

Unlocking Loyalty: Investigating the Nexus of Alternative Attractiveness, Value Perceptions, Brand Knowledge, and Relationship Time in Customer Satisfaction and Loyalty Dynamics

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Abstract

This study scrutinizes the role of diverse antecedents of customer satisfaction and loyalty for the smart phone devices. The antecedents comprise of alternative attractiveness, value and brand knowledge. Path analysis and multivariate techniques have been applied to check the variance in CS and CL explained by the relevant independent variables. Representative sample of 215 users of smart phones in three cities of Pakistan (Rawalpindi, Islamabad and Faisalabad) was selected. Results signify that value and brand knowledge have a significant and constructive impact on customer loyalty, whereas alternative attractiveness has an unconstructive but significant impact on customer loyalty. CS shows partial mediation between alternative attractiveness, brand knowledge and customer loyalty, whereas it plays full mediation between value and customer loyalty. In this study, the moderation effect of relationship period has also been checked between CS and CL. Results explain the association period positively moderates the association between CS and CL. Managerial implications of the study have been discussed in the report.

Keywords: Alternative Attractiveness, Brand Knowledge, Customer Satisfaction, Relationship Period, Customer Loyalty

1. Introduction

Mobile phones have significantly enhanced its purpose from just a communication device to the multipurpose personal device in last few decades. In many developed countries consumer take the mobile phones to use the various services. Such as, education, financial, information and entertainment. Mobile phone usage has both tangible and intangible experience, so considered as hybrids of product and service. The meaning of mobile phone is different according to every individual. Differentiation may be according to age, life style and usage motivation (Ahmad, 2012).

Three powerful technologies that make developments in fifth wave of computing, which includes cheap computing, infinite bandwidth and open standard, which shows the growth of wireless technology in smart devices. Those technologies drivers fasten the convergence of computing and communication, at the same time they empowered the dependence of individuals on additional functionalities to the existing products they are using. Mobile phone devices become ever-present in daily life, the relationship of CS and loyalty is also become more important; the relationship among satisfaction and CL was studies in the existing literature of smart phones (Aksoy et al., 2013). So every organization whether offering product or services try to make their customers loyal. The two important variables that reference to the choice, priority, accordingly to the organization profitability and competitive advantage are CS and loyalty (Cooil et al., 2007). As with the passage of time markets are becoming more competitive and recognizing the importance of retaining their current customers and they offer many programs to increase the loyalty of their old customers (McMullan & Gilmore, 2008)

Thus, understanding of the basic phenomena is very critical that why consumers become loyal to any particular organization? Companies traditionally focused on the satisfaction of the customers to improve sense of loyalty in them. For that particular reason, past researches were done about on the impact of CS on CL (Yang &Peterson, 2004).

1.1. Gap Analysis

Ha and Park (2013) Research focused on the innovators customers in Korean industry about the emerging devices and recommends that the future study will be carried out to test the wider range or early majority customers in some others nations. Another research focus on the moderation effect of employed firm reputation and product involvement on CL and suggests that the variables like RP of the customer with specific firm also be taken as a moderator (Eisenbeiss, et al., 2014).

So, the main objective of this paper is to check the mediation effect of CS between value, alternative attractiveness, brand knowledge and customer loyalty, further the moderation effect of RP was also going to be checked in this paper.

2. Literature Review

2.1. Customer Loyalty

To make the customer loyal is the main objective of the mangers in the whole world. Product category also influences the level of loyalty and the repeat purchase behavior. So while purchasing that the customer more

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likely depend on the external factors such as social value, prestige etc. (Suh & Youjae, 2006). Chitturi (2009) stated that past researches define loyalty in two ways; behavioral and attitudinal. His research also showed that consumers are involved in both positive world of mouth and repeat purchase intention when they have practiced a positive campaign. Customers are always aware of the competitor offerings, so firms have to change their strategies over time to keep their customer loyal (Cooil et al., 2007).

Hansen, Samuelsen and Sallis (2013) Studies show that the image, credibility, value have a significant impact on the loyalty of customer. On the other hand we also said that these variables are the key drivers to bring a loyalty in the customer, rather than these variable we are also checking the impact of alternative attractiveness and awareness on loyalty, and in this paper it is going to check that whether CS play a mediating role in the relationship of above mention variables and loyalty or not.

2.2. Impact Of Value On Customer Satisfaction And Customer Loyalty

Service value has a significant positive relation with the CS as well as with the customer loyalty. Some researches shows that value directly affects the CL and in some researches it showed that it influenced loyalty indirectly through satisfaction (Lai, Griffin & Babin, 2009). The worth and benefit received by the customer dividing by the total resource utilize to acquire that product or service are called value. Customer value can be described in comparison as a getting and taking relationship.

We divide the value under the umbrella of input and output. The input the monetary and non-monetary cost incurred by the consumer is considered. Output consists of utilitarian and hedonic benefits; which a consumer may get from any products.

2.3. Utilitarian and Hedonic Benefit

The term benefit is defined as the thing received by customer obtains from products/services when he purchases that specific thing (Cronin et al., 2000). Utilitarian benefit entails the practical, instrumental and functional parts of usage offerings; at the same time hedonic benefit entails about the subjective experience of playfulness and fun to consumers (Babin et al., 1994). Besides this the mobile phones also evolved from satisfy the basic need of communication to include more functional and experimental features, thus indicates both the utilitarian and hedonic values of their use (Chitturi et al., 2008). When companies want to achieved those aspects, they have to add develop different functionalities in existing service such as call through video, fast video streaming, and Web browsing, different unique applications, to be opened anytime and anywhere. When companies offer such type of function in their smart phones, which fulfill both utilitarian and hedonic benefits during consumption process, so customer feels more satisfied (Ahmad, 2012).

2.4. Monetary and Nonmonetary Cost

The term Cost operationalized as whatever customer has to loss or what cost consumer has to do to obtain or use that product (Lee & Cunningham, 2001). There are two types of cost used in this paper: that was monetary and non monetary cost (Roig et al., 2006). Money that spent on purchase of specific product and maintenance of that product and/or service come in monetary cost and the research shows that monetary cost is predecessor of customer satisfaction. Consumer usually compares price of the product with the benefits received from the product. The effort and time consumed to get and consumption of particular service come in a nonmonetary cost (Zeithaml, 1988). Existing literature has used the component of cost, which was subordinate to the advantage components to describe CL in customers (Lee & Cunningham, 2001).

So it's expected that,

H2: Value has positive impact on customer loyalty.

H5: Value has positive impact on customer satisfaction.

2.5. Impact of Brand Knowledge on Customer Satisfaction and Customer Loyalty

Brand usually used to make differentiation from other product or services. Brands are the sign of product or service produced by the firm, sign of the quality and the indicator of the trust among the customers (Keller & Lehmann, 2006). Brand knowledge is usually measured by two components which are brand image and brand awareness, which is usually the side of the customers and obviously controlled by the company (Alimen & Cerit, 2010).

2.6. Image

The brand image can explained as the set of observations about that brand as a reflection of brand association in the mind of customer (Keller, 1993). It is set of believe about some specific product or service. It was also described as the attraction of one brand in comparison to another brand. Nguyen and Leblanc (1998) stated that image of firm was associated with the physical and behavioral characteristics about service provider firm, such as company logo, physical layout, different range of products/services, and the way in which employees of the firm physically interacted with the customers.

Firms' reputation or image is not only important to attract the new potential customer, but also to deliver the value to the customer with whom the relationship already exists (Hansen, Samuelsen & Sallis, 2008).

The satisfaction of customer depends on a ratio between their expectation from image of brand and the actual service provided to them. In the same way if the customer is satisfied with the service provider firm, the image

of that firm also improved (Brunner et al., 2008) and also suggest that the image have a strong effect of the loyalty of the customer specially in the presence of high need for cognition (Ramaseshan et al., 2013).

2.7. Awareness

Aaker (1996) stated that the exact way to measure the level of awareness among different brands and product line is very difficult and the comparisons between them are impossible. Brand awareness affects the customer decision about the brand association (Keller, 1993). Emotional association also had a great impact on the brand awareness; people want to know everything about their favorite brands. Brand awareness is also a source of competitive advantage (Alimen & Cerit, 2010).

When customers are highly satisfied with the brand they may recall the name of that brand readily, in comparison to those who are less satisfied with the specific brand. Brand awareness changes relatively according to the CS (Pappu & Quester, 2006). Hutter et al., (2013) Studies shows that brand awareness has a considerable effect on the choice of consumer among different brands. Consumers who are well aware of the one brand set consider it as a high quality brand rather than those ones about they do not know. So, it expected that

H3: Brand knowledge has positive impact on customer loyalty.

H6: Brand knowledge has positive impact on customer satisfaction.

2.8. Impact of Alternative Attractiveness on Customer Satisfaction and Customer Loyalty

The attractiveness of the substitute products are generally defined by the overall evaluation about products and type of relationship with that product or service that effectively fulfilled their desired need among different substitute available in the market (Yim, Chang & Hung, 2007). Jones and Sasser (1995) suggested that the situation in which many alternatives are available, dissatisfied customer will quickly change their suppliers. Impact of the satisfaction on commitment will not be as strong as it would have been when alternative are easily identifiable. The effects of alternative attractiveness are checked among different industries, many researches show versatile results such as in hardware industry it negatively affect the CS where as in hair styling industry the impact of alternative attractiveness has not a significant relationship with loyalty for the daily customers (Ping, 2003).

Several other factors come in consideration that how customer move toward the alternative, the alternative attractive may become high because of better service provided by the alternative, proximity of the location, the full range of existing brand not available in specific location, alternative have price efficient or the existing brand may not fulfilling their promises (Sherma & Patterson, 2000). So, organization now a day needs to be aware that the client retention may not be equated with the commitment and loyalty of relationship. Han, Kim and Hyun (2011) Studies show that when the switching cost are to be high or at the same time alternative attractiveness will be low, customer saw them self as a hostage in less than ideal relationship.

Alternatives attractiveness is operationalized as the reputation, overall service quality and the image of the alternatives. These things make the customers proud that their brand is best in the market, or in particular category (Min & Wan, 2009). So it's expected that

H1: Alternative attractiveness has negative impact on customer loyalty.

H4: Alternative attractiveness has negative impact on customer satisfaction.

2.9. Customer Satisfaction and its Impact on Customer Loyalty

Impact of loyal customers on satisfaction, it always is positive but in the case of satisfaction impact on loyalty is not always positive But it was observed that the customer who experienced many satisfactory visits to a specific firm become loyal to them. This process was done in different phases such as the loyalty always builds over the time, from initial satisfaction to bound commitment (Flint, Blocker & Boutin, 2011). Different evidence found in the previous researches, which showed that the satisfaction indirectly leads to the CL with different moderators such as demographic and other (Amin, Isa, & Fontaine, 2011).

Many issues have affected consumer priority, satisfaction and loyalty towards the selection of relationship with any financial industry e.g. bank, insurance companies. Different marketing and social psychology and research showed that every customer is different in making a relationship or to maintain the relationship with the service provider like financial institutions (Sohail & Shanmugham, 2003). CS was purely based on the past knowledge or experience about the service, it was likely found to be available and to change the behavioral objectives of individual from other considerations, repurchase intentions of the product and service jointly determine satisfaction. Some of the other variables also mediates or affect the relationship of satisfaction and loyalty (Suh&Youjae, 2006).

CS has a positive relationship with customer loyalty, because it an obvious thing that when a customer is satisfied from one product then he do not go for any other brand (Ha & Park, 2013). In this report we check the mediation effect of CS in the relations of alternative attractiveness, value, and brand knowledge and customer loyalty. So it's expected that,

H7: CS mediates the relationship between alternative attractiveness and loyalty

H8: CS mediates the relationship between value and loyalty.

H9: CS mediates the relationship between brand knowledge and loyalty.

2.10. Moderation Role of RP

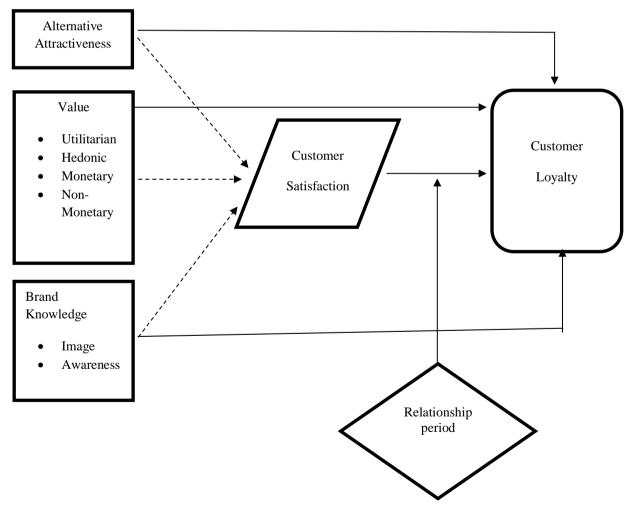
Decision of the customer to maintain their relationship with the existing service or product provider is exhibited between her/his own evaluation of the cost incurred in future and the benefits received from the specific product or service. Theory of Subjective utility was used there, it is suggested that the consumers evaluate the future value of the product. In this theory the cost incurred to acquire that product are weighted against the cost utilized to gain that product or the cost to dis-continue the existing relation (Oliver &Winer, 1987).

The higher their consumption levels are the higher they will evaluate (Dagger & Sweeney, 2007). Another studies show that relationship age moderates the effect of satisfaction on loyalty in smart phone services industry that finally lead to the behavioral loyalty, which was commonly calculated as a combination of repurchase intentions and customer satisfaction. It's an obvious thing that customer purchase the product to satisfy their certain need, when the product will efficiently able to satisfy their need the customer will satisfy, but the competition makes this simple term more complex. Now different company gives the extra value or extra benefits with the core product to make a competitive advantage among the competitors (Raimondo et al., 2008).

Bartikowski et al. (2011) studies the moderation effect of RP on complete relationship constructs of customer loyalty, at the same time another study suggested that beginning of any relationship is quietly protected to the negative experience since the customer are start gaining the knowledge of products and attach themselves with the relationship, but the end result of that specific relationship will not be cleared. The relationship age moderates the relationship of the satisfaction and loyalty of the customers, simply if the company was able to satisfy the need of the customer than with the passage of time (RP) the customer become loyal. Mangers should have a great emphasize on highlighting the positive experience and delivering that experience to the new customers so they become loyal as well as also spread positive world of mouth (Ranaweera & Menon, 2012). So it's expected that

H10: RP moderates the relationship between satisfaction and loyalty.

2.11. Theoretical Framework



3. Research Methodology

3.1. Sample and Procedure

The sample techniques used for selecting the sample was convenient non-probability sampling. In convenience sampling we select the respondents on the basis of proximity and targeted audience willingness to participate in research (Saunders et al., 2011). The target was consumer of which uses smart phones in the major cities of Pakistan.

Type of this study was quantitative and the causal and effect between the variables was checked. For the smart phones user data collection, quantitative data collection method questionnaire was used. The questionnaire was adapted from the previous published researches. Questionnaire compromised of five-point likert scale in which scale represented that 1 as strongly disagree option and 5 as strongly agree option.

3.2. Measures

The items of Utilitarian benefit were adapted from the studies of Spiteri and Dion (2004), items of Hedonic benefit were adapted from the study of Mano and Oliver (1993), items of Monetary cost and non-monetary were adapted from Cronin, Brady and Hult (2000), items of Alternative attractiveness were adapted from the study of Yen and Horng (2010), items of Image were adapted from the study of Hansen et al. (2013), item of Awareness will be adapted from the study of Keller (2001), items of CS were adapted from Lee et al. (2008), items of CL were adapted from Cowart, Fox and Wilson (2008) and items of relationship age will be adapted from the study of Ranaweera and Menon (2012).

For relationship testing first the correlation among the different variables and then the effect was checked by multiple-regression. Mediation and moderation was also checked through the regression by the method proposed by Baron & Kenny (1986) and Wu & Zumbo (2008).

For face validity 5 smart phones companies' professionals and 5 academicians were opted to review the questionnaire. The 2 questions of value were removed because professionals said these two questions were difficult for respondents to understand.

4. Results

In this part the report, the information provided by the respondents has been analyzed. In total two hundred sixty questionnaire were circulated among four major smart phones operators in Pakistan, two hundred thirty questionnaires were received back and a total of two hundred fifteen were considered fit for analysis, fifteen questionnaires were incomplete or not filled properly.

4.1. Demographic details of our sample

Table no1 shows that most of the respondents are under 21 to 30 years, which is about 76% of the total respondents. 60% of them are male and 85% of the respondents are single. According to the occupation of the respondents 62% of them are students. Many smart phones are available in Pakistani market but we include only the famous brands such as HTC, Nokia, Samsung and Apple, 33% of the total respondents are the user of Samsung phones.

Table 1: Demographic Analysis

	1 4 5 1 1 5 1	Engagement	Donasntaga	
		Frequency	Percentage	
Gender	Male	130	60.46	
	Female	85	39.53	
A	20 and Below	28	13.02	
Age	21-30	164	76.27	
	31-40	23	10.69	
Marital Status	Un married	183	85.11	
	Married	32	14.88	
0 4	Student	135	62.79	
Occupation	Employee	67	31.16	
	Business	13	6.04	
	APPLE	48	22.32	
Smart Phone	HTC	37	17.20	
	SAMSUNG	72	33.48	
	NOKIA	58	26.97	

4.2. Reliability

Reliability test is used to check the internal consistency among the different items of each variable. The value of Cronbach's alpha must be greater than 0.6 if the reliability has to be acceptable (Sekaran, 2003). Shown in table no 2 below.

Table 2: Reliability of variables

Constructs	Number of items	Cronbach's alpha		
Alternative Attractiveness	3	.800		
Value	12	.832		
Brand Knowledge	6	.787		
Customer Satisfaction	4	.898		
Customer Loyalty	3	.864		

4.3. Correlation

Table 3 shows the entire variables other than alternative attractiveness are positively correlated. The alternative attractiveness has negative correlation because it has negative impact of dependent variable. The most correlated values is present in the. So, from here our hypothesis are also accepted but for further clarification we use regression.

Table 3: Correlation Matrix

Val	ALT	B.A	SAT	R.P	LOY	MEAN	
1	•	•	•		•	3.18	
.222**	1					3.68	
.654**	.011	1				3.90	
.671**	131	.644**	1			4.16	
.622**	137*	.633**	.881**	1		3.57	
.594**	156*	.601**	.808**	.877**	1	3.90	

^{**.} Correlation is significant at the 0.01 level (2-tailed), *. Correlation is significant at the 0.05 level (2-tailed).

4.4. Regression

The regression shows the relationship among independent variable and dependent variable. The value of R² ranging from 0 to 1, one value shows the perfect relationship that all the changes occur in dependent variable is covered in our selected independent variables.

4.5. Mediation

In this report, we check the mediation of CS, alternative attractiveness, value, brand awareness and customer loyalty. The mediation is done in four steps, which was proposed by Baron and Kenny (1986).

First three step shown in table no 4 are significant, which allow us to check the last step of mediation whether mediation exist in this relationship of not.

In step four; shown in table no 4, all the independent variable are checked on dependent variable along with the mediator. The value of R-square is 0.672, which shows the selected independent variables explain 67% of dependent variable. The beta value of alternative attractiveness is -0.094 and significant at 0.05. Beta value of value is 0.101 and in significant because P value is greater than 0.05, beta value of brand knowledge is 0.115 and significant at 0.05 and the beta value of CS is 0.654 and significant at 0.01. This establishes partial mediation of CS between alternative attractiveness and customer loyalty, partial mediation of CS between brand knowledge and CL and full mediation of CS between value and customer loyalty. So, hypothesis no 7, 8, 9 is also accepted.

Table No. 4: Regression Analysis

Dependent Variable	Independent Variables	Model		ANOVA		Co-efficient		
v ai iabic	1 0000-0	\mathbb{R}^2	ΔR^2	F	P	β	t	P
	Alternative					259	-5.06	$.000^{**}$
Customer	Attractiveness							
Loyalty	Value	.493	.486	68.469	.000	.449	6.63	.000**
	Brand					.310	4.70	$.000^{**}$
	Knowledge							
Dependent	Independent]	Model	\mathbf{A}	NOVA		Co-effic	ient
Variable	Variables							
		\mathbb{R}^2	ΔR^2	F	P	β	t	P
Customer	Alternative Attractiveness					252	-5.42	.000**
Satisfaction	Value	.582	.576	98.01	$.000^{**}$.531	8.65	$.000^{**}$
	Brand Knowledg	e				.299	5.00	$.000^{**}$

Dependent Variable	Independent Variables	Model		ANOVA		Co-efficient		
		\mathbb{R}^2	ΔR^2	F	P	β	t	P
Customer Loyalty	Customer Satisfaction	.653	.651	400.188	.000**	.808	20.00	.000**
Dependent Variable	Independent Variables			odel ANOVA		Co-efficient		
variable	Alternative Attractiveness	\mathbb{R}^2	ΔR^2	F	P	β 094	t -2.141	P .033*
Customer Loyalty	Value Brand Knowledge	.672	.666	107.49	.000**	.101 .115	1.59 2.038	.112 .043*
	Customer Satisfaction					.654	10.69	.000**

4.6. Moderation

In the second phase of this report, we are going to check the moderation effect of connection period between the correlation of CS and customer loyalty. Moderator is that variable which strengthens the existing relationship between dependent and independent variable. To check the moderation the 4- steps explained by Baron and Kenny (1986) and Wu and Zumbo (2008) were opted. First three steps were shown in table no 5 shown the significant results. So we proceed toward the final step of moderation by using regression.

Table No. 5: Regression Analysis

Dependent Variable	Independent Variables	Model		ANOVA		Co-efficient		
		\mathbb{R}^2	ΔR^2	F	P	β	t	P
Customer Loyalty	Customer Satisfaction	.653	.651	400.188	.000**	.808	20.00	.000**
Dependent variable	Independent Variables	Model		ANOVA		Co-efficient		
, uz 10 , 20	, arraeres	\mathbb{R}^2	ΔR^2	F	P	β	t	P
CS	RP	.776	.775	738.975	.000**	.881	27.184	.000**
Dependent Variable	Independent Variables	Model		ANOVA		Co-efficient		
variable	variables	\mathbb{R}^2	ΔR^2	F	P	β	t	P
Customer Loyalty	RP	.770	.769	712.562	.000**	.877	26.69	.000**
Dependent Variable	Independent Variables	Model		ANOVA		Co-ef	ficient	
	Customer	\mathbb{R}^2	ΔR^2	F	P	β .145	t 1.70	P .089
Customer Loyalty	Satisfaction RP Interaction Term	.775	.772	242.728	.000**	.718 .033	5.89 2.22	.000** .022*

In table no 5, we regress independent variables, moderator and interaction term on the dependent variable. The value of R-square is 0.77, which shows the selected independent variables explain 77% of dependent variable. The beta value of CS is 0.145 and significant at 0.10. The beta value of RP is 0.718 and significant at 0.01. The beta value of interaction term is 0.033 and significant at 0.05. This establishes the moderation of RP between CS and CL and hypothesis no 10 is accepted.

5. Discussion and Conclusion

One of the basic objectives of this report is to check whether CS plays mediating role between all the antecedents and customer loyalty. To check that mediation role first we have to check the effect of all independent variable directly on customer loyalty. The results show that the independent variable value and brand knowledge have a positive significant result with the relationship of customer loyalty, Brand awareness changes relatively according to the customer satisfaction.

When we talk about the independent variable alternative attractiveness, it has a negative but significant relationship with the customer loyalty. The substitute product available in the market has a strong effect on the purchase intention of the customer, the high attractiveness in term of low cost, attractive design, discounts and unique features of substitute product compel the customers to thing about their product before going to purchase any particular brand, so when the alternative attractiveness is high customer more think about switching the brand and their loyalty is low toward any brand of smart phone. In the market in which there is a low competition among the competitors or fewer alternatives are available and customer simply not is aware of the substitute offering are stays in a relationship for long term.

CS plays a mediating role between the independent variable and customer loyalty. In alternative attractiveness and brand knowledge the CS play a partially mediation role toward the CL while in the independent variable value its plays a full mediation.

After mediation then we checked that whether the RP of the customer with any smart phone brand may strengthen the impact of CS and CL or not. With the passage of time the satisfied customer become loyal, they never think about to change their phone brands.

So the duration with any firm also important same like Dagger and Sweeney (2007) said that the expectations of customer, their frame of reference and the ability of the individuals to evaluate the product of services are directly depend on the stage of their consumption process. The higher their consumption levels are the higher they will evaluate the product.

5.1. Limitations and Future Study

This paper also has many limitations that become a source of future research for other authors. In the theoretical framework of this report the alternative attractiveness is measured in the brands available of same category (smart phones). The comparative study may also be done within the indirect competitors such as netbooks, tablets and laptops. The impact on the sale of one particular brand when there was a decrease in the supply of other product category. The need for cognition was also taken as a moderator, future research can be done on the comparison between high and low need for cognition same as a moderator.

A comparison can furthermore be made on gender basis and on academic qualification. It could be appealing to identify that either male or female have more loyalty behaviors. Academic qualification helps the individuals to construe their practices and tactile their troubles in a different way. Finally, the future research may also be conducted on the context factors that product usage intensity could also be taken as a moderator, on one side the more frequent user of any brand increase the experience level with the specific one brand product category. On the second hand the number of usage intensity in the low involvement product might play insignificant role in the satisfaction and loyalty of customers.

5.2. Managerial Implications

This paper has many implications for the managers of different smart phones companies.

On the first hand, to retain the customer, the most active way is to increase the CS not only by utilitarian benefits of the product but also with the help of hedonic benefits of the products because when the CS increased it also increased the customer loyalty, after all the CS mediated the relationship of variable with customer loyalty.

The strategy for that innovators early majority and late majority was different, for innovators the strategy may have more focus on hedonic benefits but for early and late majority it should be focus on utilitarian benefits.

The managers of any smart phone provider would definitely know the answer of following questions:

- 1. What type of hedonic benefits must be delivered to the customer to retain them?
- 2. What type of utilitarian benefits they should give to their customers in comparison to others?
- 3. Whether they have advanced technology and efficient employees to tackles with the problems of customer.
- 4. To retain customer, should they spend on product improvement or handling complaint from clients.

In smart phones industry it is important for managers to make a difference between old and new customers. Delivering the service through the outcomes is a dictating factor in making loyal old customers. Old customer does not need the reputation of the firm, so manger may go for personal interactions with them.

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