

Brand Loyalty by Youth in Erbil: A comparative Study of Apple I phone, HTC, Blackberry and Samsung Brands.

Mohammed Emad AGHA

Business and Management Department Ishik University, Erbil, Iraq

Email: karwan.talaat@ishik.edu.iq

Abstract

In this research study I will discuss how the youth in Erbil are loyal to the mobile brands that they use. In order to do this I prepared a survey (convenience sampling) to show to what extent there is loyalty among youth, the role that price has on loyalty, what is the reason for brand shifting, what is the reason for not being loyal, what is the role of advertisement and what is the most purchased cell phone. The research design and methodology that I chose to use in my research was a quantitative method to analyze the youth's loyalty toward the brand that they are using, and what are the problems that cause the youth to be not loyal to the brands they are using. Finally the results will be analyzed and showed in charts to make all the data clear and understandable. My overall intention was to show how much the youth are loyal to their brands and how I can extend the loyalty among the youth. Upon completion the research I found that the youth are loyal to the mobile brands that they use. We have not only found out that the youth of Erbil are loyal to their brands but we have also pinpointed the reason as to why some of them were not loyal and that was due to factors such as price and being undereducated. This is beneficial as our research has not only answered all the research questions that were posed but also has allowed us to state that the youth are loyal based on the results of my research and not to mention the reasons as to why they are not loyal. If brands can improve and find solutions to these factors that are the reason for poor loyalty among the youth in Erbil, they will in my opinion see an increase in their customer loyalty.

1. Introduction

1.1 Background

1.1.1 Brand

Brand is name, sign, term, and sometimes combination of them in order to identify a firm's products or services or group of company's product and services. The reason for having brand is for distinguishes them from any other companies or firms that they produce similar product and services. There is another definition of Brand by The Chartered Institute of Marketing (UK) defines brand as "a symbol that represent the consumer's experience with an organization, product or services" (Kotler, Keller, Brady, Goodman & Hansen, 2009). A name given to a specific product or services so as to differentiate it from its competitors in the market place is Brand, and it can be count as personification of the company that shows its customer's care to its products and services in which the firm afford for them. For having a successful brand a company should show it is services and products in a way that a buyer sees important uniqueness of the product or service in order to be equivalent with their needs (Kotler, Keller, Brady, Goodman & Hansen, 2009).

It has been proved that brand has a very huge impact on society and children as well, because these days' children can recognize brand logos three times more than a young or elderly people. People's expression and appearance can be through choosing their brand they always purchase. For example in university every student has its own cloths brand that they always wear, the mobile phone that they use, their friends that they have, the restaurants that they go together, and even the social networking website that they use can be count as a brand and all these things are related to a personal branding, and this will show how brand have effect on every one's life in the society (Kotler, Keller, Brady, Goodman & Hansen, 2009). This kind of impact is sometimes people are not aware of it or they even think that they do not care about brand but in reality they do care but they are not aware of it.

Branding has both external and internal benefit. But the most important one is that brand will make the purchaser remember the product or the business that they purchase it, and this will happen with the help of the strong brand image or brand name that the business have. People are mostly purchasing their things according to their emotion, and choosing the brand which they are loyal to is building a relationship between the firm and the buyer emotionally, and this

kind of relationship is important for the firm or the company and this can be count as external benefit. For the internal benefit the brand that the firm has will provide the internal scope, if the firm was aware of what they are doing and having understand of their business by these things and with the brand that they have, they will build a very strong identity inside the firm (Ehret, 2009).

1.1.2 History of Brand

It is about centuries Brand has been showed up, and the reason for having brand at that time was to distinguish their products from others. In Europe Brand has been showed up in middle age, and they put a trademark on the product that they have but it was a handmade trademark in order to protect themselves and their customer from low quality products (Kotler, Keller, Brady, Goodman & Hansen, 2009).

1.1.3 Definitions

Brand means “a combination of attributes that gives a company, organization product, service concept, or even an individual, a distinct identity and value relative to its competitor, its advocate, its stakeholders and its customers” (Doyle, 2005)

Brand loyalty means it has been found that there are 8 definitions for defining brand loyalty, but there is not theoretical definition of this concept, and it is obvious that this concept is widely used in marketing literature, but they did not get to a result for finding a definition for this concept (Wernerfelt, 1991). Despite that issue they put a simple definition for this concept which is “Brand loyalty is the feelings or attitudes that incline a customer either to return to a company, shop or outlet to purchase there again, or else to re-purchase a particular product, service or brand. Customer loyalty is the totality of feelings or attitudes that would incline a customer to consider the repurchase of a particular product, service or brand or re-visit a particular company or shop” (John, 2010).

Or Brand Loyalty is “The biased, Behavioral response, expressed over time, by some decision making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological decision making process” (Mellens, Dekimpe, Steenkamp, 1996)

Advertisements means “all activities involved in presenting to an audience a non personal, sponsor-identified, paid for message about a product or an organization” (Etzel & Walker & Stanton, 2007).

Price means “is the amount of money and/ or other items with utility needed to acquire a product” (Etzel & Walker & Stanton, 2007). Price is affecting everything and every aspect in life such as economy, customer’s mind, in the individual’s firm (Etzel & Walker & Stanton, 2007). It is obvious that price is important for some people or buyer, and for others quality and service are more important than price of the product and this means price sensitivity of customer (Doyle & Stern, 2006).

2. Literature Review

2.1 Theoretical backgrounds

2.1.1 Customer Loyalty

Building customer loyalty is dream of every company and business owners, and for building that loyalty by their customers companies are using four types of marketing activity that improve their customer’s loyalty, and those four methods are Estimate, Select, Pursue, and Document. These four methods are mostly used by companies in order to attract their customers and make them to be loyal to their brand. In some companies there is a direct relationship with customer, for example MBNA which is a credit card giant is having their own strategy for making relationship with their customer stronger , which is listening to every customer through telephone conversation and this kind of communications mostly will held in customer service area or customer recovery unit. By doing this kind of speeches the company will figure out if their customer is satisfied with their services or not, and in return they will get loyalty from their customers (Kotler, Keller, Brady, Goodman & Hansen, 2009).

There are other methods that are using by companies for improving their customer’s loyalty which is loyalty program. Loyalty program is a “sales promotion tool used to encourage and reward repeat purchases by acknowledgement each purchase made by consumer and offering a premium as purchases accumulate” (Kerin, Steven, Berkowitz &

Rudelius, 1986). This means that when a person purchases a product over and over in a company, the company will offer a purchases for free to encourage that person to purchase their product and this will increase that person's loyalty to their brand. For example, Turkish Airlines customers can get a free ticket with collecting points for each mile they travel with the air line. This kind of offer makes customer to by ticket over and over in order to win that price, and this will increases the purchase's loyalty.

There are theories that have been talked about before in the area of Brand Loyalty, which is, viewing brand loyalty as a hypothetical view, this means that past researches mostly exaggerated because they are systematically focused on it (Sheth, 1974). This method means that even if the consumer does not buy the product this does not mean he/ she is not brand loyal, for example, children are acting brand loyal more than buying the product, this means that they are brand loyal in their brain by liking the product and wishing to have it, because sometimes they cannot buy it. Another point in hypothetical theory is, if someone bought a product over and over, this does not mean he/ she is brand loyal, because maybe he bought the product because the price was not too expensive, and those people are not brand loyal they are mostly concentrate on price. Another important view about hypothesis construct is that there is a difference between brand loyalty and respect to brand by consumers, consumers should understand there is a big difference between respect to brand and brand loyalty, because if the person was loyal he/she will show respect to the brand, but if he/she was respecting certain type of the brand this does not means that that person is loyal to brand (Sheth, 1974).

There is another theory of brand loyalty which consists in to three categories, first category is emotional tendency for brand, which means showing respect to brand, like or dislike the brand, fear, and value of the brand, and this kind of dimension is related to customer through their previous experience when they are buying a certain kind of product. Second category is behavioral tendency; means that the consumer will have a positive bias toward the brand that he/she choose, this will contain all of behavioral activity that the consumer will do during the shopping. Finally the third one is evaluative tendency; this dimension means that the consumer is evaluating the brand in a set of principle that related to brand utility (Sheth, 1974).

There is a theoretical framework of Brand Loyalty by customers which shows that innovation has relationship with both customer loyalty and customer satisfaction. This shows that both customer loyalty and satisfaction are dependent and inconstant, but innovation is independent, and they all have positive relations with each other (Nemati, Khan & Iftikhar, 2010). According to Nemati, Khan & Iftikhar for being successful loyalty is not only the way, because there are many things that effects the loyalty which is price and quality, and the customer should choose the product according to the price and quality (2010). Also it is been proved that loyalty is different from age and gender, because in certain ages people are loyal to certain kind of brand, and being loyal to some certain type of product will be different between female and male, because males prefer certain kind of product brand that female do not (Nemati, Khan & Iftikhar, 2010).

3. Research Problem:

In this research I will carry out the reason of being loyal or not loyal to a specific kind of brand in Erbil city which is a city in Kurdistan region of Iraq. The target is Kurdish youth for finding out how far they are loyal, and finding the reasons for shifting from a product to another product is another problem that should be carrying out in this research. Another important point that should be mention and find solution for is price of the product. Price is nowadays the major problem in Erbil city because it goes up every day and this will affect people while they want to buy a product, especially youth because they do not have enough income. Also for buying a cell phone new generation are having their own reasons for choosing a brand and being loyal to a certain type of brand, in this research those problems are talking about and trying to find solutions for most of the problems.

4. Research Objectives

Objectives of this study is to do a study like this because in Kurdistan and in Erbil city no one did a study like this in the area of Marketing, and in the Future I would like to develop this study more by doing survey in other places and cities in Kurdistan in order to achieve the main goal which is knowing to what extend Kurdish youth are loyal to cell phone brands.

5. Research Methodology

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6. Data Analysis:

In the study analyze have four different tables statistically conducted with the research. First one is Cronbach's Alpha, second one is demographical variables and the third table is all eighteen items description presented as frequency and fourth table is all eighteen One-Sample t-Test values.

Table 1: Demographical Data

<i>Parameter</i>		Frequency	Percentage
Gender	Male	35	50
	Female	35	50
Age	18 years – 28 years	70	100
Education	Bachelor degree	70	100
Total		70	100

The above table presented as Table 2 has the demographical variables where three variables taken for the study and explained with the frequency and percentage.

Table 2: Items Data

Parameter		Frequency	Percentage	
Do you care about brand while you are buying a cell phone?	YES	57	81.5	
	NO	7	7.7	
	Sometimes	6	6.5	
what cell phone brand do you use?	Iphone	41	59	
	Samsung	16	23	
	HTC	7	8	
	Blackberry	6	10	
What makes you to choose that brand between hundreds of brands?	Quality	3.3	82.5	
	Easy to use	1.9	45.7	
	applications	0.3	8.7	
	Best brands	0.25	6.25	
	Appearance and design	0.5	113.3	
	Advertisement	1	5	
	Windows phone	0.25	6.25	
	Good reputation	0.28	7	
	Unique Programs	0.125	12.5	
Do you purchase your favorite cell phone every time or you do it randomly? Why?	Iphone	Yes my favorite	0.69	69
		NO randomly	0.315	31.5
		Sometimes	-	-
		I don't buy cell phone everytime	-	-
		YES my favorite	0.715	71.5

	Samsung	NO randomly	0.19	19
		Sometimes	-	-
		I don't buy cell phone everytime	0.125	12.5
	Blackberry	YES my favorite	0.25	25
		NO randomly	0.5	50
		Sometimes	-	-
		I don't buy cell phone everytime	-	-
	HTC	YES my favorite	0.375	37.5
		NO randomly	0.5	50
		Sometimes	0.125	12.5
		I don't buy cell phone everytime	-	-
What makes you to be loyal to your mobile phone brand?	Iphone	Im not loyal	0.15	15
		The brand itself	0.15	15
		Experience	0.18	18
		High Quality	0.315	31.5
		Feel my need	0.215	21.5
		Fast	0.18	18
		I like it	0.25	25
	Samsung	Im not loyal	0.4	40
		High Quality	0.25	25
		Technological Update	0.27	27
	Blackberry	My friends are	1	100
		Good working	0.5	50
		It never let me down	0.5	50
	HTC	Im not loyal	0.45	45
		My friends are	0.45	45

		Technological Update	0.5	50
		Company's honesty	0.5	50
Does advertisements have effect on your choice?	Iphone	YES	0.43	43
		NO	0.54	54
	Samsung	YES	0.75	75
		NO	0.125	12.5
		Sometimes	0.48	48
	Blackberry	YES	0.5	50
		Sometimes	0.5	50
	HTC	YES	0.75	75
		NO	0.25	25
If the features of these brands are perfectly the same, which one do you choose? (Apple I phone, Samsung, HTC)	Iphone users	Iphone	1	100
	Samsung users	Iphone	0.735	73.5
		Samsung	0.265	26.5
	Blackberry users	Iphone	0.675	67.5
		Samsung	0.225	22.5
		Blackberry	0.15	15
	HTC	Iphone	0.375	37.5
		Samsung	0.25	25
		HTC	0.375	37.5
Does price affect your choice?			YES	51
			NO	13
			Sometimes	6
From one to five, can you rate the cell phone brand that you are using?	Iphone	1	-	-
		2	-	-
		3	3	9
		4	18	44
		5	20	50

	Samsung	1		
		2		
		3	2	12.5
		4	9	56.5
		5	5	30
	HTC	1		
		2		
		3	2	25
		4	3	45
		5	2	35
	Blackberry	1		
		2		
		3	1	12.5
		4	4	77.5
		5	1	10
Total			33.9	100

The above table presented as Table 2 has the all the 9 questions and presented as frequency and percentage having altogether 86 samples constituting 100% of respondents.

7. Finding and Conclusion

Finally, this research shows how Erbil Kurdish youth are loyal to their cell phone brand that they mostly use among any other products, and cell phones are these days one of the most important thing in young people's life. This research consists of four chapters which are introduction, and it contains background about the research and it includes brand and history of brand, and key word definitions. Another part of introduction research problem that contains three parts which are research questions and problem statement, and objectives of this study. Chapter two of this research is review of the literature and it also contains theoretical back grounds, former researches, and expectation for the result. Chapter three is methodology, and it contains research design and philosophical view, and research method that contains data collection procedure, nature of the questions, and

analysis, limitation is also part of the methodology. Chapter four is research findings, like result and analyzing the result.

In this research I want to find out how far youth are loyal to their used brands, and by doing a questionnaire in Ishik University among 70 students I reached to a point that youth in Erbil are loyal and not loyal. According to the data that collected by the questionnaire 52% of youth are loyal to their cell phone brands, and 82% of them are caring about brand. But some reasons have effect on them like price and advertisements. Price is one of the major issues, because according to the questionnaire they said they do not have enough income, so sometimes they cannot buy the brand that they wish to have it. For a student it is not hard to shift from a brand to another because they said that if the price was not suitable even if it was their favorite brand they cannot buy it and they can buy another cheaper cell phone.

Finally the most Purchased cell phone among youth is Apple Iphone Brand which 56% of youth are using AppleIphone cell phone. The second brand is Samsung in which 16% of youth are using it, but because of the price they cannot buy it. The 28% of the students used other brands like HTC and Blackberry.

At the beginning of this research my expectation for the result was opposite to the result of the questionnaire that I got at the end of the research, at the beginning I thought people are not loyal, but at the end 52% of youth are loyal this kind of result was a very good result for now and for Erbil youth also, because this country now in a developing stage and it is a very good step for them at this time.

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