The Role of Brand Loyalty: The Case Study of Telekom Malaysia

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ABSTRACT

Brand devotion is the principal thing in an association that leads from consumer loyalty toward items and administrations offered. This study is led to investigate the principle calculates that add to brand dedication in the telecom organization, Telekom Malaysia (TM). There are five primary variables utilized as a part of the contextual investigation that is duty, consumer loyalty, corporate picture, trust and advancement on brand devotion in the telecom organization. This study utilized overview systems, where a sum of 290 review structures was circulated to TM clients through comfort examining yet just 165 were gotten and usable. The outcome demonstrates a critical positive relationship between the variables (duty, consumer loyalty, corporate picture, trust and advancement) toward brand dedication.

Keywords: Brand, Commitment, Customer Satisfaction, Trust, Promotion

JEL Classifications: L80, M31, M37

1. INTRODUCTION

The colossal rivalry between telecom administrators is not due to globalization, but rather is brought about by educating the client. They have information about costs, exceptionally instructed and less excusing in light of the fact that they are open to numerous items. The development, innovation in correspondence additionally bolsters in the expanded rivalry, power as it gives an open door for a client to get to more data on items advertised. As it were, the client has more energy to pick. The expanding quantities of telecom supplier are one of the reasons that influence brand dedication towards Telekom Malaysia (TM) item and administrations.

A noteworthy quantities of lime are ended versus establishment because of switch to different administrations supplier, for example, Maxis, Celcom and others (TM Annual Report, 2011). There are 1440 rented lines introduced and from figures 510 rented line ended (35%) in light of changes to others supplier. The client has a tendency to subscribe others supplier on account of unsatisfied administrations given by the TM organization and bundles contrasting others telecom supplier (TM Marketing Department). Brand is a critical resource for each organization on the grounds that it demonstrates the responsibility of an organization to the business sector. It is likewise a guarantee of each organization to convey particular items, and advantage to the client. Each brand brings a novel feeling connection to the client. The brand could fortify values and observation in the psyche of a client about the administration, experience, items that are acknowledged from an organization that would interface an organization and the client. It is the inconspicuous experience, however the presence is felt in every psyche and heart of each client.

Brand loyalty is criticized on the grounds that development financing is in line with new competition among mechanical player in the business place. The organization must adjust new diverse and methodologies in the business sector reality. Components like demography, moderate economy, exceptionally propel contender, and over-burden limit in the business implies little quantities of client in the business. The company is contending one another to get offers for the agreement and moderate business. In advertising. The expense for new clients is 5 times higher rather keeping up existing clients. TM was beforehand known as Jabatan TM. In 1987, it was corporatized and known as Syarikat TM Berhad (STMB), recorded in Bursa Saham Malaysia on September 9th, 1990. Keeping in mind the end goal to maintain and more strengthened, STMB dispatched its new brands TM, on 14th April 2005. As one of the organizers recorded in Bursa Malaysia, TM
has been one of the greatest organizations in Malaysia and TM has contributed an enormous measure of cash to lead the telecom business and guaranteeing the best administration quality to all the clients in the more progress and challenging environment. In this way, mark steadfastness is an imperative center for an organization (Reidheld and Sasser, 1990) and a brand could likewise impact the purchasers to re-buy the same brand of an item or services. Until now, there is very little study that gives much consideration on elements that influencing Brand Loyalty in Malaysia, particularly in the Government Link Company.

In spite of numerous studies that has been done universally, there are less studies on distinguishing variables that influencing brand devotion for an organization that offers limitless telecom administrations.

1.1. Problem Statement and Research Objective

In previous research several factors are found to influence the brand loyalty to an organization or business. Among the factors are service commitment, satisfaction, corporate image, trust and promotion. There are certain criteria or intention of customers as a reason to be loyal to their selected brand. Therefore, this study is intended to investigate the influence of the factors among the customers of TM Berhad in the Malaysian competitive telecommunication business environment of today.

This research is an attempt to investigate the influence factors towards brand loyalty at TM. It is hoped that this study could assist in understanding the current and potential customers better. A decade ago, TM was the single provider and enjoys a “comfort zone” as there are no other service provider can beat their reputation. However, nowadays it is no longer monopolized markets as customers are being offered in a very wide selection of telecommunication service providers. It is a time for TM to take into consideration the customer point of view in order to maintain a favorable image to the customers. As suggested by the literature, brand is considered as one of the most important in order to link the customer expectation toward their satisfaction, degree of commitment, trust, corporate image and promotion. In the TM Annual Report 2011, decreasing profit before tax at -26.4% (RM1, 001.2 million) was reported in the fixed line sector compared to the previous year of 2010 (RM1, 360.2 million). Among the causes identified is that customers prefer to choose another telecommunication operator which give more convenient package that suit with customer needs. Other unsatisfied causes, as observed during the maintenance visits to the customer’s premise, are the human and technical issues. Customers are putting more emphasis on the types of services they received.

In the global telecommunication industries, many governments are giving licenses to other companies to operate telecommunication services. This developer is giving the customer a wide choice and to be able to switch to another provider that are suitable to their needs. Thus, brand loyalty is important to sustain the growth of TM revenue and performance. The understanding of the factors that affect brand loyalty in TM is hoping to be able to contribute information and ideas for the organization and marketer for a better strategy in the telecommunication sector.

1.2. Research Objective

The broad objective of this research is to examine the factors that affect brand loyalty at TM; specifically:

i. To study the level of brand loyalty at TM

1.3. Research Question

The research question for this study contains:

i. What is the degree of brand loyalty at TM?

ii. Is there a significant relationship between commitment and brand loyalty?

iii. Is there a significant relationship between satisfaction and brand loyalty?

iv. Is there a significant relationship between corporate image and brand loyalty?

v. Is there a significant relationship between trust and brand loyalty?

vi. Is there a significant relationship between promotion and brand loyalty?

2. LITERATURE REVIEW

This chapter reviews and explore the literature on brand loyalty, commitment, customers satisfaction, corporate image, trust and promotion. The first section explains generally about the variable from previous researcher and follow by sub-section where the relationship being discuss and shown between independent variables (commitment, customers, satisfaction, corporate image, trust and promotion) and dependent variable (brand loyalty) (Figure 1).

2.1. Brand Loyalty

In past exploration brand dedication has been said “a profoundly held responsibility to re-purchase or re-belittle a favored item or administrations reliably later on, accordingly creating a redundancy same brand or same brand set buying, in spite of situational impacts and promoting endeavors having the capacity to bring about exchanging conduct” (Oliver, 1999, refer to in Zaribbayevich, 2015).

Figure 1: Theoretical framework
Accordingly steadfast shopper just repurchase the same brand over the time even there is an option mark in the business, and in the end brand faithfulness can be measured by the dedication to repurchase in term of items and administrations (Ryan et al., 1999). This kind of clients is genuinely steadfast with the brand that gives a chance to association in term of benefit and picture.

A client brand relationship is a center segment of reliability (Fournier, 1998; Fullerton, 2003; Morgan and Hunt, 1994; Sirdeshmukh et al., 2002). Clients are faithful to the brand in the event that they appreciate the advantages connected with the relationship, for example, connection, with coordinating and affiliation. Other than that brand devotion is the measure of a connection a client has four brands (Aaker, 1991). As indicated by Oliver (1997), brand unwaveringness allude to the dedication to repurchase or bolster a favored item consistently, notwithstanding other brands’ showcasing endeavors bringing about the switch of the brand. Past scientist has reasoned that client unwaveringness can build benefit from 25 for every penny to 85 for each penny (Reidheld and Sasser, 1990). As far as budgetary it was an incredible quantity of benefits to an association. Brand unwaveringness is created by an association itself as well as contribute all the more as said by Alexandria et al. (2004), informal turns out to be the best procedure in term of correspondence methodology in administration industry. From verbal correspondence it will advantage to an association by ability to take an interest so as to make the change of an association benefit through advertising examination and new recommendation (Zeithml and Bitner, 2006). A verbal exchange is correspondence that being utilized by the client as a part of request to give a data toward item/benefits they utilize either great or terrible. On the off chance that great data has been transmitted it gives a great effect to association to have new clients with no expense included. American Marketing Association, characterized brand reliability as “the circumstance in which a purchaser for the most part purchases the same producer started item or administration over and over after some time as opposed to purchasing from various supplier inside same classification” or “the extent to which a customer reliably buys the same brand inside o item class.”

### 2.2. Commitment and Brand Loyalty

Responsibility is characterized as an esteemed relationship between the two gatherings (Moorman et al., 1992) that infers abnormal state of comprehension to wind up fruitful furthermore some of the relationships will convey to shared fulﬁllment and advantageous (Gundlach et al., 1995; Morgan and Hunt, 1994). Bowen and Shoemaker (2003) expressed duty as the readiness of both sides to keep up their progressing relationship and eagerness to relinquishes in the transient essential to get long haul advantage later on. This is bolstered by another specialist where a customer’s persevering longing to proceed with an association with an association with their ability to try our penance to keep up the relationship (Lacey et al., 2007). From the deﬁnitions above, responsibility is a conviction as well as it sort of penances by both parties” clients and association to keep up and proceed with the relationship for long haul advanta.

Past specialist Mei-Lein (2011) expressed in her exploration trust, duty and consumer loyalty has a critical and a solid effect on client unwaveringness. Consequently, responsibility assumed a part so as to make brand devotion toward the item and administrations given by an association. At the point when both relationships in the middle of client and association as speciﬁed above, it will prompt brand reliability, as both sides are willing to cooperate to have long haul advantages.

### 2.3. Customer Satisfaction

Fulﬁllment originates from an inclination of alright with the item or administrations. Concurring Hoyer and Macnins (2001), customer loyalty may be connected with a feeling of acknowledgement, joy, enthusiasm and energy of an administration or item. Johnson and Fornell (1991) characterized consumer loyalty as the conduct of the client to assess an offering to date through a general perception toward the procedure. Another scientist likewise accepts that fulﬁllment have an immediate connection with feeling, for instance Kotler (2000) said fulﬁllment as “feeling a man getting delight or dissatisfaction coming about because of looking at an item or administrations acknowledged by execution (or result) that would be normal.” While Hoyer and Macnins (2001) additionally said that fulﬁllment may be connected with sentiments of acknowledgement, bliss, alleviation, energy and delight. Judgment is an important word that can characterize all the more about fulﬁllment. The judgment of an item or administrations, where it is charming level of usage of pertinent clients, including whether it surpass or not from what they actualized (Oliver, 1997). Fulfilled client lead to client dependability which is demonstrated by Sivadas and Prewitt (2000) said “there is expanding acknowledgment to the estimation of consumer loyalty in client dedication.” Agreeing Fornell (1992), “high consumer loyalty will prompt expanded steadfastness to the ﬁrm and the clients will be less intrigued by the offer from different contenders.” The center for the study of social policy (2007) conceptualizes that fulﬁllment is in light of the customer’s experience of both contacts with the association (the snippet of truth) and individual results. In like manner, numerous specialists (Oliver, 1981; Brady and Robertson, 2001) conceptualize consumer loyalty as an individual’s feeling of delight or disillusionment coming about because of contrasting a product’s saw the execution (or result) in connection to his or her desire. While, Boulding et al. (1993) and close fulﬁllment into two general conceptualizations: Exchange particular fulﬁllment and total fulﬁllment. Exchange particular fulﬁllment is a customer’s assessment of his or her experience and response to a speciﬁc administrative experience (Cronin and Taylor, 1992; Boshoff and Gray, 2004). Total fulﬁllments allude to the customer’s general assessment of the utilization experience to date (Jones and Suh, 2000). Fulfilled clients are more faithful, which diminishes a ﬁrm’s chance by diminishing the legitimacy of interest (Anderson et al., 2004) and fulﬁlled clients are more steadfast, less delicate to value developments, and more prone to participate in positive verbal conduct (Anderson et al., 2004; Brady and Robertson, 2001).

### 2.4. Corporate Image

Corporate picture is an immaterial resource that is hard to be replicated and can help to keep up money related execution (Roberts and Dowling, 2002). Corporate picture and item brand assumed an alternate part (Aaker, 1991). It shows the
purchaser how they perceived an item or administrations offers by corporate picture shows whether it is exact or not (Keller, 2003) and observation toward an association itself. The advantage of a corporate picture is to give a quality suggestion or client connection in light of the association, to give believability to the picture (mastery, reliability and preferring), and as an image to clarify and depict the associated social and estimations of the association (Aaker, 1991). Another scientist said corporate picture or brand picture speak to a general exercises inside of an association, for example, methodologies, promoting exercises; marking and item offering, conceptualization and it will, characterized by picture (Dobni and Zinkhan, 1990; Martinez and Pina, 2003). Company’s picture is in view of people’s discernment toward all organization data got (recognitions, conclusions and conviction). Another scientist specified that an in number picture is vital structure brands proprietor on the grounds that it will separate item or administrations brand from others.

Picture incorporate shading, words, mottos which will pass on and clarified or convey a message not simply in the name itself. From picture client will have a few stories in their brain that could bring or recalling what might they be able to get from the picture indicated. Today, organizations are depending on their corporate picture client will have a few stories in their brain that could bring or recalling what might they be able to get from the picture indicated. Today, organizations are depending on their corporate picture to pick up unwaveringness towards clients. It will help an association maintain and being acknowledged in the commercial center. Without a corporate picture an association is neglected to understand their item/benefits into a commercial center.

2.5. Trust

As indicated by Moorman et al. (1993) trust is a conduct of ability to depend on where its subject to whom one has a share. Disappointment and abandonment is an impact when they disloyalty this trust. Anderson and Narus (1990) underline that trust happens when a gathering has the capacity give something positive as craved. Along these lines, to framing the faith in the brand, clients are normal a quality and positive. Profoundly relationship can prompt conduct of conviction where the words and guarantees from different gatherings is solid and it must be satisfying his/her commitment to keep up the relationship (Schurr and Ozzane, 1985). Convictions ought to be steady with an essential part in relationship responsibility (Morgan and Hunt, 1994) and additionally client steadfastness (Gundlach and Murphy, 1993). It can be checked whether a gathering accepts the others, it’s like to build up a positive behavioral goal to acknowledge the others. At the point when clients have confidence in the brand, which implies they are occupied with making a buyer through the brand (Lau and Lee, 1999).

2.6. Promotion

Advancement is somewhat correspondence in the middle of clients and associates. It is one of part expressed in showcasing blend hypothesis. There are a few shots of advancement, for example, deal advancements, promoting, exposure and individual offering (direct advertising). Deals advancement is a situated of boosting that offered infrequently, and it will fortify reputation to support the buying of a specific item. Deal advancement system is to have an immediate effect on purchasers conduct. The targets of offers advancement will go to a more noteworthy degree when it is done on occasion, and unforeseen by the clients. “limited time products association international” characterizes the special items as “valuable or enhancing articles or stock – which may be printed with organization name, logo or message– use in advertising or other correspondence projects”.

Promoting one of the advancement shapes where the item is imprinted with the logo of supporter and in some cases a piece of messages. It is used an update, indication of goodwill or other media messages in conjunction with accomplishing the destinations of advertising and advancement by the promoter. As indicated by Agrawal (1996) promoting is a “guarded” system for connection with brand dedication. It will help to hold steadfast clients. Thus, an association ought to be spending more cash for a publicizing their image to the general population. It will help an association to drawing in new and steadfast client by battling with the weaker brand in the commercial center. As indicated by Evan et al. (1996) publicizing will influences consumer’s in a few conditions which is pictured, state of mind and conviction toward an association brand and item that connected to customer’s acquiring conduct. Another analyst said advancement is the main motivation for shoppers to attempt the new item (Grover and Srinivasan, 1992). By advancement buyer will have an alternative to pick the item by contrasting and others that suit with their needs.

3. METHODOLOGY

This part clarifies the procedure embraced in this study. The primary talk is on the improvement of the examination system of the study and took after by theories advancement whereby five speculations are produced. The examination outline utilize is an overview research. The device utilization to gather the essential information is the survey which has been produced by past investigations of the related variables as talked about in the writing audit part. The respondents of this exploration are the TM clients in Klang Valley particularly Kelana Jaya. The respondents are drawn nearer amid their visit to TM Point amid the study period. Expressed as exploring for the overview address on the writing, building the best fitting review of the options, coming to the member, which are telecom clients in Kelana Jaya taking an interest in study, assembling the information, testing and breaking down the information. This part really clarifies in profound towards what have been done to begin and settled the study For this study the overview exploration is chosen as the examination outline. This is so as the overview system has a high level of unwavering quality, lower expense and shorter times oblige executing it.

In this study, the type of quantitative examination utilizing overview exploration has been utilized. This is on the grounds that quantitative examination location research objective through experimental evaluations that include numerical estimation and investigation. The study examination has been utilized by appropriate a survey to test of individuals. Concurring (Zikmunk, 2010) there are intersubjective certifiability where diverse people talking after the same technique will create the same results or arrive at the same conclusion. The accommodation inspecting strategy will be 30. Population alludes to the whole gathering of individuals, occasion or thing that the scientist expects to explore. In TM Annual Report (2011), Klang Valley contributes 70% of
clients among other district in Malaysia. The center of this study is at the Kelana Jaya region where this area is a piece of Klang Valley. In TM, Klang Valley partitioned in four divisions, i.e. Focal, West Selangor, East Selangor and Petaling Jaya. Kelana Jaya is a piece of Petaling Jaya area and caters a substantial number of TM clients. Accordingly Kelana Jaya is chosen as the example for this study. Utilized for this study for all respondents to get an answer towards particular inquiry with respect to elements influencing brand reliability at TM. The poll papers have been conveyed to all respondents through hand by the hand conveyance technique at TM Point counter. At that point, the answers will be gathered back before respondent leaving the counter.

The information from the polls were examining utilizing Statistical Package For Social Science rendition 15.0 to get the rate, mean, standard deviation and relationship. Another strategy is the Pearson correlation coefficient test to focus the relationship in the middle of free and ward variables. Concurring it additionally displays the recipe that used to quantify the connection of a relationship low, medium or high. Finally, linear multiple regression analysis used to recognize free variable that impacting the investigation of the most overwhelming variability. This system is utilized to get the best relapse model to choose autonomous variable that could expand the total relapse model. Unwavering quality of the survey was tried utilizing Cronbach’s alpha methodology in view of the model of interior consistency. At the point when alpha esteem is closer to “1,” it demonstrates a high level of unwavering quality. In the event that the alpha qualities are under 0.6, it may accept that the instruments utilized as a part of this study had a low unwavering quality worth. The worthy, worth for alpha is more than 0.7. From the unwavering quality test led after getting poll reactions demonstrated that brand loyalty 0.891 bases on Cronbach’s alpha worth. While, commitment (0.903), customer fulfillment (0.885), corporate picture (0.886), trust (0.886) and promotion (0.891) demonstrated the thing recorded is steady. The principle reason for this study was to focus components impacting brand faithfulness toward telecom administrations supplier (TM). Two levels of factual examination were led to two tests. Initially, included elucidating measurement. Second included two principle factual device, examination of diverse (t-test and restricted ANOVA). For connection between ward variable and free variable’s relationship and numerous relapse have been directed.

There are diverse finding between test led where there is a noteworthy relationship between all variables utilizing connection yet various relapse indicates just three variables has a critical relationship towards brand steadfastness (consumer loyalty, trust and advancement) while different variables (responsibility and corporate picture) demonstrate of non-huge relationship toward brand faithfulness in the telecom business.

4. DISCUSSION AND RECOMMENDATIONS

The reason for this exploration is to research the relationship of the distinguished elements towards brand devotion, the case concentrating particularly on TM. The targets were to know whether the free variable (duty, consumer loyalty, corporate picture, trust and advancement) influence subordinate variable (brand dependability). Quantitative exploration configuration was utilized on the grounds that the study is commonly more formal and structure. It is in view of vast, agent tests and the information acquired subject to quantitative investigation. The essential information was accumulated straightforwardly from the TM clients who are looking for administrations at the heel counter of TM point Kelana Jaya. The study was led to locate the particular answer towards inquiry and the goal of this contextual investigation. Numerous relapses were utilized to comprehend and examine every relationship between free variable and ward variable. Based on the information investigation from past section, underneath is the outcome outline for the speculation tried.

The outcome of the essential information accumulated, there is no critical relationship in the middle of duty and brand faithfulness. This outcome repudiates with the discoveries in many past examinations where the writing has shown a positive relationship in the middle of responsibilities and brand reliability. Be that as it may, in this study shows the switched whereby customer’s observations toward duty are not critical to brand steadfastness. Duty is no more utilized as a deliberate for client brand dependability in light of the fact that in telecom industry responsibility is not the purpose of faithfulness where there are decisions with comparable item and administrations advertised. Concurring Oliver (2006; referred to in Martenson, 2007) consumer loyalty can be seen as a satisfaction of consumers utilizing objectives as experienced and portray by shoppers. It is criticized on the grounds that client just faithful with the supplier if the supplier satisfies their need and fulfilled by the item or administrations given. Another word, it is a judgment that an item or administration highlight, or the item or the administration itself, gave a pleasurable level of utilization related satisfaction, including levels of under-or over satisfaction Oliver (1997, p. 13, referred to in Martenson, 2007). At the point when client fulfilled by the administration or item it then gets to be faithful toward the decision brand.

As per Ganesan (1994, referred to in Caceres and Paparoidamis, 2007) found that long haul introduction is influenced by the degree to which client and sellers believe their “channel accomplice.” Each partner’s capacity to give positive results to alternate decides responsibility for the relationship. Trusts are likewise critical to brand devotion, where the client is extremely watchful to pick the item or administrations, those when clients trust with the thing faithful will meet up. As notice by past scientist it about the long haul introduction.

The exploration found that a large portion of the respondents are female contributes most elevated rate 56.7% with quantities of 93 respondents, while male contributes 43.33% with quantities of 71 individuals from an aggregate of surveys conveyed. Period of respondent likewise recorded with four classes which age between 26 and 35 years was most noteworthy rate contributes 45.1% (74 respondents), second most elevated of respondent were aged between 36 and 45 years 23.8% (39 respondents). Other two gatherings were underneath 25 or more 45 which are shows just 13.4% (22 respondents) and 17.7% (29 respondents).
The after effect of respondent’s race demonstrates that larger part of the respondents are Malay, with 73.8% (121 respondents), trailed by Chinese just 11% (18 respondents). The different respondent’s race was Indian and others which are show just 9.1% (15 respondents) and 6.1% (10 respondents). The aftereffect of respondent’s occupation was ordered in three principle part open, private and own business. Open area contributes most noteworthy rate from different areas with 58.5% (96 respondents), trailed by private division, 35.4% (58 respondents) and own organizations 6.1% (10 respondent). Conjugal status was recorded last things in the poll were incorporated two classes lone ranger and wedded where, dominant part of my respondents are hitched with 66.5% (109 respondents), while just 33.5% (55 respondents) are status bachelor.

5. CONCLUSION

From finding there are shows customer’s of telecom parts are concur about clients’ fulfillment, trust and advancement can lead them to be brand steadfastness toward an association that offer telecom items and administrations. Thus, it demonstrates that TM clients are worried about these three variables. TM as supplier ought to proceed with and profound examination to acquire projects and ways to deal with fulfill client needs, keeping in mind the end goal to support in the commercial center to increase upper hand. From trust and great advancement there are direct associations with customers fulfillment on administrations and item subscribe by clients. In the new period of telecom innovation, as a supplier TM ought to be centered to youth for new items as this gathering of individuals utilized innovation every day life and they have a tendency to impart the great experience to their group. From the numerous relapse investigation, there are shows advancement measurement held the most elevated score and has a noteworthy relationship towards brand steadfastness hold a light to others variables. Besides, the connection discovering additionally expressed that advancement was the most variable that will impact brand reliability. From client observation advancement is an absolute necessity to bode well towards an item and administrations. By this methodology, clients dependably know and will settle on a choice how to satisfy their needs by the advancement given by the supplier.

Then again, fulfillment measurement turns out to be third most astounding in numerous relapse, however, in connection it gets to be number fourth. Albeit, consumer loyalty assumed a primary part of an association maintain in commercial center there are proposal for telecom supplier to profound investigating fulfillment conduct with a specific end goal to support clients subscribe the item and administrations in the more extended time and ever. Unsatisfied clients will prompt switch conduct and awful verbal conduct that will give terrible effect to an association It can be inferred that consumer loyalty, trust and advancement have a solid noteworthy relationship towards brand devotion in TM. Faithful client will proceed subscribe to item and administrations offer as the first decision contrasted with other telecom administration supplier and they have no meaning to change to others supplier and would prescribe the experience to others.

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