

Factors Determining Brand Loyalty in Consumer Electronics: An Empirical Study

Vineet Prabha

Asst. Professor, School of Management, Graphic Era Hill University, Dehradun, Uttarakhand
India 248002

Abstract

This empirical study investigates the elements that contribute to brand loyalty in consumer electronics. BL within the consumer electronics sector is an important factor for companies to consider when developing marketing strategies. Electronics goods are typically expensive and consumers invest significant amounts of money into these products. As a result, customers are inclined to maintain BL with a firm that they trust and have had a good rapport with. The results of this study can help consumer electronics companies understand the factors that drive brand loyalty and develop effective marketing strategies to foster customer loyalty. Additionally, further research in this area may reveal the impact of external factors such as social media, word-of-mouth, and advertising on brand loyalty. This can help businesses to identify the most effective marketing channels for building and maintaining brand loyalty among their customers. Sample of 212 respondents (consumers of electronics) were surveyed to know the factors that determines brand loyalty in consumer electronics and found that reliability, assurance, empathy, and tangibility enhance customer satisfaction, product's quality and delivery reliability, customer experience and confidence in the brand, dependability, security, compassion, and concreteness trust and experience, level of service, handling of product returns and logistics performance are different factors

that determines brand loyalty in consumer electronics.

Keywords: *Customer Satisfaction, Brand Reputation, Customer Service, Marketing Strategies, Consumer Segments, Geographic Regions, Social Media.*

Introduction

Brand loyalty is a crucial factor in the success of any business, especially in the highly competitive consumer electronics industry. Companies in this industry invest heavily in marketing and branding efforts to attract customers and create brand loyalty. However, in today's fast-paced and rapidly evolving market, it is becoming increasingly challenging for companies to maintain and strengthen customer loyalty. Rapid technical breakthroughs, short lifespans of products, and strong rivalry characterise the CE business. As a result, companies must continually innovate and offer products with new features and functionalities to stay ahead of their competitors. In such a dynamic environment, building and sustaining brand loyalty becomes more critical than ever. Brand loyalty refers to the degree of attachment, commitment, and preference that a customer has towards a particular brand. Loyal customers are more likely to repurchase a product, recommend it to others, and exhibit resistance to switching to another brand. Therefore, brand loyalty is importance for businesses to maintain a

steady market niche generate recurring revenues.

Several factors influence brand loyalty in the consumer electronics industry. These elements are broadly categorized into three categories: factors relating to product, marketing-related factors, and consumer base factors. The first includes product features, quality, reliability, and compatibility with other devices. Customers remain loyal to an organisation if the products are of a quality, have innovative features, and are reliable. Additionally, if a brand offers products that are compatible with other devices, it enhances the overall user experience, leading to greater brand loyalty.

Marketing-related factors include brand image, advertising, promotion, and customer service. Companies that invest in building a strong brand image, engaging in effective advertising and promotion, and providing exceptional customer service are more likely to create loyal customers. Consumer-related factors include consumer attitudes, preferences, and behaviours. Customers who perceive a particular brand as a status symbol or are emotionally attached to it are more likely to exhibit brand loyalty. Similarly, customers who prefer a particular brand's aesthetics or design language are also more likely to remain loyal. In conclusion, building and sustaining brand loyalty is crucial for businesses in the consumer electronics industry. Companies must focus on product quality, innovation, brand image, advertising and promotion, customer service, and consumer attitudes and preferences to create loyal customers. By doing so, companies can maintain a steady customer base, generate recurring revenues, and remain competitive in the market.

Literature Review

In his article, Ramanathan (2011) examines the influence of product return handling on customer loyalty in the e-commerce industry. Specifically, the study explores how risk, in the form of product quality and delivery reliability. The study employs data which is collected from the website: www.epubliceye.com, during the time period of 2006–2007. The results state that the handling of product returns has a good influence on customer loyalty in e-commerce, but this effect is stronger for customers who perceive a higher level of risk in their online transactions. Furthermore, the study finds that the quality of products and delivery reliability significantly moderates the returns factor and BL of consumers. The article provides important insights for e-commerce businesses on the importance of product return policies in building BL, especially in the presence of perceived risk. The research highlights the need for e-commerce businesses to prioritize product quality and delivery reliability as they affect BL.

Islam, Khadem, and Sayem (2012), in the arena of fashion in Bangladesh, investigate the link between quality of service, client satisfaction, and BL. The study uses survey data collected from 1126 customers of 14 apparel fashion retail stores in Bangladesh. According to the research's outcomes, the level of service has a substantial impact on consumer happiness, which has a huge one on BL. According to the study, characteristics of service quality such as dependability, security, compassion, and concreteness have a substantial influence on BL. The article provides valuable insights for apparel fashion retail businesses in Bangladesh and BL. The study underscores the need for apparel

fashion retail businesses to focus on improving service quality dimensions such as reliability, assurance, empathy, and tangibility to enhance customer satisfaction and loyalty.

Yee, Yeung, and Cheng (2010) investigate the factors and connections amongst the loyalty of workers, service quality, and company work within the industry. The findings of the study reveal that BL has a huge impact on quality of service, which in turn has a significant positive effect on firm performance. The study also finds that employee loyalty directly affects firm performance, suggesting that employee loyalty has a direct effect on business outcomes in the service industry. The article provides important insights for service industry businesses on employee loyalty in achieving high levels of firm functioning and quality of service. The study highlights the need for service industry businesses to focus on building and maintaining employee loyalty to enhance service quality and ultimately achieve better business outcomes. El Naggar and Bendary (2017) explored the effects of customer experience and confidence in the brand on BL, with aspects of brand equity acting as a moderator among Egyptian mobile operator subscribers. Brand trust and experience have a favourable influence on BL, according to the study, and brand equity characteristics moderate the link between brand trust/experience and BL. The study sheds light on the significance of brand equity in generating BL.

Pechyiam and Jaroenwanit (2014) examined the factors affecting green brand equity of electronic products in Thailand. The study found that green product attributes, environmental concern, green communication, and green price perception have a positive impact on green brand

equity, while green product availability has a negative impact on it. The study provides useful insights into how companies can build green brand equity by focusing on these factors.

Jomnonkwao et al. (2015) sought to determine the elements affecting attendance for academic excursion vehicles and tested the measurement's invariance between urban and rural areas. 2554 Thai consumers who had taken instructional tour buses in the year prior provided the survey with their data. The findings demonstrated that customer loyalty was highly impacted by quality of service, perceived worth, and customer pleasure. The research also discovered that the metropolitan area had a higher impact on BL than the rural area did. To increase client loyalty, especially in metropolitan areas, the authors advised educational tour bus companies to concentrate on delivering excellent service as well as perceived worth.

Delić et al. (2017) explored the factors affecting BL of customers who engage in shopping on phones in Croatia. The study found that consumer fulfilment and security in mobile commerce mainly influenced BL. In addition, the study found that convenience, price, and website quality were significant predictors of customer satisfaction, while website quality and trust were significant predictors of customer trust in mobile commerce.

Ramanathan (2010) investigated the changing effects of efficiency and potential problems on the relationship between customer loyalty and logistics performance in online commerce. The research concluded that logistics performance influenced BL in a good way, and this relationship was moderated by risk and efficiency. The study suggested that e-commerce companies should focus on

improving logistics performance to enhance customer loyalty, and consider risk and efficiency factors in their logistics management strategies. Jang et al. (2008) explored impact of the working characteristics of virtual brand communities on BL. The study found that sense of belonging, interactivity, and shared emotional connection were significant predictors of community commitment, while community commitment and common empathetic response were predictors of BL. The study suggested that companies must pay attention on building strong online firm communities to increase BL among customers.

Pan, Sheng, and Xie (2012) examine the backgrounds of customer loyalty by conducting an empirical synthesis and re-examination. The study highlights the significance of trust, customer satisfaction, and perceived value in influencing customer loyalty in retailing and consumer services. The authors analyze and synthesize the findings of previous studies on customer loyalty to identify key antecedents and their impact on customer loyalty. They conclude that customer loyalty is a complex phenomenon influenced by multiple factors that need to be considered in developing effective loyalty programs. Mirabi, Akbariyeh, and Tahmasebifard (2015) explore the factors affecting customer purchase intention. The study focuses on the role of perceived risk, perceived value and perceived quality in influencing customer buying intent. The authors use the survey method to amass data from the specific consumers of a phone retailer in Iran and employ regression analysis to analyze the information. The findings indicate that perceived quality and perceived value affect customer purchase intentions in a positive manner, while

perceived risk influences customer purchase intentions negatively.

Pappu and Quester (2016) look at how BL is impacted by customers' perceptions of innovation. Signalling theory is used to explain how perceived quality mediates. Results indicate that a company's creativity has an extensive effect on brand loyalty when it comes to perceived quality. Product executives can benefit from practical implications for handling brands and marketing.

Research by Marakanon and Panjakajornsak (2016) develops and examines a model of perceived quality, perceived value, and perceived risk affecting BL of sustainable electronic products. The study proposes a theoretical model based on the expectation-confirmation model and analyzes data collected through a survey of customers of environmentally-friendly electronic products. The findings suggest that perceived quality and prospective wealth attached affect customer loyalty, while perceived risk influences customer loyalty contrastingly. The study highlights the how consumer's perceptions often influence product quality, value, and risk in building customer loyalty for environmentally-friendly electronic products.

Objective

To measure the factors that determines brand loyalty in consumer electronics.

Methodology

Sample of 212 respondents (consumers of electronics) were surveyed to know the factors that determines brand loyalty in consumer electronics. The study is empirical in nature. A checklist question was used to analyse and interpret the data.

In a checklist question respondents choose “Yes” or “No” for all the questions.

Findings

Data analysis and interpretation

Table 1 Factors that determines brand loyalty in consumer

S. No.		Yes	% Yes	No	% No	Total
1	Handling of product returns has a good influence on customer loyalty in e-commerce	119	56.1	93	43.9	212
2	Product’s quality and delivery reliability positively affects consumer’s brand loyalty	149	70.3	63	29.7	212
3	Level of service has good impact on consumer happiness and in turn	120	56.6	92	43.4	212

	brand loyalty					
4	Dependability, security, compassion, and concreteness have positive effect on BL	134	63.2	78	36.8	212
5	Reliability, assurance, empathy, and tangibility enhance customer satisfaction and loyalty	151	71.2	61	28.8	212
6	Brand loyalty is positively influenced by trust and experience	133	62.7	79	37.3	212
7	Customer experience and confidence in the brand positively influence brand loyalty	147	69.3	65	30.7	212

8	Consumer's brand loyalty is influenced by logistics performance	117	552	95	448	212
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Table 1 shows factors that determines brand loyalty in consumer electronics. It is found from the table that around 71.2% of the respondents say “yes” to the statement that Reliability, assurance, empathy, and tangibility enhance customer satisfaction and loyalty followed by Product’s quality

and delivery reliability positively affects consumer’s brand loyalty (70.3%), Customer experience and confidence in the brand positively influence brand loyalty (69.3%), Dependability, security, compassion, and concreteness have positive effect on BL (63.2%), Brand loyalty is positively influenced by trust and experience (62.7%), Level of service has good impact on consumer happiness and in turn brand loyalty (56.6%), Handling of product returns has a good influence on customer loyalty in e-commerce (56.1%) and Consumer’s brand loyalty is influenced by logistics performance (55.2%).

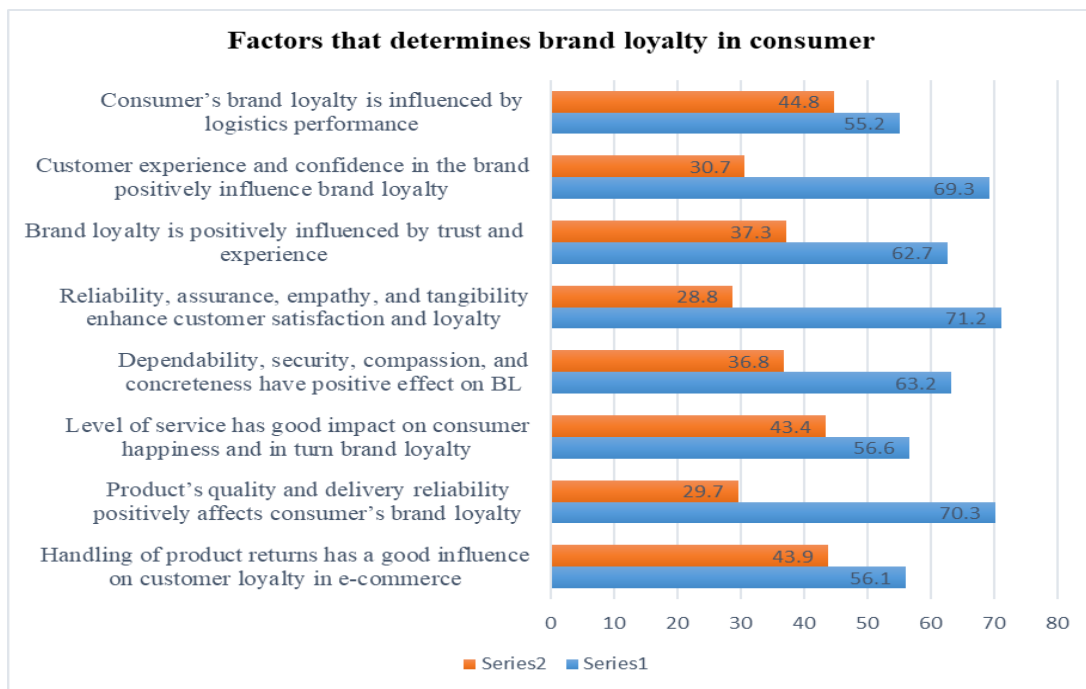


Figure 1 Factors that determines brand loyalty

Conclusion

In conclusion, brand loyalty in consumer electronics is determined by several factors. Quality of the product is among the most influential factors here. Consumers are more inclined to practice BL if the products maintain a good quality and meet their

expectations. Another factor that influences BL is brand image and reputation. Consumers are loyal to a brand if it has a good image and reputation. Furthermore, loyalty programs and incentives such as discounts, promotions, and special offers can also help to increase brand loyalty.

Overall, companies that prioritize customer satisfaction and effectively provide for good quality goods are more likely to build a loyal customer base in the competitive consumer electronics industry.

The study was conducted to know the factors that determines brand loyalty in consumer electronics and found that reliability, assurance, empathy, and tangibility enhance customer satisfaction, product's quality and delivery reliability, customer experience and confidence in the brand, dependability, security, compassion, and concreteness trust and experience, level of service, handling of product returns and logistics performance are different factors that determines brand loyalty in consumer electronics.

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