

Asymmetries in the Effects of Drivers of Brand Loyalty Between Early and Late Adopters and Across Technology Generations

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Abstract

Mobile marketing activities are growing at a rapid pace. The success of mobile marketing hinges on consumers' adoption of mobile devices. However, consumers' mobile device adoption is not well understood at the brand (e.g., Apple, Nokia, Samsung) level. We propose a conceptual framework linking mobile device brand loyalty (repurchase intention) to its drivers including perceived value, brand satisfaction, brand attachment and trust, and develop hypotheses about the moderating roles of adopter type and mobile technology generation in some of these linkages. We test these hypotheses using structural equation modeling on a unique cross-sectional dataset of attitudes toward mobile phone brands spanning two technology generations, 2.5G and 3G. The results reveal important asymmetries between adopter types and between technology generations: early adopters of mobile devices emphasize perceived value, whereas late adopters rely on brand satisfaction in developing brand loyalty; and consumers depend more on trust and less on perceived value in developing loyalty for the new generation than for the existing generation. We outline how brand managers of mobile devices should adapt their marketing strategies to different adopter types and technology generations.

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Introduction

Advances in mobile technology, marked by successive generations such as 2.5G, 3G, and 4G, have led to quantum leaps in data transfer speed, resulting in fast Internet access and enhanced data streaming. These improvements, together with the introduction of powerful mobile operating systems (e.g., iOS and Android), have enabled handheld mobile device (e.g., mobile phone, tablet) users to easily access or download online content, and have fueled the tremendous growth in mobile marketing activities, including mobile advertising, location-based marketing, mobile couponing, and mobile marketing apps (Bellman et al. 2011; Shankar and Balasubramanian 2009; Shankar et al. 2010; Swilley and Hofacker 2006).

A precondition of mobile marketing success is consumer adoption of mobile devices. While a few studies on mobile

device adoption (e.g., Lee, Trimi, and Kim 2013) shed light on the drivers of mobile device adoption at the category level, mobile device brand marketers (e.g., Apple, Nokia, Samsung) are also interested in adoption at the brand level. Because the mobile phone industry exhibits high levels of brand switching among consumers (Stremersch, Muller, and Peres 2010) and because customer loyalty is typically mismanaged (Reinartz and Kumar 2002), marketers of mobile devices are concerned about managing customer brand loyalty. However, there is sparse literature on customer loyalty toward mobile device brands (Petruzzellis 2010). Furthermore, prior research focuses on only one or two key drivers of mobile device brand loyalty (e.g., brand satisfaction or brand trust) in isolation rather than offering a comprehensive set of drivers in an integrated manner.

What drives mobile device brand loyalty? Prior studies examine selected antecedents of brand loyalty in general but not mobile devices in particular (e.g., Chaudhuri and Holbrook 2001; Mittal and Kamakura 2001; Sirdeshmukh, Singh, and Sabol 2002). Taken together, these studies suggest that perceived value, brand satisfaction, brand attachment and trust are key drivers of

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brand loyalty. However, there is a dearth of knowledge about the network of relationships among these drivers and how they impact brand loyalty, in particular, in mobile device markets.

These drivers may have specific effects on mobile device brand loyalty. For example, consumers have common concerns about privacy and security in using mobile devices, so trust in the marketer of the brand could be particularly important in mobile device brand loyalty. Furthermore, among the drivers of brand loyalty, brand attachment, the self-implicated emotion-laden bond between the consumer and a brand, is an important yet underexplored construct [Park et al. \(2010\)](#). Because consumers often carry their mobile devices and use them for important or personal purposes, consumers can become emotionally attached to mobile device brands. Unfortunately, research linking brand attachment to perceived value, brand satisfaction, brand trust and brand loyalty is sparse, in particular, in the mobile device context.

Importantly, not much is known about how the effects of mobile device brand loyalty drivers differ between adopter types such as early and late adopters. Differences likely exist because early and late adopters of mobile devices use different decision-making strategies (utility maximizing vs. satisficing—choosing an alternative that meets a threshold utility) or basis (objective product information vs. subjective experience) in making repurchase decisions. The potential differences in the drivers have important implications for managerial decisions on communication and loyalty development strategies for different adopter types.

Furthermore, we do not know much about how the effects of the drivers vary by mobile technology generation (e.g., 2.5G versus 3G). The effects may vary with technology generation because consumers perceive greater uncertainty and risk when adopting a new generation than an existing generation ([Kim, Han, and Srivastava 2002](#)). Knowing how these effects differ on technology generation can help mobile device brand marketers develop appropriate product design and marketing communication strategies across different technology generations for their brands.

We address these critical research issues by first developing a conceptual framework that delineates the relationships among mobile device brand loyalty and its drivers. We formulate hypotheses about the moderating roles of adopter type and technology generation for some of these relationships. We test the framework and the hypotheses using structural equation modeling on a unique dataset obtained from a sample of mobile phone users in a leading market for mobile phone adoption.

The results support most of our hypotheses and offer important implications for managers to enhance mobile device brand loyalty across adopter types and technology generations. Brand attachment partially mediates the effects on mobile device brand loyalty of brand satisfaction, and of trust toward the marketer of the brand. The findings also reveal important asymmetries between adopter types and between technology generations. The results show that perceived value (brand satisfaction) drives brand loyalty for early (late) adopters. Finally, the results show that the effect of perceived value

(trust) on mobile device brand loyalty is stronger (weaker) for the existing generation than the new generation.

Our findings suggest that brand managers of mobile devices should account for adopter types and technology generations when adapting their marketing strategies to fully leverage the differential effects of perceived value, brand satisfaction, and trust on brand loyalty. For example, given the particularly strong impact of perceived value on early adopters' brand loyalty, mobile device marketers should focus on usefulness, performance and quality in promoting their products to early adopters. Furthermore, because the effect of trust on brand loyalty is more positive for the new generation than the existing generation, mobile device marketers should emphasize customer care when marketing the new generation.

Besides contributing to the mobile device adoption literature, we extend the brand loyalty literature in important ways. First, we integrate the drivers of brand loyalty in a single framework, highlighting the role of brand attachment in brand loyalty formation. Second, we theoretically and empirically analyze the moderating role of adopter type in the relationships between brand loyalty drivers and brand loyalty, extending [Johnson, Herrmann, and Huber's \(2006\)](#) work on brand loyalty differences between two product life cycle stages. Third, to our knowledge, our research is the first to theoretically explain and empirically show the moderating role of technology generation in the relationships between brand loyalty and its drivers.

Conceptual Framework and Hypotheses

Our conceptual framework depicts the antecedents of mobile device brand loyalty and the processes linking them to brand loyalty (see [Fig. 1](#)). It comprises the direct and indirect effects of perceived value and brand satisfaction on brand loyalty with trust and brand attachment as the mediators in the indirect effects. Consistent with prior research on brand loyalty ([Chaudhuri and Holbrook 2001](#); [Johnson, Herrmann, and Huber 2006](#)), we represent mobile device brand loyalty by consumer intention to repurchase the brand.¹ We first briefly define the key constructs and predict the main effects of the drivers on brand loyalty. Next, we develop hypotheses about the moderating roles of adopter type and technology generation in some of these relationships; these roles constitute the focus of our investigation.

Key Constructs

Brand Loyalty

[Oliver \(1999\)](#) defines loyalty to a brand as a deeply held commitment to re-patronize or repurchase that brand consistently in the future, despite the potential of situational influences and

¹ We realize that intention to recommend the brand to others is another indicator of brand loyalty ([Lam et al., 2004](#)). However, the context of our research is the technology product market. Because of rapid advances in technology and shortening product life cycles, repurchase is a more immediate and important measure of brand loyalty than recommendation. Therefore, we focus on repurchase intention.

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