

**FACTORS INFLUENCING CUSTOMER LOYALTY TOWARDS SMARTPHONE BRANDS: A STUDY ON CUSTOMERS IN ABU DHABI, UAE**

**Anas Abdul Wahab, Ananthalakshmi Mahadevan and Minali Wadu Maestri**

Research scholar in Business Management, Senior Faculty and Faculty, Department of Business Management, Nest Academy of Business Management, Dubai, UAE

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**ABSTRACT**

The smartphone industry has gone into a furious rivalry where smartphone makers are expected to continually deliver development in technology and marketing techniques to win buyers' trust and gain loyalty towards brand. Notwithstanding, it is challenging to acquire brand loyalty these days as there are a lot of options in the marketplace. Hence this study aims to identify and analyse the factors influencing customer loyalty towards smartphones. The study also aims to understand the difference in the trust and willingness to recommend a brand between iPhone, Samsung, and other brand of smartphone users. Data was collected using non-probability, convenient sampling using google forms to undertake a survey. By the end of the stipulated period, the researcher could finalize 60 respondents and the data is considered for analysis. The ranking done based on the mean scores shows that Quality of the product ranks 1 followed by durability and price. ANOVA was carried out to find out the difference between groups. The result shows that there is no significant difference between iPhone and Samsung users in the trust and willingness to recommend a brand whereas there is a significant difference between other smartphone users and iPhone and Samsung users. The research results indicate that Quality is the most considered factor in buying a mobile phone and among the smartphone users iPhone and Samsung users were equally trusting their product more than other smartphone users.

**Keywords:** Smartphones, Customer loyalty, Branding, pricing strategies.

**1. INTRODUCTION**

The worldwide infatuation with digital gadgets, particularly mobile phones, has provided an opportunity for telecommunication marketers to target this demographic. The great majority of smartphone users have a close bond with their devices. Due to economic gains largely such as client referrals, value premiums, reduced operational expenses, increased purchases, and greater balances linked with keeping existing or potential customers, customer loyalty has been an essential emphasis in recent years for marketing strategy (G winner et al., 1998). Furthermore, according to marketing literature, getting new clients is much more expensive than keeping existing customers (Dick and Basu, 1994). As a result, marketers are looking for smart ways to keep their loyal clients. Although there are several aspects that impact customer loyalty, it is hard to undertake research that examines all of them at the same time.

The popularity of digital devices, particularly mobile phones, has given telecommunication marketers the chance to target a specific group. Customer loyalty is crucial in marketing strategies due to economic benefits such as referrals, reduced expenses, and increased purchases (Winner et al., 1998). Obtaining new customers is more expensive than maintaining existing

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ones (Dick and Basu, 1994), so marketers are seeking effective ways to retain them. Brand loyalty is becoming increasingly essential in a highly competitive market (Fournier and Yao, 1997). Companies must understand the factors that influence brand loyalty to retain their customers, particularly in the smartphone industry (Ndesangia, 2015). Therefore, creating a marketing plan that preserves and enhances brand loyalty is critical (Kim, Park, and Jeong, 2004).

Customer loyalty is a valuable relationship between clients and organizations that develop over time due to positive experiences, leading to trust (Chambers, 2020). Several factors, including expectations, customer satisfaction, reputation, rewards, and community outreach, affect customer loyalty (Harvey and Houlihan, 2020). The first smartphone, the Simon Personal Communicator, was designed by IBM in 1992 and launched for purchase in 1994 (Tocci, 2019). The iPhone, introduced in 2007, marked a significant milestone in the smartphone industry, as it provided users with a full version of the internet (Tocci, 2019). With advances in communication and information technology, customers now have more power to choose among various brands, so companies must cultivate strong brand loyalty to retain their customer base.

The main aim of research is to identify various factors influencing customer loyalty towards smartphone brands among youngsters in the city of Abu Dhabi. This research paper addresses the following research objectives-

- 1) To identify the factors that lead to customer loyalty towards smart phone brands.
- 2) To find out the most influential factor/s in the choice of smartphones.
- 3) To identify the difference in trust towards the smartphone among iPhone, Samsung, and other smartphone users
- 4) To identify the difference the willingness to recommend a smartphone among iPhone, Samsung, and other smartphone users.

The research focused on customer loyalty towards smartphone brands is expected to benefit smartphone companies. The study will gather data from customers in Abu Dhabi to determine the reasons behind their choice of a particular smartphone brand, with a focus on technology, price, reputation, and satisfaction. By analyzing the survey results, companies can identify customer preferences and take measures to enhance their products. This research will also benefit potential customers who plan to purchase a smartphone, as the results can provide them with valuable insights on why people prefer certain brands. Therefore, they can make informed decisions and select the smartphone that best fits their needs.

## **2. LITERATURE REVIEW**

Lin and Chang (2013) state that the most significant technological advancement since the invention of the Internet was achieved by merging a cell phone with a portable computer, resulting in the creation of a smartphone. Smartphones can perform all of the functions of a desktop computer and more, thanks to their portability. Despite having a smaller screen size, the high resolutions and pixel density make for an enhanced viewing experience. While typing may take longer on a smartphone keyboard, voice recognition technology has helped to alleviate this issue. Customers exhibit various behaviors in response to different aspects or features of their smartphones.

Brand loyalty refers to a positively biased emotive, evaluative, and/or behavioral response tendency towards a branded alternative or choice by an individual in their capacity as the user,

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choice maker, and/or purchasing agent (Sheth, 1968). It can be characterized by positive tendencies and propensities towards the brand, which can be behavioral or attitudinal in nature (Auka et al., 2013). While behavioral loyalty considers proportional purchase, purchase sequence, and probability of purchase, it cannot explain how and why brand loyalty develops and modifies over time (Dick and Basu, 1994). Therefore, the attitudinal aspect of brand loyalty has received more attention as it provides a more comprehensive picture of loyalty (Jensen & Hansen, 2006). Customer loyalty, which is a critical factor for all business entities, refers to the degree to which any customer exhibits repeat purchasing consumer behavior from a goods or service provider, possesses an important positive attitudinal disposition toward the concrete provider, and considers using this concrete provider when a need for this goods or service arises (Gremier & Brown, 1996). It can also be defined as the customer's intention to remain a regular customer of the company (Eisingerich & Bell, 2006).

There are various research papers that discuss the determinants and factors influencing customer loyalty, with different focuses such as SMEs, customer loyalty programs, electronic commerce, and financial institutions. The most important factors affecting customer loyalty at a general level include perceived quality, perceived value, brand equity, satisfaction, trust, switching costs, experience, quality of services, recommendation, expectation, and price sensitivity. In recent years, there has been a growing interest in researching customer loyalty in the mobile phone and mobile operator markets, with factors such as customer expectations, perceived quality, customer satisfaction, perceived and expected value, brand image, trust, price tolerance, repurchase likelihood, brand awareness, promotion, product, and services quality being proposed as influencing factors. (Bayraktar et al., 2012; Dehestani, Zadeh & Noori, 2013; Donighi & Davarpanah, 2013; Evanschitzky et al., 2011; Ismail & Safa, 2014; Khundyz, 2018; Ong & Salleh, 2015; Rasheed & Anser, 2017; Said, 2014; Yap et al., 2012).

According to Sahu and Menon (2019), smartphones have become an essential part of daily life and people have a personal connection with their smartphones. The study investigated the factors that influence brand loyalty among smartphone users in Thane city. The research was conducted using questionnaires and 350 smartphone users were surveyed. The study found that Samsung has the highest market share among smartphone brands in India.

Pyae and Chaipoopirutana (2015) focused on the brand loyalty of Samsung smartphone users in Myanmar. They found that consumer loyalty towards the brand is unpredictable and examined the factors that influence brand loyalty. The research was conducted using 420 questionnaires sent to users of famous smartphone brands. They proposed 7 hypotheses based on their research framework and concluded that Samsung users in Myanmar were more satisfied with the device because it was less complicated than other brands and had accessible customer services at an affordable price range.

In a study by Low and Andrew (2019) on brand loyalty among smartphone users in the Klang Valley, they found that customer satisfaction had a significant influence on brand loyalty, while price and brand innovativeness did not have a significant effect. Another study by Yuen *et al.* (2018) from Malaysia investigated the factors influencing customer loyalty towards smartphone brands among generation Y. They found that perceived brand quality and brand image had a significant impact on brand loyalty among customers. They also found that switching costs, brand loyalty, and brand experience were other important determinants of customer loyalty towards smartphone brands.

Porral and Mangin (2016) investigated the impact of switching costs and satisfaction on customer loyalty towards smartphone service providers. They found that perceived value is the main driver of customer loyalty and that switching costs can also influence loyalty. Ahmed and Moosavi (2013) studied the factors affecting phone brand loyalty among young adults in Sweden. They found that brand quality, brand image, customer satisfaction, and brand experience are the main factors that influence brand loyalty among young adults. Vikaliana et al. (2021) explored the role of brand credibility and consumer convenience in brand loyalty among smartphone users. They found that brand credibility has a significant effect on customer loyalty and a good marketing strategy can lead to positive customer attitudes towards a brand. All studies collected data through surveys or questionnaires.

### 3. RESEARCH METHODS

This research used a quantitative approach, specifically by collecting data through survey forms using a descriptive method. The survey forms are distributed among the mobile phone users in the age group of 20 to 35 years old, in Abu Dhabi. The data collection method is primary research, which involves direct interaction with the source to gather information. The primary data are collected through questionnaires, which were closed after enough responses were received.

Sampling includes two types of sampling methods: probability and non-probability sampling. Probability sampling methods involve selecting a sample with known and non-zero probabilities, while non-probability sampling methods involve selecting a sample with non-random criteria (Sekaran, 2010). In this research, the non-probability method is used, and the survey forms are distributed to random individuals through references in Abu Dhabi. The target was to collect around 50 to 70 responses. The data is analysed by using ANOVA to identify the difference between groups with the help of SPSS software. Ethical concerns are addressed by informing participants about the survey's purpose and masking their names and positions to protect their identity and to ensure their confidentiality.

### 4. RESULTS AND DISCUSSION

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Quality	60	3	5	4.27	.686	.470
Durable	60	2	5	4.30	.696	.485
Price	60	2	5	3.93	.972	.945
Value	60	1	5	4.15	.899	.808
Brand	60	2	5	3.77	.998	.995
popular	60	2	5	4.05	.928	.862
Look	60	1	5	4.00	1.008	1.017
Hardware	60	2	5	4.15	.799	.638
Recommend	60	1	5	4.00	1.164	1.356
Software	60	2	5	4.17	.827	.684

Trust	60	2	5	4.12	.958	.918
Valid (listwise)	N 60					

The Mean values of various factors determining the customer loyalty towards the mobile phone brands were presented in the Table -1. It can be inferred that Durability has the highest mean value of 4.3 followed by the Quality at 4.27, there is notably a .03 variation between the two variables. The least mean value was obtained for the brands as it is 3.77. We can also note that price was second least factor with a mean value of 3.93.

Source Variable	Function	New Variable	Label
Quality <sup>b</sup>	Rank	RAN001	Rank of Quality
Durable <sup>b</sup>	Rank	RAN002	Rank of Durable
Price <sup>b</sup>	Rank	RAN003	Rank of Price
Value <sup>b</sup>	Rank	RAN004	Rank of Value
Brand <sup>b</sup>	Rank	RAN005	Rank of Brand
Look <sup>b</sup>	Rank	RAN006	Rank of Look
Hardware <sup>b</sup>	Rank	RAN007	Rank of Hardware
Software <sup>b</sup>	Rank	RAN008	Rank of Software

a. Mean rank of tied values is used for ties.  
 b. Ranks are in descending order.

Based on the data collected from the respondents, the factors determining customer loyalty towards mobile phone brands were ranked in the descending order. It can be found from the above table that Quality of the phone ranked Number 1 followed by durability and price. The software used is ranked 8<sup>th</sup>, the last, with the hardware features ranked 7<sup>th</sup> and second last in the list. It is evident that while buying a smartphone, the buyer looks for quality, durability, and price more than any other feature as they are ranked as 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> respectively.

***Difference between models and trust:***

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean			
					Lower Bound	Upper Bound	Minimum	Maximum
iPhone	28	4.54	.838	.158	4.21	4.86	2	5
Samsung	15	4.20	.676	.175	3.83	4.57	3	5
Others	17	3.35	.931	.226	2.87	3.83	2	5

Total	60	4.12	.958	.124	3.87	4.36	2	5
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		Levene Statistic	df1	df2	Sig.
Trust	Based on Mean	.930	2	57	.401
	Based on Median	.666	2	57	.518
	Based on Median and with adjusted df	.666	2	51.161	.518
	Based on trimmed mean	.873	2	57	.423

	Sum Squares	df	Mean Square	F	Sig.
Between Groups	14.937	2	7.468	10.847	.000
Within Groups	39.247	57	.689		
Total	54.183	59			

**Post hoc test:**

(I) Smartphone	(J) Smartphone	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
iPhone	2	.336	.266	.421	-.30	.97
	3	1.183*	.255	.000	.57	1.80
Samsung	1	-.336	.266	.421	-.97	.30
	3	.847*	.294	.015	.14	1.55
Others	1	-1.183*	.255	.000	-1.80	-.57
	2	-.847*	.294	.015	-1.55	-.14

\*. The mean difference is significant at the 0.05 level.

ANOVA and Post Hoc tests were conducted to test the hypothesis whether there exist any difference between groups of smartphone buyers and trust towards the product. From the descriptives the mean values of three different groups were identified to be 4.54, 4.20 and 3.35 representing iPhone, Samsung and other brand users respectively, where iPhone user group has the highest mean value of 4.54. The test of Homogeneity of variances were examined using Levene’s Statistics and it shows that there are no significant variances between groups as the p-values are insignificant. The ANOVA table is used to compare the difference in trust between the groups. It can be inferred from the table that F value is 10.847 and  $p < 0.001$  shows that there is a significant difference in the trust between groups of Smartphone users. Tukey HSD values to identify the group’s mean difference indicate that there is no significant difference between iPhone and Samsung users ( $p = 0.421$ ) but there is a significant difference between iPhone and

other smartphone users ( $p < 0.001$ ) and between Samsung and other smartphone users ( $p = 0.015$ ). It can be concluded that there are significant differences in the level of trust across the three group of smartphone users. The trust score of other model users is significantly lower than iPhone and Samsung users, whereas the trust score between iPhone and Samsung were not significantly different from each other.

***Difference between models used and willingness to recommend:***

<i>Descriptives</i>								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1	28	4.39	.994	.188	4.01	4.78	1	5
2	15	4.27	.961	.248	3.73	4.80	2	5
3	17	3.12	1.166	.283	2.52	3.72	1	5
Total	60	4.00	1.164	.150	3.70	4.30	1	5

<i>Test of Homogeneity of Variances</i>					
		Levene Statistic	df1	df2	Sig.
Recommend	Based on Mean	.740	2	57	.482
	Based on Median	.723	2	57	.490
	Based on Median and with adjusted df	.723	2	52.449	.490
	Based on trimmed mean	.869	2	57	.425

<i>ANOVA</i>						
	Sum Squares	df	Mean Square	F	Sig.	
Between Groups	18.623	2	9.312	8.648	.001	
Within Groups	61.377	57	1.077			
Total	80.000	59				

***Posthoc tests:***

(I) Smartphone	(J) Smartphone	Mean Difference (I- J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
1	2	.126	.332	.924	-.67	.93
	3	1.275*	.319	.001	.51	2.04
2	1	-.126	.332	.924	-.93	.67
	3	1.149*	.368	.008	.26	2.03
3	1	-1.275*	.319	.001	-2.04	-.51
	2	-1.149*	.368	.008	-2.03	-.26

\*. The mean difference is significant at the 0.05 level.

ANOVA and Post Hoc tests were conducted to test the hypothesis whether there exist any difference between groups on their willingness to recommend the smartphone used by them. From the descriptives the mean values of three different groups were identified to be 4.39, 4.27 and 3.12 representing iPhone, Samsung and other brand users respectively, where iPhone user group has the highest mean value of 4.39. The test of Homogeneity of variances were examined using Levene’s Statistics and it shows that there are no significant variances between groups as the p-values are insignificant. The ANOVA table is used to compare the difference in trust between the groups. It can be inferred from the table that F value is 8.64 and  $p < 0.001$  shows that there is a significant difference in the intention to recommend the phone used between groups of Smartphone users. Tukey HSD values to identify the group’s mean difference indicate that there is no significant difference between iPhone and Samsung users ( $p = 0.924$ ) but there is a significant difference between iPhone and other smartphone users ( $p < 0.001$ ) and between Samsung and other smartphone users ( $p = 0.008$ ). It can be concluded that there are significant differences in the preference to recommend the brand across the three group of smartphone users. The above tests could be inferred thus- iPhone and Samsung users were willing to recommend their phones to others whereas the other brand of smartphone users have low level of interest to recommend their phones to others.

## 5. CONCLUSION

The goal of the study was to determine the factors that influence customer loyalty towards smartphone brands in Abu Dhabi. These factors included quality, value, perceived reputation, trustworthiness, and customer satisfaction. Most of the respondents were university students, where they work and study on a part-time basis. The survey found that most respondents used Apple brand phones, followed by Samsung and Huawei. Quality was the most important factor for customer loyalty, with most respondents agreeing that their smartphone brand was of good quality. Price was not a significant factor in determining customer loyalty towards smartphone brands. The ANOVA results indicate that there is no significant difference in trust and willingness to recommend between iPhone and Samsung users, whereas there is a significance in the level of trust and willingness to recommend between other smartphone brands and iPhone and Samsung users. In conclusion, quality, durability, price and value for the product are the primary factors that influence customer loyalty towards smartphone brands in Abu Dhabi.



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