis is formed and tested in this study:
H1: Brand image significantly affects brand loyalty.

2.3. Perceived Brand Quality

Jing et al. (2014) deduced that perceived brand quality was the second most criteria when it comes to contributing factor or brand loyalty. Bruks et al. (2000) outlined five common attributes that are used to assess the quality of durable products or services namely ease of use, durability, serviceability, performance and lastly aesthetics. Ease of use refers to a customer's capability in activating the product or service with the assistance and instructions paired with the product or service, durability refers to the life span or how long the product or service lasts, serviceability refers to the ability of the customer to gain access and attain services from the manufactures and aesthetics refers to how well the product portrays superiority and justify its function (Bruks et al., 2000); (Raharjo, 2017).

According to Anugrah (2017) and Cole and Flynn (2009), loyalty is likely to occur when perceived quality has been decided satisfactorily. When a customer has professed the brand as high quality, he or she will extend brand loyalty towards their preferred choice.

Therefore, the following hypothesis is formed and tested in this study:
H2: Perceived brand quality significantly affects brand loyalty.

2.4. Brand Experience

Brand experience can be summed up as personal and internal responses in addition to behavioral response when a customer stumble upon the good or services. Product experience felt by the customers is an effect of physically touching or feeling the goods. Ambler *et al.* (2002) stated the brand experience is felt subsequent to the use of the product, appraising the brand awareness and loyalty which resulted from promotions and marketing activities. As highlighted by Alloza (2008), positive brand experience is formed via the optimistic discernment of the customers at each criteria after being unswervingly drawn in with during any manner of commercials and it might stay for long periods of time.

According to Shim (2012), positive brand experience strengthens the customers' constructive thoughts and sentiments in relation to the product name and logo. According to Kim and Sullivan (1998), encouraging brand experience boost customer eagerness to purchase the brand over and over and boost customer eagerness to try other products or brand extensions.

There is a strong relationship linking brand experience and brand loyalty as revealed that the positive and pleasant brand experiences lead to higher customer satisfaction and brand loyalty. meanwhile customers' strong and positive brand experience is associated with higher repurchasing of the brand.

Brand experience is a unified feeling, and behavioral reaction that is prompted by particular brand-related stimulus. A customer who have good brand experience on a product have a good mood and is more productive compared to others.

Positive brand experience has a significant link to brand loyalty and presents a fundamental role in the creation of the brand. They had also stated that brands that were able to deliver better-quality brand experience will accomplish fondness over taste from alternative brands that eventually extends brand loyalty.

Therefore, the following hypothesis is formed and tested in this study:
H3: Brand experience significantly affects brand loyalty.

2.5. Customer Satisfaction

According to Serkan and Gökhan (2005), customer satisfaction is defined as the consequence of purchase belief and post purchase understanding in relations to the paid cost. Customers' satisfaction can be high, low or even null confide on the significance of brand conjointly the cost incurred. When a customer has high satisfaction for a particular brand, their post purchase experience will contribute their high contentment level even though they are low-priced conscious. Serkan and Gökhan (2005) also mentioned that customer's satisfaction may lead to an overall satisfaction as a result of incremental experience.

Customer satisfaction relies on his or her affirmative evaluation of the consumption result with regards to their expectations as mentioned by Shukla (2004). Satisfaction is a skewed assessment based on consumption experience. Theory of disconfirmation satisfaction states that customers' assessment of a particular brand is anchored to the evaluation involving the anticipated performances with the real performance.

Gilbert and Carol (1982) wrote that customer satisfaction has been classified as the customers anticipated performance towards a product or brand. Customers may anticipate the brand satisfaction to present practical or functionality potentials.

Most of customers rate their brands' functionality based on the attributes they are accustomed to or the attributes that they want to include from the particular brand or product that they have selected (Qureshi *et al.*, 2013). Functionality as discussed by Gilbert and Carol (1982) is how the product or brand transmit their anticipated function or how they operate. However, it is highly subjective to the customers' expectations. When there is a positive customer satisfaction, it indicates that the performance exceeded the customer's expectations.

The study of customer satisfaction is important as discussed by Su and Tong (2016) as they were able to conclude that there is a noteworthy constructive relationship between consumer satisfaction and brand loyalty. This is to show that increment of repeat purchases highly dependable on the customers' satisfaction towards a brand or a product. Su and Tong (2016) also stated that product quality leads to customers' satisfaction that is imperative in building long-term relationships with the customers.

Ahmed *et al.* (2014) stated that customer satisfaction is a major contributing factor to brand loyalty as satisfied customers are likely to repeat the purchase of the same product services. According to Santouridis and Trivellas (2010), satisfied customers are likely to remain with the present company's product or brand in comparison to the dissatisfied customers.

Serkan and Gökhan (2005) stated that a brand loyal satisfied customer does not mind the high prices of the product or services that they have procured.

Therefore, the following hypothesis is formed and tested in this study:
H4: Customer satisfaction significantly affects brand loyalty.

2.6. Switching Cost

Switching cost in brief is a cost incurred by customer when they decide to switch to alternative brand. Switching cost as defined by Burnham and Mahajan (2003), consists of time and effort spent in probing information along with making comparisons among substitute brand quality in the market, value suitability, services offered, product warranty and other forms of brand offering from other brands offered by competing firms.

Ricki and Raharso (2008) and Burnham and Mahajan (2003) both defined switching costs as the time and resource spent in making economic risk assessments, learning and also setting up overheads. With reference to

Caruana (2003), he stated that switching costs depend on the competency of the customer to deduce the complexity of the brand. The more complex the brand, the more switching cost it consumes to get used to the features (Shah *et al.*, 2013).

Serkan and Gökhan (2005) concluded that the higher switching costs reduces customers sensitivity to price and increase brad loyalty. This claim was also supported by Feick and Lee (2001) which avowed that high switching cost causes less customer switching to alternative brands even though they are displeased, they would still remain with the same brand because of the lofty switching cost. Jones *et al.* (2000), states that elevated switching cost diminishes information probing for substitute brands.

From the framework which is developed below, there are five independent variables namely brand image, perceived brand quality, brand experience, customer satisfaction and switching cost; while the dependent variable is loyalty of generation Y with regards to smart phone brands. Examinations are required in order for us to understand the relationships among all the independent variables and the dependent variables

Therefore, the following hypothesis is formed and tested in this study:

H5: Switching cost significantly affects brand loyalty.

Figure-1. Research Framework
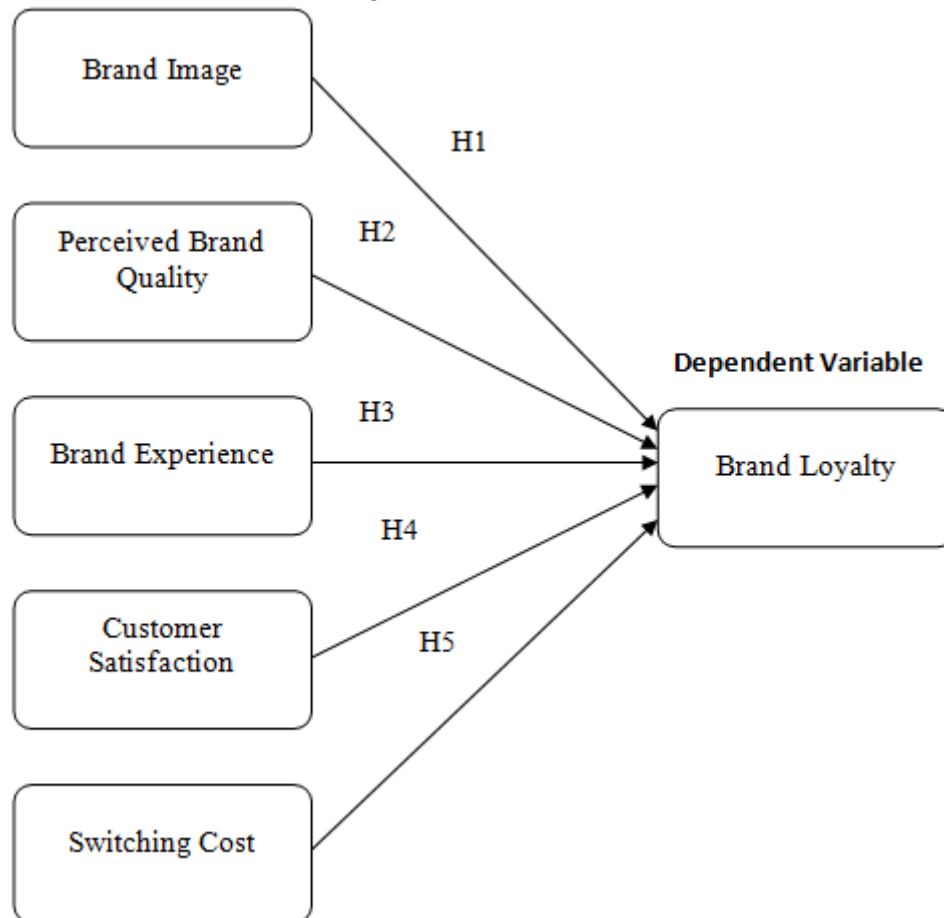
3. Research Methodology

For this study, a survey was conducted in order to understand the Generation Y smart phone brand loyalty and what factors influence consumers brand loyalty. For this study, quantitative method was applied which involved the sage of a set of well-structured questionnaire aimed to obtain responses from the targeted respondents be it their behavioral smart phone brand loyalty responses. Questionnaire is the best way to gather large number of data and enable it to be distributed and retrieved to reach large group of respondents, regardless of the geographic location or time. As mentioned by Saunders *et al.* (2000), quantitative method was chosen for this study mainly due to the fact that it is faster and has high accuracy rate. A purposive sample size of 250 smart phone users of Generation Y from Malacca were selected as respondents of this study. A total of 200 questionnaires was collected via the internet while 50 questionnaires were physically handed out to the targeted audience. This study mainly focusses on the topic of what affects brand loyalty towards smart phone. This study mainly targets generation Y users in Malacca and the questionnaire were only distributed amongst this specific group of people. The age limits is set to be 18 to 31 and above. Amongst the group of people targeted were professionals and well-educated in order to get meaningful feedbacks which is vital for this study. After the data collection process was done, SPSS software is used to conduct the analysis. SPSS is a predictive analytics software to enable accurate analysis of result for better decision making and problem solving in academic research.

4. Results

The questionnaire comprise of several parts which include demographic information and a six point Likert scale. The questionnaires were distributed to 250 respondents who uses smart phone and all their data was collected and analyzed. Table 1 shows the demographics information of the respondents. The gender distribution is broken down to 58 % of males and 42% of females in total. A majority of the respondents' age belonged to (26-30) years age group with 54.4% followed by (19-25) years age group with 32.4%, (31 and above) years group with 11.6 % whilst the least is under the age of 18 years old with 1.6% respectively.

Table-1. Demographics

	Frequency	Percent
Gender		
Male	105	42.0
Female	145	58.0
Age		
Under 18	4	1.6
19-25	81	32.4
26-30	136	54.4
31 and above	29	11.6

Table 2 shows the mean and standard deviation for brand image. Brand image is the independent variable with an overall mean score of 4.05. Among five items measuring brand image, the highest mean score is for the question "I think my smart phone is well-known and prestigious" with a mean rating of 4.50. The second highest mean score is pertaining to the question "My smart phone brand is number one among other brands in the market" with the mean score of 4.35. These result shows that respondents hope for a prestigious smart phone which is far more famous than other brands in the market. Respondents have high perceived brand quality with an overall mean rating of 4.40. The question of "I think my smart phone brand have very high reputation for high quality" had the highest mean value of 4.53 and the question "My smart phone quality is among the best in the market" has the second highest mean value of 4.49. These result shows that respondents are satisfied with the overall quality of smart phone and they believe that high quality smart phones will be highly durable and highly reputable.

With regards to brand experience, respondents are found to have positive and promising experience with their current mobile phone brand (overall mean rating = 4.31). The highest mean is yielded when the question of "I think my smart phone brand gives me pleasant experience" whereby most of the respondents felt that their smart phone brand provided them with pleasant experiences with the average mean value of 4.54. "My smart phone brand offers product with exceptional features." and "My smart phone brand increases my desire to learn new things and explore the digital world" records the second highest mean rating scores. Customer satisfaction on smart phones are high (overall mean rating of 4.50). The highest mean value is recorded when the question of "overall I am satisfied with the smart phone brand that I own" with the mean value of 4.65.

The top three consumer concerns related to the smart phones are "Switching to other smart phone brand might cause me to lose important data (overall mean rating of 4.32)", "I do not have sufficient time to get information and evaluate a new smart phone brand (overall mean rating of 3.93)", "It seems difficult and requires effort to learn and understand the features and setting of a new phone (overall mean rating of 3.95)". Most of the respondents are afraid of losing the data on their current smart phones when they were to switch to other brands because they do not have sufficient time to get enough information to understand more about the new features and settings of a new smart phone. With regards to brand loyalty, an average score of 4.55 with regards to the question "I would stay with my current smart phone brand".

Table-2. Mean and Standard Deviation

Variable	Mean	Std. Deviation
Brand Image		
I think other people judge me by the kind of smart phone I use.	3.80	1.233
I think my smart phone is well-known and prestigious.	4.50	1.076
I think my smart phone brand is a fashion statement and elegantly designed.	3.97	1.210
My smart phone brand is number one among other brands in the market.	4.35	1.223
My smart phone brand image increases my social status.	3.64	1.228
Overall Score	**4.05**	**1.194**
Perceived Brand Quality		
My smart phone quality is among the best in the market.	4.49	1.080
I think my smart phone brand have very high reputation for high quality.	4.53	1.006
My smart phone brand offers high durable products.	4.44	1.009

My smart phone is more than just a product for me.	4.36	1.130
Smart phone with lower value tend to suggest there are risks such as low quality.	4.20	1.175
Overall Score	**4.40**	**1.08**
Brand Experience		
My smart phone brand increases my desire to learn new things and explore the digital world.	4.32	1.101
My smart phone brand offers product with exceptional features.	4.34	0.958
I think my smart phone brand gives me pleasant experience.	4.54	0.887
I think my smart phone brand reflects my style and personality.	4.16	1.175
My smart phone brand stimulates my curiosity and problem solving.	4.17	1.081
Overall Score	**4.31**	**1.404**
Customer Satisfaction		
I think my smart phone is a good value for the money.	4.38	1.055
I would recommend my smart phone brand to my peers.	4.48	0.979
I am satisfied with the hardware functionality of my smart phone.	4.50	0.970
I am satisfied with the operating functionality and software of my smart phone.	4.54	0.923
Overall I am satisfied with the smart phone brand that I own.	4.65	0.902
Overall Score	**4.51**	**0.966**
Switching Cost		
Switching to other smart phone brand may affect my esteem among my peers.	3.50	1.339
Switching to other smart phone brand might affect my social status.	3.32	1.342
Switching to other smart phone brand might cause me to lose important data.	4.32	1.229
I do not have sufficient time to get information and evaluate a new smart phone brand.	3.93	1.135
It seems difficult and requires effort to learn and understand the features and setting of a new phone.	3.95	1.226
Overall Score	**3.80**	**1.254**
Brand Loyalty		
I would stay with my current smart phone brand.	4.55	1.075
I would still choose my current smart phone brand even though other brand has the same functionality as my current smart phone.	4.45	1.108
I consider myself to be loyal to my smart phone brand.	4.42	1.187
My choice of brand is the first choice among other brands in the market.	4.45	1.137
I say positive things about my smart phone brand.	4.54	1.006
Overall Score	**4.48**	**1.103**

Multiple linear regression is performed to predict the link connecting one dependent variable and a few independent variables. Brand loyalty is the dependent variable whilst brand image, perceived brand quality, brand experience, customer satisfaction and switching cost are the independent variables used in this prediction. Table 3 shows the R square value of the model. The value of the R square is .465 which indicate that the predictors account for 46.5% of the total variance on brand loyalty.

Table-3. Predictive Power of Multiple Linear Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682[a]	.465	.454	.70275

a. Predictors: (Constant), Switching Cost, Customer Satisfaction, Brand Image, Perceived Brand Quality, Brand Experience

The ANOVA table created below which test the significance of the regression model of this study has a significant value of <0.001, the model explains a significant amount of variance in the brand loyalty.

Table-4. ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	104.582	5	20.916	42.354	.000[b]
	Residual	120.500	244	.494		
	Total	225.082	249			

a. Dependent Variable: Brand Loyalty
b. Predictors: (Constant), Switching Cost, Customer Satisfaction, Brand Image, Perceived Brand Quality, Brand Experience

Table 5 shows the multiple linear regression result. From examining the regression analysis, customer satisfaction and switching cost are the most important factors to determine brand loyalty of smart phone brands whilst other independent variables i.e. brand image, perceive brand quality and brand experience do not have noteworthy influence on smart phone brand loyalty.

Table-5. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
	(Constant)	.325	.290		1.121	.263		
	Brand Image	.110	.075	.104	1.474	.142	.440	2.274
	Perceived Brand Quality	.122	.080	.111	1.526	.128	.411	2.434
	Brand Experience	.009	.083	.009	.113	.910	.384	2.605
	Customer Satisfaction	.498	.069	.434	7.181	.000	.599	1.669
	Switching Cost	.233	.064	.214	3.647	.000	.637	1.570

a. Dependent Variable: Brand Loyalty

5. Discussion

Multiple linear regression analysis provided sufficient evidence that customer satisfaction is among the factor that determines smart phone brand loyalty, which correlated to the argument of Youl and John (2010) that loyalty to the brand paired with positive attitude is unwavering by the pleased customers hence encourages repeat purchases. According to Pişgin and Ateşoğlu (2015), customer satisfaction is an important factor for customer loyalty. Contented customer will repurchase the product for the subsequent point in time will turn into loyal customers.

The findings of this study matches the result (Kotler and Armstrong, 2010), which identifies customer satisfaction as the extent to which the product superficial performance suits the customers' expectations. Performance of the smart phone of the respondents have been able to meet their expectations, concurs with (Su and Tong, 2016), which also exhibits significant positive affiliation between customer satisfaction and brand loyalty.

(Chen and Quester, 2005) proposed eight dimensions of customer satisfaction, which include customer service quality, customer service scape, customer service episodes, customer service experience, customer service equity, customer service risk avoidance, customer social-psychological interaction, and customer's consideration of service alternatives has significant positive impacts towards customer smart phone brand loyalty. As discovered by Chen-Yu et al. (1999), customer service quality corresponds to customer satisfaction instead of smart phone brand quality, which is in line with the findings of this study that the good after sale customer service is crucial in building continuing relationship with the customers.

Su and Tong (2016) emphasized that instead of solely focusing on brand designs, more attentions need to be given in establishing an overall customer service quality system that takes into consideration the pre and post consumption of a product. Not only that, retailers or resellers need to comprehend their targeted customers' prospects and relaying their results and feedbacks to the parent company for further analysis and considerations.

Switching cost is another important determinant of smart phone brand loyalty. High switching cost will enhance customer brand loyalty. Switching cost refers to the price incurred when changing from one product/service to another (Kim and Sullivan, 1998). It includes monetary, psychological, and time sacrifices that result from discontinuation (Jones et al., 2000). When switching from one smartphone manufacturer to another, customers may have to learn a new system. Some may perceive the need to learn something that they are not familiar with a hassle and not worthwhile. The more they see difficulties or troubles in learning to use new smartphones, the higher they will perceive the switching cost. In addition, as consumers move from one smartphone manufacturer to another, they have to incur monetary cost in purchasing new devices. The more expensive the new smartphones are, the higher the perceived switching cost. When the switching cost is high, customers will tend to stay loyal and remain with the current manufacturer (Jing et al., 2014); (Pişgin and Ateşoğlu, 2015). Therefore, the higher the switching cost, the higher the customer loyalty.

According to Jones et al. (2000) switching cost intermingles with satisfaction to influence brand loyalty and this relationship has been made proven by this study to seize among mobile phone customers in Malaysia.

Although Woong-Kyu and Jin-Hoon (2016) mentioned that perceived brand image and brand quality played an important role in influencing brand loyalty, the finding of this study revealed that customer satisfaction and switching cost outweighs the smart phone's brand comparative advantage. Customers are more concerned about the enjoyment of using the smart phones compared with having unique, contemporary but irrelevant mobile phone features. Leighton and Bird (2012) mentioned that over-branding may divert consumer ability to recognize and differentiate amongst the brands in the market. This would create confusion as customers' may not feel special towards the brand of their preference and tend to have a misperception that most of the smart phones today are similar in terms of their designs and dimensions with regards to alternative brands that are selling their product at cheaper prices. Moreover, consumers' perceptions of brand quality may change over time as a result of technological advancements especially in the smart phone industry.

In conclusion, smart phone manufacturers should enhance brand loyalty by adding more tailored and personalized services, as well as more attractive customer satisfaction programme in order to retain their existing customers. This would also enable them to gain market control over their competitors in the competitive telecommunication market.

5.3. Implication of the Study

The study provide insights of how consumers in Malacca particularly generation Y view brand loyalty with regards to their smart phone brands. As we all know, the smart phone industry is a fast moving industry whereby technological advancements which causes the product life cycle to dwindle and may cause the consumers to switch to alternative brands. Smart phone companies can utilize the results obtained in order to enhance customer satisfaction, increase switching cost and putting brand loyalty first amongst other attributes because it would enable them to retain their existing customers and gain more customers in the future. This study also presents useful implications to smartphone manufacturers who are in the mature market. Manufacturers should channel their creative and innovative minds into producing useful features that appeal to customer satisfactions. The ideal smartphone should provide both psychological comfort and esthetic fulfillment as well as meeting functional usability at the same time. Providing many functions do not always meet customer satisfaction. It is necessary to identify what consumers want in the use of smartphones, and crucial to concentrate on the functions that satisfy customers' underlying needs. Examples of these needs are clear interactive calls, fast and simple Internet access, and good camera for taking vivid photos. Strengthening customer support by responding to customer complaints and providing more after-sales services increases the switching costs and influences consumers' selection of a device manufacturer. Manufacturer should pursue customer segmentation strategies based on usage characteristics to effectively strengthen customer satisfaction and increase switching cost. For example, providing additional promotions to those customers who have long-term relationship or high-level of usage experience would be a proper method to increase switching cost

This study presents several implications from the theoretical perspective. First, it analyzes the effect of customer satisfaction and switching costs on customer loyalty in the Malaysian smartphone market. This study has made contribution to enhance theoretical foundations of customer loyalty in the context of smartphone in addition to other smart media such tablet PCs and smart TV. The main objective of this study was to find out the factors which influences Generation Y consumers brand loyalty whilst choosing their preferred smart phone brand. Throughout this journey, the author was able to successfully test and verified significant positive relationships between customer satisfaction and brand loyalty as well as switching cost and brand loyalty.

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