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Impact Of E-Service Innovation On Brand Equality And Customer Loyality In Samsung International Corporation

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Abstract

Advances in informational and communication technology due to rapid technological changes made e-service innovations possible. The new technologies compete with other methods to meet the needs of consumers and provide innovation in new services and create new challenges for service providers who offer to their customer's high quality and customized services. In this regard, companies that offer distinguished and useful services to customers have more loyal customers rather than their competitor. Understanding the impact of consumer response to innovations on their loyalty is crucial for service providers in the field of digital products. Therefore, the aim of this study is the investigation of the impact of Innovation in Electronic Service on brand equity and customer loyalty in Samsung International Corporation. In this regard, data from 384 users of Samsung mobile phone who have used the services of this company was collected and tested through structural equation modeling. The findings of the study confirmed the impact of customized services and technology leadership on the brand equity, while direct impact of service innovation on brand equity was not found significant. Positive impact of technology leadership and brand equity on customer loyalty was also approved.

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1. Introduction

Brand management is an increasingly important area of marketing management especially when organizations are trying to transmit intangible and complex messages (Seyedjavadin et al., 2010). One of the most important

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marketing concepts that are widely discussed by marketing scholars and experts is brand equity that one of the important reasons for this fame is its important strategic role in decision makings in management and creation of a competitive advantage for the organization and its customers (Gilani nia and Moussavian, 2010). Aaker suggested that the brand equity will increase corporate value through loyalty, awareness increase and perceived quality (Aaker, 1991). Given the importance of brand performance assessment for companies, empirical studies on this issue seem to be essential (Johnston & Jones, 2004).

The fact that the perceived quality has become an important competitive factor in the business world causes the current era of business be called "quality time”. Thinkers of marketing consider quality of goods and services as a powerful competitive weapon. Also in today's competitive era, we witnessed a sharp increase in the number of brands in the different industry that make survival in the industrial market areas more difficult and that is why the preservation and strengthening customer loyalty for companies that are concerned about the development of their competitive position in the market is considered as a strategic challenge. The issues of brand equity and loyalty in the digital world are different from the factors in real world and this category is a significant issue in providing services. Customer loyalty to e-services are the main problem in the field of international services that in this study sought to examine the impact of the company's innovative e-services on the formation of customer loyalty to find appropriate insight to achieve nonfinancial goals of companies. In this way, this study was designed.

New technologies are competing with each other and also are complementary to meet customers' needs and lead to new challenges for managers to deliver new services (Danaher, Hardie, & Putsis, 2001). The company's offer customized and high quality services and products to their customers. Understanding the impact of customer reactions to service innovation for the company's customer loyalty is vital .Technology acceptance model is the core of customer acceptance and subsequent use of the product (Venkatesh & Morris, 2000). Research conducted in the field of marketing and customer loyalty is very detailed (Oliver, 1980). However, the effect of service innovation on customer loyalty remains largely unknown. (Parasuraman & Grewal, 2000), therefore, understanding the impact of service innovation on customer loyalty is a valuable subject for study. Therefore, in this study we are looking at the Impact of innovation in Electronic Service on brand equity and customer loyalty.

2. Theoretical concepts

2.1. Brand equity

Brand is a set of characteristics that develop over time in the minds of the consumer to differentiate between competing products (Yoo and Donthu, 2001). One of the most famous and most important marketing concepts that are widely discussed by researchers and experts is brand equity because of the strategic and importance role of brand equity in management decisions and creation a competitive advantage for the organization and its customers (Atilgan et al. 2007). Brand equity enables organizations that in addition of maintaining their market share, gain the greater the amount of charge in exchange for their brand (Lee and Back, 2009). Aaker (1991) defines brand equity as the assets that associated with the trade name or symbol of a company and increase the value of the goods or service provided to customers by the company. Simon and Sullivan (1993) defined the brand equity as differences in consumer choice between products of famous brand names and products without name with the same level of quality. Farquhar (1989) has more simple definition of brand equity and introduced it as the added value in which a product is characterized with certain brand of a product and the product will lead to practical benefits. In other words, brand equity is the added value for company, business or consumer that a certain brand gives the product (Martinez, 2006).

2.2. Service innovation

organizational innovation is the creation new, useful and valued products and services in the organization .In fact organizational innovation is the organizations tend to develop new or improved products and services and its success in providing products and services to the market (Gumusluoglu and Ilsev, 2009). Management innovations in

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