

# Chapter 2

## Review of Literature

### 2.1.Introduction

**In this chapter, an attempt has been made by the researcher to examine the literature available on the mobile phone field.**

The mobile phone industry is one of the fastest growing industries in the world. The first major renovation occurred in 2002 with accumulation of the first color screen and then they introduced multimedia mobile phone during 2004-2006. Finally, the birth of smart phone started in 2007 by Nokia (**Prlog, 2009**)<sup>15</sup>. One of the main influences of growing mobile phone industry is that **mobile has become necessary device in our everyday life**. Nowadays, mobile phone serves as a fashion item, status symbol and a channel especially for the young generation that wants to express themselves (Sultan & Rohm, 2005). **Chen (2010)** stated as customer expectation and wants are changing, mobile phone will continue to innovate and be reinvented with modern technology. The most of the cell phone consumers are young people or Generation Y, which is defined as a generation that was born between (1977-

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<sup>15</sup> PrLog: <http://www.prlog.org/10192174-global-smart-phone-market-industry-chain-report-20082009.html> Rahman, S. & Azhar, S. (2010). Xpressions of Generation Y : Perceptions of the mobile phone service industry in Pakistan, *Asia Pacific Journal of Marketing and Logistics*, 23(1), 91-107.

1995). In addition Generation Y is relevant with mobile phone industry, as **Roham & Azhar (2010)**<sup>16</sup> quoted that there are some attributes that proved mobile phone as a required device for Generation Y. These attributes include connectivity, coverage, price, availability, quality, brand name and advertisements. It is important for mobile phones companies to attract Generation Y customers with new technologies and designs, and make profit from them by earning their loyalty. However the success of mobile phone is not only because of technological characteristics but it is also related to many social dynamics and external cues such as price, brand and warranties (**Ahsan, 2011**). Branding as an important factor allows an organization to create meaning and value for their standard product and firms desire that customers become loyal to their brand (**Frow, 2002**). The branding product is an important factor to make Generation Y as a loyal customer. Branding also influence consumers buying intentions; especially for Generation Y, and building a strong brand is the goal of many organizations (**Lazarevic, 2011**). Experts believe that the desire to get branded product is important to belong to a specific group/peers (**Ferle & Chan 2008**). It means peers can be the primary socializing agent for consumption values. Moreover, most marketers have emphasized to create a brand image to obtain customers brand loyalty. Generation Y is the main target group of this research. They have large size in the market and they are important segment in the society. Most literature

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<sup>16</sup> **IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN:2319-7668, PP 12-20 www.iosrjournals.org**

attributes Generation Y as a generation that has strong independence. The other important concept is that Generation Y customers have unique attitude toward brands and they are more comfortable with brands than other generations (Evelyn, Eva & Robin, 2011). But, Lazarevic (2007) found that, it is difficult to hold Generation Y as loyal customers because they rationalize things and usually have tendency to low repeat purchases. Moreover, unlike the past generation they have been raised up in the environment where globalization and branding became a way of life. Nowadays, it is important for most of the organizations and business owners to know more about Generation Y, so they can recognize how Generation Y customers are different. It is also important to understand and know about the world where Generation Y has been growing up, as their world is very different from that of Baby Boomer and Generation X (Evelyn, Eva & Robin, 2011).

## **2.2. Brand Loyalty**

Brand loyalty is one of the major parts of successful business organizations and firms. Loyalty is the customer's trust on brand, in other words we can say it as trustworthiness and customer's satisfaction related to the brand. Here, loyalty is strong commitment to repurchase in future the same brand despite of marketing efforts by potential competitive business, due to the product's superiority. It also shows the effect of variables on brand loyalty, four variables customer satisfaction, brand credibility service quality and brand switching to maintain a relationship with brand. It is the situation which

shows that how a consumer eventually buy the products from the manufacturer in frequent way it may be same brand or alternative therefore brand loyalty can defined as repurchasing the products. Brand loyalty is a helpful for the prediction of future repurchase. If customer is satisfied with brand then he/she will buy it again and future purchase will increase because a satisfied customer will recommend others to purchase such brand compared to other rivals, because such brand is providing more satisfaction. Brand loyalty is the extent of the faithfulness of consumer to a specific brand, expressed through their repeatedly purchase, irrespective of the marketing efforts or pressure generated by the competing brand.

This literature shows an evolutionary development in the market considering the brand loyalty in mind. Firstly it was behavioral approach but now emerge as a cognitive and attitude approach. Brand loyalty is the behavioral intention of the customer toward some definite brand. Behavioral approaches operational loyalty in many ways initially by mean of real usage of the brand. This approach measures the quantity and repeated purchasing of the brand (Lin et al., 2000; Veloutosou et al., 2004). Ehrenberg (1988) find out the specific pattern build by the frequent buying or heavy purchasing assist by marketers. It also measures the quantity of usage and the other products from the same retailers (Driver, 1996; East et al., 1995). Brand loyalty can be measures with the help of these measurements. Another measurement technique is probability of repurchase. And technique used to measures the

point when customer switched to another brand (Hsiu-Yuan and Li-Wei, 2005). The researchers used these techniques to investigate the factor of brand loyalty brand knowledge is one of them (Dick et al., 1996; Wood, 2004, Felltham, 1998), ease and usage knowledge (Rowley, 2005; Lin et al., 2000), perceived value and satisfaction (Baltas, 1997; Ness et al., 2002; Wood, 2004) and the other tools to find the constructs of brand loyalty.

### **2.3.Brand switching**

As there is positive impact of brand loyalty on sustainability of brand (Howell, 2004), on the other hand, brand switching occur due to the decrease and increase in the brand loyalty and the willingness of the customer to purchase other brand is some time decrease and increase. **Ehrenberg (1988)**<sup>17</sup> brand loyalty is not committed as a valid concept hence not exists. Also supported by **Trivedi and Morgan (1996) as well as Klein (2001)**<sup>18</sup> stated many example where many loyal customers switched towards other. Motivation through Extrinsic and intrinsic factors may affect the brand switching. The major roles in intrinsic motivation are through choices and varieties (McAlister and Pessemier, 1982) or attribute satiation (Zuckermann, 1979). Also consequential behavior can also be the effect by curiosity (Sheth and Raju, 1974). If the goal of purchasing not achieved many consumers shift towards other brand (Van Trijp et al., 1996). Young adults easily switched

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<sup>17</sup> **IOSR Journal of Business and Management (IOSR-JBM) e-ISSN: 2278-487X, p-ISSN:2319-7668, PP 12-20 www.iosrjournals.org**

<sup>18</sup> **Ibid.,**

towards other brand if they have limited income (Ness et al., 2002; Dick et al., 1996). Researches trigger out many crucial factors affecting the behavior such as price, variety and packaging (Ness et al., 2002; Dick et al., 1996; Veloutosou et al., 2004) involvement (Baltas, 1997; Shukla, 2004), and dissatisfaction (Abendoth, 2001; Shukla, 2004). H2. Brand switching has an impact on brand loyalty.

**Brand loyalty** occurs when a customer chooses to repeatedly purchase a product produced by the same company instead of a substitute product produced by a competitor. For example, some people will always buy Coke at the grocery store, while other people will always purchase Pepsi.

Brand loyalty is often based upon perception. A consumer will consistently purchase the same product because she perceives it as being the superior product among the choices available. Brand loyalty usually relates to a product, not a company. For example, while you may be loyal to your Honda Accord, but when it comes to motorcycles, a Harley leaves a Honda motorcycle in the dust.

Brand loyalty is important for several reasons. First, it reduces the cost of production because the sales volume is higher. Second, companies with brand-loyal customers don't have to spend as much money on marketing the product, which will permit the company to either retain more earnings or to invest resources elsewhere. Third, companies may use premium pricing that

will increase profit margins. Finally, loyal customers tend to recommend products that they like.

Businesses have to exert significant effort to facilitate brand loyalty<sup>19</sup>. We need to convince potential customers that our product has a significant advantage over other products to justify consistent purchases of our product. Businesses also will attempt to leverage brand loyalty developed for a product to other products offered by the company. The hope is to create brand loyalty for as many products as possible.

Brand loyalty is important as it motivate the consumer that their product has the required qualities and this becomes the base for a future purchase behavior. According to **Holt (2004, p. 95)**<sup>20</sup> “brand loyalty is the consumer’s willingness to stay with a brand when competitors come knocking with offerings that would be considered equally attractive had not the consumer and brand shared a history.” Most authors and researchers have focused more on behavioral aspects of brand loyalty and less on attitudinal aspect of brand loyalty. **Dick & Basu (1994)** described behavioral loyalty, dependent on proportional purchase and purchase sequence. Behavioral loyalty does not provide a comprehensive picture of loyalty as it fails to explain switching away of customer to a competitive brand (Allan & Joel, 1996). The behavioral or attitudinal attributes of loyalty have been further strengthened by **Kabiraj**

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<sup>19</sup> <http://study.com/academy/>

<sup>20</sup> **Holt, D. (2004). How brands become icons. The principles of cultural branding. Massachusetts: Harvard Business School Press.**

**& Shanmugan (2011, p. 286)**<sup>21</sup>, who pointed out that “brand loyalty is the consumer's conscious or unconscious decision, expressed through intention or behavior, to repurchase a brand continually”. According to Thiele & Bennett (2001), the consumers show different attitude towards durable goods and consumption goods. In case of durable products a customer does not buy the product so frequently as he does so in case of consumption goods. Authors **Son K, et al. (2010, p. 131)** described brand loyalty as “a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, causing a repetitive same brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.” It is important to study brand loyalty as brand loyalty plays an important role in brand extensions as well as brand equity. **Mokhtar, et al. (2000, p. 827)** pointed out that brand loyalty plays an important role in organization’s profitability and future growth, “Loyal customers stick with their suppliers or service providers over the long run”. They also express their loyalty by giving a greater share of their wallets to their high-value brands or service providers and by generating word-of-mouth referrals. All of these behaviors will directly affect profitability. It shows that researcher recognizes, brand loyalty being dependent on both attitudinal and behavioral attributes of consumers and both elements are equally important from brand loyalty perspectives.

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<sup>21</sup> **Kabiraj, S., & Shanmugan, J. (2011). Development of a conceptual framework for brand loyalty: A Euro-Mediterranean perspective. Journal of Brand Management, 285-299.**

Brand loyalty concept becomes easy to understand by studying brand loyalty pyramid proposed by **Aaker (1991)**<sup>22</sup>, proposed brand loyalty to be one of the five elements of brand equity. (Aaker,1991) pointed out that brand loyalty is a variable having different level of strengths depending on a particular customer. Switchers are the customers, who keep on changing brands due to low switching costs. Habitual buyers are the people who have a habit to buy the same brand repeatedly, but do not have an emotional attachment with the product. Satisfied customers are the people who are loyal to a brand because it continuously satisfies their needs and wants (Aaker, 1991). Likes have an emotional attachment with the product and committed customers are at the top of the pyramid. These people share strong commitment and trust with the brand and value this attachment. According to **Oliver (1999)** there is a social connection between the customer and brand. This social connection helps in development of the loyalty and satisfaction of the customer towards the brand. Oliver (1999) carried out a research indicating that satisfaction plays an important role in brand loyalty; however other factors like quality, customer's interest in the brand and social connection between customer and brand also important factor for brand loyalty development.

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<sup>22</sup> **Aaker, D. (1991). Managing brand equity and capitalizing on the value of a brand name. New York: Free Press.**

## 2.4.Brand Image

**Lazarevic (2011)**<sup>23</sup> argued that one of the important steps to reach brand loyalty is brand image. Based on branding theory, brand image must be congruent with the customer's image about themselves. Brand imagery deals with the extrinsic of the product, including the way that brand attempts to meet customer's psychological or social needs. And brand image indicate that people think about brand abstractly rather than what the brand actually does, therefor image refer to intangible aspects of the brand (Keller, 2001). According to **Chen & Myagmarsuren (2011)**<sup>24</sup> brand image plays an important role when customers measure products, and it drives customers to become loyal. Moreover, brand image influence the orientation and behavioral character of customers toward brand, product and company. Brand image is important for **Generation Y customers** as they use brand for their self-expression and also they want to be associated with a brand. The important values for Generation Y customer's image are success, wealth, class, style and being better. Brand image in the marketplace act as indicator to Generation Y customers, since they prefer to use the brand they have experienced before or have good feeling about it, rather than being influenced by the value of the brand. But in contrast Generation X customers are very

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<sup>23</sup> Lazarevic, V. (2011). Encouraging brand loyalty in fickle generation Y consumers. The Department of Marketing, Faculty of Business and Economics, Monash University, Melbourne, Australia.Q Emerald Group Publishing Limited,13,(1), 45-61.

<sup>24</sup> Ching, Chen, & Myagmarsuren,( 2011). Brand equity, relationship quality, relationship value, and customer loyalty: Evidence from the telecommunications services. Total Quality Management, 22,(9),957-974.

value oriented and they purchase product very analytically (Pendergast et al., 2009).

## **2.5. Perceived Brand Quality**

Perceived Quality has an influence on customer loyalty and benefit companies as it improves customer retention rate. It greatly influences customer's perception about a brand, as he makes an assessment of overall quality of a brand as compared to its competitors (Aaker 1991, p. 85). A good perception about quality of a product improves satisfaction rate of a customer and he becomes loyal to the brand. The perceived brand quality also affect positioning and profitability of the product in the market. It also helps customers to differentiate a brand from another on the basis of its quality (Aaker 1991, p. 85). According to **Apéria & Back**<sup>25</sup>(2004, p. 47) a consumer's perceived brand quality improves financial gains for a company as it increases customer's satisfaction and loyalty. The most common parameters used to assess the quality of a product are user friendliness, durability, serviceability, excellent performance and prestige features (**Bruks & Naylar, 2000**). 2.2.3 Brand Experience Brand experience is important topic for marketing practitioners, as it helps to understand customers behavior regarding their brands. It also helps in development of better product and

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<sup>25</sup> **Apéria, T. & Back, R. (2004). Brand relations management, bridging the gap between brand promise and brand delivery.**

services for consumers. **Brakus & Zarantonello (2009)<sup>26</sup>**, conceptualized brand experience as subjective and internal consumer responses, and it is specific sensations, feelings, cognition and behavioral responses, that are activated by specific brand-related stimuli. It was pointed out that when customers search for products and brands they are exposed to brand-related stimuli such as brand identifying color, shape, typeface, background design and brand characteristics. Experience occurs in variety of situation, and more experience is gained when customers purchase and use the product or brand. Experience can happen indirectly as well, when customers are confronting advertising and marketing communications such as web sites (Brakus, et al, 2009, p.52). Brakus, et al. (2009) argued that “brand experience affect customer satisfaction and customer loyalty directly and indirectly through brand personality association”. It means when customers are satisfied and have good experience from a product or service, they are likely to repurchase it and become loyal. And the linkage between brand experience and loyalty help marketers to improve customer’s retention rate.

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<sup>26</sup> **Brakus, J., J. Schmitt, B., H. & Zarantonello, L. (2009). Brand experience: What is it? Who is it measure? Does it affect loyalty? . Journal of Marketing, 73, 52–68.**

## **2.6. Customer Satisfaction**

Brand satisfaction has a positive influence on brand loyalty (**Youl & John, 2010**)<sup>27</sup>. A satisfied customer is likely to use same brand in future as well. The satisfied customer is expected to continue purchasing same brand. Trust and satisfaction are two factors that lead to positive purchase outcome. When customers have been sure that the company or firm is honest and truthful, then the customers trust the brand and form a positive buying retention towards the brand. Moreover trust can lead to customer's satisfaction and loyalty to the brand (**Anderson & Narus, 1990**)<sup>28</sup>. When customers feel pleasure and satisfaction after using a product, it leads to long-term relationship and repeated purchases. Another factor that influences customer satisfaction and expectation is the spreading of word of mouth. It means when customers are satisfied with a brand, they would recommended it to their friends. The customer satisfaction results in improved customer loyalty towards the brand (**Dick & Basu, 1994**). According to, **Serkan & Gökhan (2009)** customer satisfaction is the result of overall consumer satisfaction. This satisfaction can be due to collective experience of the product and its different features. The customer satisfaction can also be due to purchase expectation and post purchase experiences by the customer, having got a satisfactory product after

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<sup>27</sup> **Youl, H. & John, J. (2010). Role of customer orientation in an integrative model of brand loyalty in services. *The Service Industries Journal*,30,(7), 1025–1046**

<sup>28</sup> **Anderson, J. C. & Narus, J. A. (1990). A Model of distributor firm and manufacturer firm working relationship. *Journal of Marketing*, 54, 42-58.**

paying a suitable cost. However consumer's satisfaction also depends on expectation of a brand and its performance, and subsequent post purchase experiences (Serkan & Gökhan, 2009). Paurav (2004) argued that customer satisfaction is his or her psychological response to the product performance and an outcome of the customer's expectations. This analysis of the product performance is based on comparison between expected and actual performance of that particular brand. The expectation of a customer from a specific product and its different features depends on his personal interests. The brand performance depends on its different attributes and features, which are required by a customer. These operating characteristics can be hardware, software, style or other functionality (Gilbert & Carol, 1982)<sup>29</sup>. These different characteristics and performance of the product determines the satisfaction level of the consumers. The customer satisfaction leads to brand loyalty and a positive attitude towards the product. It also results in customer's repeat purchasing behavior (Youl & John, 2010).

## **2.7.Switching Cost**

When a customer decides to switch to another brand, the cost incurred due to this process is named as switching cost. Switching cost makes it difficult for customers to switch to another product or brand (Feick & Lee, 2001)<sup>30</sup>. Even

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<sup>29</sup> Gilbert , C. & Carol, S. (1982). An Investigation into the determinants of customer satisfaction. *Journal of Marketing Research*,19, 491-504.

<sup>30</sup> Feick, L. & Lee, J. (2001). The impact of switching costs on the customer satisfaction-loyalty link: mobile phone service in France, *Journal of Services Marketing*, 15, (1), 35-48.

if a customer is not satisfied with a product, he would not be able to change his brand due to high switching cost. This creates a barrier for customer and he abandons search for alternative brands. The Switching cost can be of both - financial and non -financial cost. It can be transactional cost, learning cost, and emotional cost, social and psychological cost. It can also be time and effort spent to search an alternative brand (**Burnham & Mahajan, 2003**)<sup>31</sup>. The financial cost can be one -time payment as well as additional cost incurred due to functional updates and additional accessories. A customer may have to spend lot of time and energies in learning functionality of new brand. There is also possibility that switching to another brand can result in social status changes, which can have adverse psychological effects on the customer (Burnham & Mahajan, 2003) .The high switching cost minimize customer's switching intentions and benefits companies as it influence customers loyalties and improve their retention rate (**Serkan & Gökhan, 2005**)<sup>32</sup>.

In providing a rationale for the greater difference evoked by accumulated experience, consider the following. First, concerning extrinsic effects (e.g., price, coupon), past research lends support to the proposition that price elasticity are significant for most segments of the population (**Massy and**

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<sup>31</sup> **Burnham, T. & Mahajan, V. (2003). Consumer switching costs: typology, antecedents, and consequences; Journal the Academy of Science,32,(2),109- 126.**

<sup>32</sup> **Serkan,A. & Gökhan, Ö. (2005). Customer loyalty and the effect of switching costs as a IX moderator variable: A case in the Turkish mobile phone market Marketing .Intelligence & Planning, 23,(1), 89-103.**

**Frank, 1965; McCann, 1974)**<sup>33</sup>. Furthermore, as experience with the brand accumulates, price elasticity increases (McCann, 1974). Since repeat purchasers generally hold more favorable attitudes toward the consumed brand (Howard and Sheth, 1969) we derived the proposition that repeat purchasers (as compared to inexperienced purchasers) are willing to switch brands even though their satisfaction with the last consumed brand is higher if switching was influenced by price incentives. It should be noted that little has been done to assess the differential effects of experience on coupon redemption. However, since both price and coupon incentives refer to reduced price there is no a priori reason to believe that they differ with respect to switching behavior as a function of past satisfaction.

Regarding switching behavior which originates from intrinsic causes past purchase experience is also likely to interact in response processes. If switching was influenced by the desire to try a new brand (a trait which generally characterizes innovators who may not repeat the purchase of the same brand many times consecutively) then it may occur despite a high level of satisfaction with the previously consumed brand (**Faison, 1977; Hirschman and Wallendorf, 1980**). On the other hand, for consumers who had extensive experience, the consumed brand may become too familiar and boring and thus result in switching, which reflects dissatisfaction with that brand (**Howard and Sheth, 1969**). Hence, consumers may switch brands

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<sup>33</sup> **David Mazursky Hebrew University Priscilla LaBarbera New York University Al Aiello FMC Corporation Psychology & Marketing Q 1987 John Wiley & Sons, Inc. Vol. 4. 17-30 CCC 0742-6046/87/010017-**

despite a higher level of past satisfaction if prior experience with the previously consumed brand was limited rather than extensive.

A study published by the market research company Nielsen concentrate on different aspects of consumer loyalty from a study realized on nearly 30,000 people across the world. We learn more about the most important factors that influence consumers to choose to switch brand. The criteria that make shoppers to buy a product or a brand different from that previously or usually purchased. The study focuses on criteria that can make consumers to swap devotion to a brand, a service provider or a retailer. Here are the incentive criteria which lead consumers from all around the world to brand switching:

- 1. Better Price (41%)
- 2. Better Quality (26%)
- 3. Better Service Agreement (15%)
- 4. Better Selection (10%)
- 5. Better Features (8%)

**Androulidakis and G. Kandus (2011)** correlated the brand of mobile phone to users' security practices,. Users show different behavior in an array of characteristics, according to the brand of the mobile phone they are using. As such, there is a categorization of areas, different for each brand, where users are clearly lacking security mind, possibly due to lack of awareness. Such a categorization can help phone manufacturers enhance their mobile phones in regards to security, preferably transparently for the user.

**Tajzadeh Namin A. A. ; Rahmani Vahid ; Tajzadeh Namin Aidin (2012)**

analysed that the process of deciding over (choosing) a brand may be influenced by situation and content. The findings suggest a significant relationship between the variables “brand attitude”, “corporate attitude”, and “product (cell phone) choice”. In addition, no significant relationship was found between individual decision making processes (independent or mediated) and product choice.

**The Dream Catchers Group (2008)**<sup>34</sup> investigated if demographic variables or if telephone features included on phones students already owned were predictive of young consumers' perceptions of bundled features. In addition, this study set out to determine if there were any significant differences in students' perceptions of bundled features across demographic variables (rural vis-a-vis HBCU, gender, grade level, cellular telephone brand, major, and age).

**Oyeniya, Omotayo Joseph - Abiodun, Abolaji Joachim (2010)** emphasis on customer loyalty and customer switching cost. Switching cost is one of the most discussed contemporary issues in marketing in attempt to explain consumer behaviour. The present research studied switching cost and its relationships with customer retention, loyalty and satisfaction in the Nigerian telecommunication market. The study finds that customer satisfaction

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<sup>34</sup> <http://shodh.inflibnet.ac.in/bitstream/>

positively affects customer retention and that switching cost affects significantly the level of customer retention.

**Rodolfo Martínez Gras ; Eva Espinar Ruiz (2012)**<sup>35</sup> highlight a new dimension in information and technology with respect to teenagers in Spain. The main objective of this article is to analyze the relationship between Information and Communication Technologies and Spanish adolescents. Specifically, researchers have studied, through qualitative methodology, the characteristics of teenagers' access and uses of technological devices. and analyzed the purposes that motivate the utilization of Information and Communication Technologies, highlighting a close relationship between technologies and peer communication and entertainment. On the contrary, there is an under-utilization of all these devices for teaching and learning purposes.

**Nasr Azad ; Ozhan Karimi ; Maryam Safaei (2012)** had presented an empirical study to investigate the effects of different marketing efforts on brand equity in mobile industry. The results show that there is a positive and meaningful relationship between marketing mix efforts and brand equity. In other words, more advertisements could help better market exposure, which means customers will have more awareness on market characteristics. Among all mixed efforts, guarantee influences more on brand equity, which means

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<sup>35</sup> <http://shodh.inflibnet.ac.in/bitstream/>

consumers care more on product services than other features. Finally, among different characteristics of brand equity, product exclusiveness plays an important role. In other words, people are interested in having exclusive product, which is different from others.

**Mehran Rezvani; Seyed Hamid Khodadad Hoseini; Mohammad Mehdi Samadzadeh (2012)**<sup>36</sup> investigates the impact of Word of Mouth (WOM) on Consumer Based Brand Equity (CBBE) creation. WOM characteristics such as, volume, valence, and source quality are studied to find how intensely they each affect brand awareness, perceived quality, and brand association. The results suggested that volume and valence, two elements of WOM, affect CBBE and no significant relationship between source type and brand equity was seen.

**Arvind Sahay and Nivedita Sharma (2010)** focused on brand relationships are indeed important for different categories of young consumers; second, to investigate the effect of peer influence, family influence, and brand relationships on switching intentions amongst young consumers; and third, to look at the impact of price changes on switching intentions in the context of brand relationships. Researcher's results suggest that young consumers develop relationships on all brand relationship dimensions.

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<sup>36</sup> <http://shodh.inflibnet.ac.in/bitstream/>

**Ramakrishnan Venkatesakumar, D. Ramkumar and P. Thillai Rajan, (2008)**, confirms that Brand loyalty and brand switching behaviour of the consumers are evergreen issues of research and strategic importance to the marketers and academic researchers. The current research aims to address the significance of product attributes in brand switching behaviour through multi-dimensional scaling and results suggest that a set of product attributes trigger the intention to switch the current brand.

**Ajax Persaud, Irfan Azhar, (2012)** concludes that consumers' shopping style, brand trust, and value are key motivations for engaging in mobile marketing through their smartphones. Further research should focus on specific tactics marketers use to engage customers beyond marketing messages, that is, how they engage customers in dialogue to build relationships, encourage purchases and build loyalty. This could reveal how customers really want to engage in mobile marketing.

**Ahmed Alamro, Jennifer Rowley, (2011)**<sup>37</sup> explored that there are 11 antecedents of brand preference; these can be theoretically clustered into three groups: awareness antecedents (controlled communication (advertising), and uncontrolled communication (publicity, word of mouth)); image antecedents (service value attributes (price, quality), provider attributes (brand personality, country of origin, service (employee + location))), and corporate

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<sup>37</sup> <http://shodh.inflibnet.ac.in/bitstream/>

status (corporate image, corporate reputation)); and, customer attribute antecedents (satisfaction, perceived risk, and reference group). Multiple regression showed the contribution of each of these antecedents to brand preference.

In particular, we look at the relative influence of peer and family (**Moschis, 1985**) and of price changes on brand relationships and switching intentions. While brands play an important role in purchase behaviour (Park, Jun and Shocker, 1996) and brand switching has been a subject of investigation (**Mazursky, LaBarbera and Aiello, 1987, Jones, Mothers baugh and Beatty, 2000**)<sup>38</sup>, a study in the context of young consumers, that looks at the nature of brand relationships, compares different segments, and investigates the relative influence of peer and family and the influence of price change, is presently lacking. This is an important lacuna because young consumers tend to behave differently from the older consumers. Older consumers are termed as laggards in adoption; they are negatively associated with the adoption of technology and are low users (Gilly and Zeithaml, 1985). A study conducted by Henley Centre and IMRB International shows that happy and confident Indian consumers enjoy spending on personal needs and entertainment in contrast with the traditional Indian mindset of cautious spending and guilt associated with spending.

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<sup>38</sup> **Financial Express, 18 December 2005** [<http://www.financialexpress.com/news/have-money-will-spend/155335/0>]

Many studies find that consumers switch brand either due to the extrinsic motives (price, coupons) or intrinsic motives (desire to try out a new brand) **(Mazursky, LaBarbera and Aiello, 1987)<sup>39</sup>**. Extrinsic motives to switch are more prevalent amongst the experienced consumers as compared to the consumers with limited purchase experience (Mazursky, LaBarbera and Aiello, 1987). Even with the level of satisfaction, the consumers may change their repurchase decision in the presence of the high switching barriers like interpersonal relationships, switching cost, and competitor's attractiveness (Jones, Mothers-baugh and Beatty, 2000). There is also research that shows that young consumers may change their loyalties towards a particular brand depending on the situation and the role they play. When they are independent, they also like to experiment with new brands whereas more serious and responsible roles may make them switch over to the brand used by their parents (Bravo, Fraj and Martinez, 2007). However, brand relationships and their impact on brand switching intentions have not been examined in this stream of literature. Teenagers tend to get influenced by the reference groups for a large number of product classes as compared to others, say housewives (Park and Lessig, 1977); their role models hold a strong position in influencing the teenagers' behaviour, but several studies have also shown that the parents still play the dominant role in influencing the teenagers' lifestyles and consumption patterns (Martin and Bush, 2000). It is observed that

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<sup>39</sup> Vikalpa • volume 35 • no 1 • January - March 2010 p.17.

youngsters adopt rational consumption skills from their parents; this influence varies across the situations, product categories, and the stages in consumer decision-making process (Moschis, 1985). A study done on the university students revealed that family influence starts decreasing with the amount of time the youngster is out of home, and that influential position is transferred to the peers (Feltham, 1998). One of the findings suggests that peer influence operates most strongly in situations with weak family communication; socially-oriented family communication patterns, and unstable family environment (Roedder, 1999). Peers influence the socialization process and contribute to the social pressure to conform to the group expectations relating to brand involvement (**Lachance, Beaudoin and Robitaille, 2003**)<sup>40</sup>. Drawing from this research, we incorporate the influence of peers and family in the context of brand relationship formation and brand switching intentions.

## **2.8. Conclusion**

**In this chapter, an attempt has been made by the researcher to examine the existing literature on the mobile phone loyalty and switching behavior of the consumers. The profile of the respondents of the sample study has been examined in the next chapter.**

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<sup>40</sup> Vikalpa • volume 35 • no 1 • January - March 2010 p.17