Rethinking Of Marketing Theory Series: A Conceptual Foundation

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Editors Profile

RETHINKING OF MARKETING THEORY SERIES: A CONCEPTUAL FOUNDATION focuses on the conceptual information and up-to-date assessments by numerous researchers. The editors and contributors to this book include experts in marketing, economics and management and they provide extensive conceptual insights and empirical evidence in their respective area of expertise.

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Preface

Marketing is the engine of all enterprises. Since the 70s, researchers globally have contributed significantly in developing marketing theories and practices. Hunt (1976a, 1983b and 1991) defined the scope and nature of business operation and subsequently opened a debate on these theories, which is a subject of argument even in the present time.

Though this book is entitles ‘Rethinking Of Marketing Theory series: A Conceptual Foundation’, its contents draw heavily in developing new conceptual framework, a term which has caught the imagination of the academics, business and commercial world.

The aim of this book is to provide readers with the conceptual information about the thought-provoking issues in the area of marketing. The sequence of the topics mentioned in this volume was obtained from diverse published resources. Researchers may fully utilize this book for a vibrant and succinct overview of their related topics and adopt the conceptual models for further empirical research. In this regard, topics are carefully selected based on its significance and contribution in the marketing field; theoretically and from the practical application of the material, rather than to sidetrack or overwhelm readers.

In addition, the aim of this first volume is to assist readers in the marketing sciences to aspire the highest level of competency by arming them with the information and knowledge that is essential to be in corporate into future research. This first edition is ideal for researchers from various domains of the marketing field as it provides stimulants and can be used as a concise summary on particular aspects of marketing research. Last but not least, for readers who do not aspire to conduct research, this volume is a valuable addition to their collection as it showcases several mind-boggling issues in the area of marketing.
Why Is This Book Vital?

Progress in almost every area of science relies upon the contributions made by systematic research; therefore, this book should be viewed as the foundation of Marketing. In short, this script can be used for the purposes of description, explanation and prediction of marketing theories. In fact, the contents from this book could make an important and valuable contribution in expanding the marketing knowledge of our lifetime, gain credibility and supports in terms of theory, which will ultimately allow researchers to make in-depth understanding of marketing. This book stresses on customer centric orientation and leaves them with a road map to provide further redirection for future research.
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Dedication

This Book Is Dedicated To Our Families for their inspiration, support and unconditional love
About The Book

This book is divided into eight chapters and it ensures a cross fertilisation of ideas.

**Chapter One** presents the Consumers’ Psychological Pattern Flows towards the Online Shopping Intention by illustrating the Perceptions, Attitudes, Motivations and Experiences. It starts with an introduction of the topic and shows the Perceived Usefulness, Perceived Ease of Use, Perceived Credibility and Perceived Security. This is accompanied by Attitudes towards Online Shopping and Online Shopping Motivations, Perceived Benefits of Online Shopping, Intention for Online Information Search, Online Purchase Experiences, and Online Shopping (Purchase) Intention. Online Shopping and Consumers Psychological Pattern conceptual framework is also constructed.

**Chapter Two** argues on how the customer behaviour is affected by their mental image in terms of using companies in their corporate social responsibility activities under the title of Social Responsibility and Customer Mental Image. This chapter begins with the introduction of corporate social responsibility and its dimensions toward local community, employee, customer and the environment. It further introduces the concept of mental image and theory of consumer’s preference, as well as the conceptual model that illustrates the relationship among the presented concepts.

**Chapter Three** attempts to underscore the value of brand personality and its influence on corporate performance. Accordingly, this chapter also proposes a conceptual framework of brand personality and brand adaptation which relates to corporate execution.

**Chapter Four** introduces the performances of international firm’s and illustrates the external globalization forces faced by the international firm. Subsequently, the chapter presents the international firm commitment and brand responsibility. It also introduces the international marketing strategy and the development of conceptual framework for international firm’s performance.

**Chapter Five** is designed to demonstrate the importance of logo and its effect on consumer buying behaviour by introducing the characteristics of logo design, logo and its effect on customer as well as the essence of brand image and its importance to brand awareness. The chapter will provide a conceptual framework to illustrate these interactions.
Chapter Six introduces a new concept, which is online advertising. This topic is pivotal as the world has become dependent on technology in every aspect of work. This chapter will use the concept of online advertising to be used in SME’s. The chapter introduces the new concept and illustrates the perception of online advertising and its significance as well as the effectiveness of online advertising in SMEs. A conceptual framework is provided to demonstrate the interaction among proposed variables.

Chapter seven intends to introduce customer satisfaction toward the loyalty in Tourism Industry by demonstrating the customer satisfaction concept as well as customer loyalty. It will also show the interactions between customer satisfaction and customer loyalty, analysing customer trust, destination loyalty and satisfaction in tourism industry. The final product of this chapter is the development of the propositions and the model.

Chapter Eight illustrates the importance of understanding the specification of an offered product and its assistance in developing a marketing plan. In that regard, this chapter introduces consumers’ attitudes when buying their own smart phones by investigating the situation globally and showing the significant issues such as feature fatigue and purchasing attitude. A conceptual framework is developed for a deep understanding on this relationship.

Chapter Nine intends to conceptualize the relationship between service quality, customers’ satisfaction and customers’ patronage intentions in the health insurance industry. The chapter will provide a suggestion for health insurance decision makers on the constructs that have positive impact on customer patronage intentions.

Chapter Ten intends to conceptualize the relationship between Religious Motivation, Destination Selection and Destination Image. It aims to offer suggestions and clear vision for activating and improving tourism decision makers. Religious motivation is one of the prime motivators for destination selection and destination image. It has a significant role in satisfying tourists and should not be underestimated, as it is considered vital in creating the destination image.
Chapter One

Online Shopping and Consumer Psychology
Muhammad Sabbir Rahman, Osman Bin Mohamad, Fadi Abdel Muniem Abdel Fattah

Overview

This chapter presents the Consumers Psychological Pattern and its flow towards the Online Shopping Intention by illustrating the Perceptions, Attitudes, Motivations and Experiences.

Introduction

Information technology and the internet have revolutionized the world we live in today in so many ways, transforming and changing the way we live our lives, for the better. Tasks and transactions can be done in a matter of mouse clicks; in a matter of seconds. Information Technology (IT) is taking significant roles in business processes which contributes to broader shifts in markets, products and even society as a whole (Chan, 2000). IT has extensively taken gigantic recognition in the world; penetrating and dominating almost every facet of human life, with most recently booming into the spheres of political revolution and e-commerce.

According to Damanpour (2001), E-commerce represents online business transactions that transform internal and external relationships to create value by exploiting and manipulating marketing opportunities powered by the new rulers of the interconnected economy. The ultimate goal of any businesses engaging in e-commerce is virtually the same as any conventional businesses; profit and increasing shareholder wealth. There have been many theories surrounding the issues of why some fractions of consumers hesitate on purchasing a product online. Based on multiple literature review and studies, this chapter is expected to illustrate the bits and pieces on consumer psychology on their purchase intention, specifically in the online channel, structured by comprehensive conceptual framework.
This paper is set to reveal the antecedents and intervening variables that influence the final outcome of consumer’s online shopping (purchasing) intention. Finally, a conceptual framework is engineered, forming the flow towards online shopping intention. In this theme, every variable and its subsequent relationships, effects and influences to its succeeding variables are entirely backed by the findings of hypothesis studies previously conducted by various credible sources; thus amplifying this paper’s validity. Elements from several subject areas are integrated and unified into one framework; providing perspectives to an enhanced and improved version with respect to previous surveys. Besides that, the larger framework engineered in this chapter also presents a glimpse of a much bigger and wider picture compared to the current ones available.

**Perceived Usefulness**

Perceived usefulness can be viewed as the beliefs that a specific system would assist in a website where the systems would be free from effort (Van Der Heijden et al., 2003; Au and Edwick, 2000). Hsu and Lin (2008) documented that perceived usefulness is the degree to which an individual believes on a website (blog). Several new features are being persistently added to e-commerce sites in order for a more comprehensive analysis to be carried out on consumer behaviour and the adaptation to changing online environment.

Useful and easily understood information on websites amplifies the reduction of asymmetric information, helps process information better, amplifies the level of online trust and positively influences consumers’ purchase intentions, (Koufaris and Hampton-Sosa, 2004; Kuo et al., 2004; Cao et al., 2005). Consumers attitude towards using a website is positively strengthened by perceived usefulness (Oh et al., 2009; Lee, 2009, Elliot & Speck, 2005; Klopping&McKinney, 2004; Shih, 2004; O’cass & Fenech, 2003; Moon & Kim, 2001; Chen, 2002; Oh et al., 2009; Malhotra &McCort, 2001). Bouhlel et al. (2010) have revealed that the ease of use is a significant item that explains the favourable attitude towards a website. Their data had shown that the attitude towards a website, specifically a blog is determined through one of the factors noted, perceived usefulness.

**Perceived ease of use**

Perceived ease of use can be defined as the effort taken by a person in using a system (Venkatesh and Davis, 1996). Perceived ease of use is basically the motivational domain related specifically
to the interaction between a user and a computer (Davis, 1989). In this current era, consumers interact more with technologies when they expect fewer use of cognitive efforts during the interaction process (Adams et al., 1992). According to Rotchanakitumnuai (2005), the process can be also be in the parallel definition of the level of how internet users believe that the effort asserted in using a website is low or free. Katz (1997) argues that perceived complexity of technology is one of the essential factors revealing the non acceptance of the Internet among some fractions of consumers. Information Systems literature has also recommended the perceived ease of use as a positive influence on the attitude (Taylor & Todd, 1995). The purpose of an online store’s layout is also extremely essential since the layout directs the e-consumers online navigation. A huge number of studies have highlighted the role of navigation as a chief driver of online purchase (Pearson et al., 2007; Alzola & Robaina, 2006; Pratt et al., 2004). Bouhlel et al. (2010) have also revealed that the attitude towards a website, specifically a blog is determined through one of the factors noted, which is perceived ease of use. Perceived ease of use was measured by items drawn from SITEQUAL, Yoo and Donthu’s (2001) scale. Their studies were conducted using survey methods, specifically a quantitative research approach where their data gathered was collected from 245 Internet users.

**Perceived Credibility**

Perceived credibility can be defined as the trust dimension that positively or negatively influences the acceptance of a message (Hovland and Weiss, 1951). The more an individual is familiar with a particular medium; it would increase the possibility of the individual in rating them higher in terms of credibility (Sweester et al., 2008). For internet users, the credibility of information source is highly essential (Tseng and Fogg, 1999). Credible websites (blogs) are powerful determinants of consumer’s beliefs (Cohen, 2005; Buzzlogic, 2008). Credibility has spontaneous and delayed effects on consumer’s attitude and behaviour (Ohanian, 1991). According to Bhate (1999), consumer’s attitude can vary, all based on the credibility of the informant.

According to the research conducted by Bouhlel et al. (2010), perceived credibility of a website was found to explain the favourable attitude towards a website (blog). The result reflected that the attitude towards a website, specifically a blog is determined through perceived credibility. Perceived credibility was measured by three items on Sundar’s scales (1998; 1999; 2000). Their
studies were conducted using survey methods, specifically a quantitative research approach where their data gathered was collected from 245 Internet users. From their experiment, it was confirmed that the perceived credibility significantly and positively influences the attitude towards a website, specifically a blog (Cohen, 2008; Buzzlogic, 2008).

A favourable attitude towards websites (blogs) can be amplified using positive buzz or word of mouth and by relating the links to credible and established websites. The higher the credibility of the website (blog), the higher will the visitors' thoughts about the website (blog) and the more chances the visitor’s likelihood and benevolence to draw a purchase. To conclude, Bouhlel et al. (2010) findings is that; perceived credibility generates a positive attitude towards a website (blog).

**Perceived Security**

Perceived security is one of the main concerns of why consumers hesitate on purchasing over the internet; partly due to the barrier of shopping over the internet, privacy as well as security concerns (Grandinetti, 1996). There exists a tight linkage between security and privacy (Udo, 2001). Privacy mainly deals with what a company intentionally decides to do with a consumer's data; where on the other hand privacy is related to any accidental invasion of consumer data to a third party, for example hackers or identity theft.

Salim (2000) reminded that in the years to come, hackers might not merely be from inside the company; but also can be from the outside or somewhere from an unidentified location. Many firms respond to consumer concerns such as unauthorized access and fraudulent activities by investing in internet security, which has evolved rapidly into a multibillion dollar industry. Consumers’ privacy issues are not something new, as over the years they have voiced their concerns on how their personal data are being used by the government and commercial enterprises. These users want to feel a sense of security on how their privacy is being protected. Yu and Abdulai (2000) once noted that in order to boost the growth potential in internet shopping, government must protect the privacy and security of consumers as these roles significantly contributes in the government’s effort.

According to the research conducted by Yulihasri et al. (2011), there is a significant positive relationship between perceived security and the attitude in online shopping. The research was carried out by questionnaire methods. The respective data were gathered from a higher learning
institution, who was pursuing diploma, degree, masters and PhD. Data were analysed using various analysis tools such as Cronbach Alpha, Pearson Analysis and Durbin-Watson value. Based on the multiple analysis conducted, the researchers found that security has a significant impact on attitude of shopping online.

**Attitude towards Online Shopping**

Consumers’ attitude towards internet greatly influences their online information search behaviour (Kim and Park, 2005). A positive attitude towards online shopping results in a positive impact on the consumers’ intention to surf and search for online products and information about its cost. Kamins and Assael, (1987) define attitude as the positive or negative orientation of a consumer towards a product or brand. According to Eagly and Chaiken (1993), attitudes deal with the psychological tendency that expresses the evaluation of a specific ingredient, according to a certain degree of favour or disfavour. There are three components of attitude, which are cognitive dimension, affective dimension and conative dimension. The cognitive dimension basically deals with the person’s feelings towards an identity, object or element. Affective dimension is related to the emotions generated by a stimulus and the latter, cognitive dimension deals with actions (Breckler 1984). It is the inclination to make a purchase driven by purchase intention (Vernette, 1998).

Researchers have studied on individual’s attitudes towards shopping and non-shopping websites (Boulaire & Ballofet, 1999; Hocque & Lohse, 1999). The attitude towards a website is the tendency to react in a favourable or an unfavourable manner in a specific situation (Chen and Wells, 1999). Wu (1999) stated that it is the evaluation and judgment of a website on the bases of three aspects which are cognitive, affective and behavioural.

Consumer’s attitude towards shopping online is an aspect that greatly influences consumers’ intention to utilize the internet in searching for information, which leads to an influence in their purchasing intention on the internet. Vazquez and Xu (2009) revealed that attitude towards online shopping is an antecedent variable which significantly affects the consumers’ online shopping motivations. Their research was conducted using a quantitative based questionnaire and the sample consisted of students of England University. Their research was targeted 300 students. The outcome revealed that attitude has a substantial influence over the motivations of online shopping.
Online Shopping Motivations

Researchers have highlighted that hedonic motivations and utilitarian motivations greatly influence on e-consumers purchase intention (Wolfinbarger and Gilly, 2001). Hirschman and Holbrook (1982) mentioned that hedonic benefits portray the enjoyment created by the shopping experience and its potential entertainment value. On the other hand, utilitarian motivations are related to price and convenience; utilitarian benefits relate to timely and effective purchasing in achieving a consumer's goal with minimal fuss.

Novice web users tend to visit the web’s informational value as more beneficial compared to its entertainment value, compared to the more familiar and experienced web users, as suggested by Hammond et al., (1998). Seo and Kim (1999) mentioned that consumers who have the experience with online shopping highly value the low cost approach of internet search compared to the traditional shopping channels. Hedonic values of online information search are greatly associated with fun, entertainment and enjoyment. The flow constructs in the studies of hedonic dimension found that during this phase, online consumers are highly absorbed in their activities and they tend to feel most excited in an interactive environment (Novak et al., 2003).

Besides that, young people are the dominators of online shopping (Swinyard & Smith, 2003). According to Hirschman and Holbrook (1982), both hedonic and utilitarian benefits are experienced in the online shopping environment as well as the offline shopping environment. Bhatnagar et al., (2000) mentioned that the perceived convenience of shopping online positively influences the online purchase behaviour.

In order to make price savings, consumers are willing to assert efforts in purchasing online as the prices over the internet are expected to be more modest, thus forming the major motivation to shop online being the cost. The dual motivations of fast price search and convenience is an influential motivation to shop online, as consumers get to search for the best offers more efficiently online (Joines et al., 2003). Convenience, product matching functionality and time saving characteristics that online stores offer encourages online shoppers to shop based on price and this multi dimension motivation is an influential stimulus to shop online.

Perceived Benefits of Online Shopping

Convenience, entertainment and economical efficiency are one of the primary constituents of shopping through the net. Availability of unlimited information about online products, online
order acceptances and the ease of doorstep delivery has decreased the time and mobility costs. Availability of a variety of products without being too concerned over the inventory or storage issues leaves the internet and online shopping with a powerful competitive advantage over traditional retail, brick and mortal stores (Darian 1987; Carson et al. 1996; Burke 1997). Online shopping not only allows consumers to search for product information freely, they even allow consumers to compare information between rival manufacturers (Alba et al., 1997).

Many companies that operate businesses online are able to slash costs and give rebates to consumers because the nature of online shopping allows consumers to negotiate with businesses directly, where in some instances allows the reduction or absence of intermediaries, which directly decreases distribution costs to consumers (Benjamin & Wigmand 1995; Foley & Sutton 1998). According to Kim et al. (2004), perceived benefits of online shopping significantly affect consumers’ intention to use the internet for data search. Their research was conducted based on a sample of 245 participants, who had experience in purchasing books online. Various analysis tools were used to assess the data validity, such as exploratory factor analysis, Cronbach’s analysis, confirmatory factor analysis, descriptive statistical analysis and correlation analysis. The final result revealed that the perceived benefits of online shopping positively and significantly influence the consumers’ intention to utilize the internet for information search purposes.

**Intention of Online Information Search**

Wallace (1995) identifies the main reason of using the internet is the capability to carry out price comparisons. An essential and one of the key stages in the online buying process is the online information search (Rowley, 2000). It has recognised that consumers use different approaches in searching for shopping environment, depending on their purpose or task of a specific shopping or purchase trip (Hirschman and Holbrook, 1982). Basically, if the objective of a shopping trip is in locating a particular item, the searching process is more towards utilitarian nature or problem solving in characteristic.

On the other hand, if the aim of the shopping trip is more fun oriented, the search process is tending towards a more hedonic or experimental behaviour (Bloch et al. 1989; Titus and Everett 1995). Consideration of the high value web users place on the hedonic value of internet
information search is essential in the process of developing and building websites, as suggested by Burke (1997) and Schwartz (1997). According to Wright and Jayawardhena (2001), surfing information regarding product prices has been considered as an essential factor that influences the consumers’ online shopping behaviour. Watchravesringkan and Shim (2003) noted that the combination of pricing information and time saving characteristic is a major determinant for e-consumer’s use of internet for purchase. The higher quality and thorough information that is available online leads to an effective and better buying decision which will eventually lead to an increase in the levels of consumers’ satisfaction. Kim et al., (2004) conducted research with a sample of 245 participants, all of which has experience in purchasing books online. Various analysis tools were used to evaluate the data’s validity such as exploratory factor analysis, Cronbach’s analysis, confirmatory factor analysis, descriptive statistical analysis and correlation analysis. The final result revealed that the intention to utilize the internet for information search significantly affects the internet for shopping (purchase) intention.

**Online Purchase Experience**

Klein (1998), Shim and Drake (1990), Liang and Huang (1998), Eastlick (1996), Weber and Roehl (1999) and Shim et al., (2001) have discovered that familiarity and experience with online shopping is an effective projector towards online search behaviour. According to Weber & Roehl (1999), prior online purchase experience is directly affecting online purchase intentions. Kim et al., (2004) revealed that the purchase experience significantly influences the intention of using the internet for information search and also affects online shopping (purchase) in attention.

**Online Shopping (Purchase) Intention**

Purchasing through the internet is one of the most rapid growing forms of shopping (Levy and Weitz, 2001; Limayem et al., 2000; Shim et al., 2001). According to Pavlou (2003), there are three sub-branches of steps involved in online transactions; mainly are information retrieval, information transfer and product purchase. Pavlou (2003) also noted that the information retrieval and exchange steps are considered as intentions in using the website; nevertheless, product purchase is more related to the intention of a transaction with a website. According to Pavlou (2003), purchase intention is the land that becomes apparent when a consumer is willing
and intending on becoming involved in the transactions which are done online. The discrete nature of the environment of the internet is important to the acceptance of customers purchasing intention and e-commerce.

According to Wang (2003), consumers tend to judge an online store through online trust, which positively influences their attitude towards engaging in an online purchase on the website in addition, their attitude influences their purchase intentions. According to Shim et al., (2001) previous purchasing experiences are significantly related to purchase intentions in e-commerce. Familiarity basically is related to an understanding towards current actions of people or objects, on the other hand throw in more towards dealing with beliefs about the future actions of other people or objects (Geffen, 2000). According to Shim and Drake (1990), online customers with high levels of purchasing intention are more likely to have prior online purchasing experience that assists them in decreasing their uncertainties. Based on the above literature, the following framework is suggested by the researchers:

![Conceptual Framework for Online shopping in aspects of Consumer Psychology](image_url)

**Figure 1.1: Conceptual Framework for Online shopping in aspects of Consumer Psychology**
**Chapter summary**

The framework is structured based on rigorous literature reviews from well and established journals and authors. Each element, its relationships and how it affects another elements as illustrated are all supported by the final findings and result of research hypotheses conducted by the journal author itself; thus each element and its relationship effects are valid, since they all have been carefully picked, structured and matched from previous supported research into an enhanced framework being titled “Online Shopping and Consumers Psychological Pattern” by Flowing Perceptions, Attitudes, Motivations and Experiences.

Finally, it is found that the antecedent variables such as perceived ease of use, perceived usefulness, perceived credibility and perceived security are the primary factors that influences consumers’ attitude towards online shopping. This stage onwards involves many intervening variables. Attitude will amplify their motivation inclination towards online shopping; be it a hedonic motivation or utilitarian motivation variables. These kinds of motivation can influence and affect the intentions to use the internet for information search regarding their interested product; alongside elements such prior purchase experience and perceived benefits of online shopping. Ultimately, the intention of applying the internet for information search can positively influence the consumers shopping (purchase) intention through an online channel; this form is referred to as the outcome variable.

**References**


Chapter Two

Social Responsibility and Customer Mental Image
Muhammad Sabbir Rahman, A.K.M Ahasanul Haque, Muhammad Madi Bin Abdullah, Fadi Abdel Muniem Abdel Fattah

Overview

This chapter will explain how the customer behaviour is affected by their mental image in terms of companies’ social responsibility (CSR) programs. This chapter will introduce the social responsibility and its dimensions towards local communities, employees, customers and the environment; continued by introducing the concept of mental image. Finally, this chapter provides a conceptual model that illustrates the relationship among the significant antecedents.

Introduction

Business organizations are striving to reach its goal, characterized by maximizing shareholder wealth. Nevertheless, this goal is gradually becoming less important due to the passing of new significant concept which assists firms toward success in environment challenges imposed by the current occupation. Researchers and specialists emphasize the importance of investing in such activities which are in the same business with social responsibility principles formed by the laws and ethical values (Eweje, 2006; Fisher, 2004; White, 2004; Hummels, 2004; Smith, 2003). Thus, many business organizations go beyond the standards of social responsibility that have been identified. However, organisations are seeking to minimize and eliminate the conflict with communities in general and with customer in particular. So, firms are very careful to spare themselves from such situations, which paid much attention to do more in their communities. In contrast, researchers noted that today’s consumers are most anxious to find out whether the firms are taking into consideration the importance of social responsibility in their operation (Mohr, Webb, and Harris, 2001).

In that regard, Poon, (2000) declared that the interaction among social responsibility and customer mental image are becoming a keystone for the firms. In the light of the intensity of the competition, firms seeking to refine its image in the minds of all parties that they are dealing with. Each organization receives a mental image in the minds of their customers. Cassidy, (1999)
shows that mental imagery is created based on stakeholder perceptions into specific business of the organization to the extent that makes this image affect their reactions towards business, specific products and services offered by the organization. This creates a state of demand from firms to control its image into the customer's mind in terms of creating a positive or even ideal image that would get more advantages over its competitors in maximizing its market share and attract new customers, specialist employees and more investors (Lockie, 1999). Based on the above, this topic comes from the importance of the impact of corporate social responsibility in controlling its mental image in their customer minds.

Social Responsibility

The social responsibility has evolved significantly since it began to take place in 1950's, until it became evident in the last decade. Thus, business organizations began to demonstrate its social responsibilities more seriously among its strategies and social reports to stakeholders and shareholders. Social responsibility is highlighted by different names such as: social accountability, corporate accountability, organizational ethics, corporate ethics and organizational commitments and corporate responsibilities.

According to Ghalibi and Ameri (2005), social responsibility is seen as a contract between the governing body and the community, which is committed to satisfy and achieve community interest. It is also viewed as steps initiated in managing many of the social activities, for example: action against poverty and environmental pollution, creating employment opportunities and resolving other issues faced by the community such as transportation, lodging and health matters or any other essential services.

Margolis and Walsh, (2003) confirmed the importance of investing in social responsibility. This is mainly due to the many benefits, to an organisation such as increased sales and promotion of mental image in customer minds. Surveys conducted in different environments confirm the importance of social responsibility. Such surveys were conducted in the United States in the year 2006 and it showed that $ 2.3 trillion out of 24 trillion dollars has been invested in companies that have shown a high rate within the scale of social Responsibility (Heslin and Ochoa, 2008). Turban and Greening (1997) identify several benefits to corporate social responsibility in
addition to better financial performance and increasing sales volume, i.e., having a positive impact on the mental image.

A survey carried out by Fombrun et al., (2000) confirms that a range of benefits can be obtained from the improvement of customer mental image, such as greater ability to attract and retain staff, and improve return on investment (ROI). A good reputation may also help the organization to compete. Ewing et al., (1999) assured that the beneficiary is not merely in terms of finances. Similarly, Petrick et al., (1999) shows that reputation is one of the most important tools that help global companies to compete.

**Social Responsibility Dimensions**

The dramatic increase in the importance of corporate social responsibility raises the importance on the clear definition of CSR. The most significant of these definitions represented by the International Standards Organization (ISO) (ISO 26000, 2007) is, “the responsibility of the organization toward the implications of its decisions and activities on society environment through transparent and ethical behaviour consistent with sustainable development and wellbeing of the community as well as taking into account the expectations of shareholders”. Also, many researchers emphasized that business organizations practiced a number of social responsibilities, which confined into two classifications: moral and humanitarian obligations towards the community, employees, customers and the environment. Furthermore, moral responsibility is a mandatory responsibility and is beyond the fulfilment of legal obligations and economic growth.

**Social Responsibility towards the Local Community**

Business organizations considered as an important segment in constructing the community. In the other word, business organizations go forward with the embodiment of strength and strengthening of the relations with the community. This requires the organization to redouble their activities towards the community, by creating more, activities that help the public to receive welfare services (Anselmsson and Johansson, 2007). This includes; contribution into a country’s infrastructure (bridges, parks), contribution in minimizing the unemployment rate, contribute to support social activities (cultural clubs, recreation, provide support to respect local customs and traditions, support for civil society organisations and provide assistance to people with special needs), and contribute to support scientific research centres and hospitals. Usually the
organization's responsibility towards the local community can be seen from different angles as it may include charity care, athletics, art, education and training institutions, and the establishment of local projects of a developmental nature (Anselmsson and Johansson, 2007; Balmer and Gray, 2000).

**Social Responsibility towards Employees**

Wage and Bentley, (2006) shows that organizations pay much attention to the human capital because the skilled workers at the national and global level have become focused on the factor of social responsibility rather than other factors. This is because most people prefer to work in the system that has environmental and societal responsibility, as proved in the same context that people prefer to deal commercially with the same organization. The goal of humanity serves to find a positive relationship with the community and finds kind of credibility, as well as bring more attention and respect from the community to the organizations (Himmelstein, 1997).

**Social Responsibility towards Customers and the Environment**

Customers have given major importance for all organizations, without exception. Directing social performance for this segment is to provide products at less costs and superior qualities, sincerity and honesty advertising and providing friendly products, clear guidance on the use of the product and provide moral obligation (Boyle, 2002; Haddad and Swidan, 2006). In terms of environmental aspects of social responsibility, it includes any environment obligation within the philosophy of the organization and environmental reports for the organization (Carrigan and Attalla, 2001).

**Mental Image**

Many organizations have realized the importance of good mental image. Consequently, a large amount of money has been invested in an attempt to produce a good mental image in the minds of stakeholders. Gregory, (1999) believes that each organisation has a particular mental image, since good mental image has a significant impact on the success of organizations (Carter, 1982). Ferrand and Pages (1999) show that mental image has the ability to create value that has an impact on consumer behaviour because a certain perception may not reflect true objective. Boyd
(2001), Sobnosky (1999) and Christie (2002) explain that the mental image of business organizations contributes to the improvement of individual behaviour and employees’ attitude.

Smith (2001) confirms that it is important for the organisation to be differentiated from each other especially in terms of globalization. This is regarded as essential for those organizations that offer the same services such as banks, airlines, telecommunication, education and policy. It is necessary for organizations to be distinguishable from other competitors by possessing competitive advantages through well planning for a mental image which focuses on subtle differences such as: service, reliability, connection speed, and safety (Green, 1991). Petrick et al., (1999) assured that mental image is one of the most important intangible resources for the organizations that support the sustainability of competitive advantage. Researchers (Šmaižien and Oržekauskas, 2006; O'Sullivan, 1983; Van Heerden, 1999; Argenti, 1998) declare that mental image could be seen as one of the strategic assets, which leads to a competitive advantage and encourages conditions for the survival and growth of the organisation.

In this regard, many organizations embrace a set of values that represent its assumed identity, but this may not be aware of the employees, thus the mental image of the organization may be different from what is planned (Ashforth and Kreiner, 1999; Borger, 1999; IND, 1990; Marchand, 1999). Goldsmith et al., (2000); Dowling, (1994); Puchan, (2001) notes that the organization’s credibility can be affected by consumer insight towards the products and services received which is described as “the ability of the company to offer and provide its products and services honestly, secretariat, full of experience to satisfy customer demand and desire”. This credibility eventually affects the consumer's intention to purchase (Synder, 2000).

Theory of Consumers Preference

In terms of their preferences, humans are dynamics by natures (Engle &Quagrainie, 2006). Preference is described as the utility, which is a generalized term for the individual satisfaction derived from the choice of a product (goods or services) (Engle &Quagrainie, 2006). Cutler & Keller (2012) defines preference (in advertising) as happenings when the target audiences might like the products but do not prefer it to others. In that aspect, comparison of quality, performance, value and other features and characteristics to those potential competitors are needed in order to build consumer preferences (Kotler & Keller, 2012).
Other researches define consumer preferences as the subjective (individual) tastes, as measured by utility, of various bundles of goods (Ravikumar, 2012). There are several methods to derive preferences; from revealing or stated behaviour (Chorus & Timmerman, 2008). From an economic perspective, consumer preference has four basic elements which are: the price of goods in the market, consumer’s available income, the behavioural assumption of utility maximization and the consumer tastes or preferences (Jackson, 2005).

The marketplace has become more competitive, therefore a firm must find a set of strategy to keep surviving. A number of studies have been concern on the area of consumer preference since due to its influence on purchase decisions. In the evaluation phase, the consumer forms preferences among the brands in the choice set and may also form an intention to buy the most preferred brand (Kotler & Keller, 2012). The consumer preference, intention to purchase and brand choice indicate the consumers’ favourable responses to the marketing mix elements of the brand when compared with other brands (Yasin, et al., 2007). Since each consumer has certain preferences, many companies are trying to build consumer preference in order to differentiate themselves from competitors, so as to attain certain notable sales as well as profits (Kotler & Keller, 2012). As a consequence, preference has become a way to approach the consumers.

**Customer Preference toward Mental Image**

Consumers would first form buying intention before doing the product evaluation of alternatives and purchase decisions. When purchasing a product, there are several elements which influence a purchase intention. It has been discovered that customers’ mental image has a great interest in buying intention of a product. Positive mental image is expected to determine the perception towards consumer preference through the quality of the merchandise. These will influence the consumers to purchase the product provided by the organisation that has positive mental image and involves social responsibility. This scenario is expected if the consumers have a negative perception towards the organizational image. Thus, this will dilute consumers’ preference. In this conceptual study the findings will generate new knowledge for the advantage of the researchers and the users (especially for the marketing managers and the practitioners in the workplace). Hence, all stakeholders (researchers and the practitioners) should continuously collaborate to establish the earlier illustration which could be used in the real situation. If the mental image is
positive, marketing managers should take advantage of it and include the features of the mental image in their marketing or advertising strategies so as to encourage purchasing by customers.

**Purchase Intention**

Fishbein and Ajzen (1975) agree that consumers’ purchase intention is an essential index to predict consumer behaviour as they act as a subjective attachment to a product. Purchase intention is commonly used to understand consumer behaviour in related disciplines. Fishbein and Ajzen (1975) mentioned that purchase intention is a subjective inclination the customers have towards a specific product and has widely been proven to be a primary factor in projecting consumer behaviour. Purchase intention can be interpreted as the probability that the consumers will plan or be willing to purchase a specific product or service in the future. When there is an increase in purchase intentions, it will lead to an increase in the customers purchasing probability (Dodds et al., 1991; Schiffman and Kanuk, 2007).

Consumers’ purchase intention also helps as the mediator between their attitude towards a certain product and their real purchase behaviour (Fishbein and Ajzen, 1975). There are basically four phases of the consumer purchase decision model as derived by Engel et al. (1995) which are recognition of the problem, searching for solutions, evaluation of alternatives, the decision to purchase and finally the behaviour after purchase. Engel et al. (1995) expanded that purchase intention into; unplanned buying, partially planned buying and fully planned buying. Unpredictable scenarios and individual attitudes usually influence purchasing intention. According to Dodds et al., (1991), individual attitudes includes, the personal preferences of others, following other peoples judgment and unpredictable scenarios signifying that consumers change purchase intention because a scenario is appearing, eg., when the price of a product is much higher than the price which the consumers have predicted beforehand.

**The Conceptual Framework**

The importance of such study came from the increased interest in this field, which seems to be still significant to the whole business organizations around the globe. This theme supports the future direction of the organizations in terms of social obligations.

This chapter derives its importance by establishing theoretical, practical and logical connectivity of the relationship between social obligations, customer mental image and repurchase intention.
Based on the studies mentioned earlier, conceptual model in figure 1.2 has designed to indicate the logical relationship between social responsibility as the independent variable and the purchase intention as the dependant variable, intermediated by customer mental image that can affect the interaction between dependent and independent variables. The use of the conceptual framework is as follows: (1) customers’ mental image has a significant positive relationship with the product offered by the social responsibility organization; (2) customers’ mental image has a significant positive relationship with consumer’s preference, which will subsequently lead to consumer purchase of the organization’s product.

![Diagram](image)

**Figure 1.2 conceptual framework for social responsibility and consumers’ buying behaviour**

A study carried by Anselmsson and Johansson (2007) on grocery stores aimed to understand the various facets of social responsibility through the customer rating in assessing and purchasing products and brand names. The study found that the three dimensions of corporate social responsibility described as (responsibility towards the product, human responsibility, responsibility towards the environment) as well as brand names contribute to make a mental image. Moreover, mental image shown as a factor can affect the customer’s intention to purchase.

A study done by Narwal, (2007) aimed to explore the initiatives in social responsibility taken by the Indian banking sector. It shows that social responsibility can enhance banks’ general performance. Also, the study showed that the banks have a positive view on initiatives of social
responsibility, whereby it focuses mainly on education, health, as well as the most important focus of social responsibility activities, which includes customer satisfaction and environmental marketing.

A survey conducted by Waikato University in New Zealand (UWMS SBN, 2004) on 811 companies of various sizes (small, medium and large) aimed to identify the extent of the commitment of these companies to the social and environmental activities. The survey found that the majority of companies had provided time and money for its community projects where it operates. More than two-thirds of the involved companies contribute to the charitable activities. The survey also showed that three-quarters of the company’s focus in the area of employee training. Simultaneously, they offer assistance for student employee to complete their work. Finally, the study showed that companies rely on recruitment decisions by 57% from the local community.

In this regard, companies have been active in different areas such as employees, social and the environment, but showed weakness in the customers and shareholders. It is noted that behind the main stage for developing successful marketing strategies, it is important to have a clear understanding of the consumers’ mind before, during and after a purchase. Customers’ mental image is part of the viral marketing and it plays an important role to influence buyers to purchase as it involves the cognitive process that includes the attitude and behaviour.

**Chapter Summary**

Social responsibility has become a familiar phenomenon, but most subjects are general in nature and are undertaken in developing countries as it is scarce to assess the relationship between social responsibility and customer mental image. Therefore, this chapter focuses on the extent of the relationship between social responsibility and customers’ mental image and its effect on its intention to purchase.
Reference


Chapter Three

Brand Personality and Brand Performance
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Overview

This chapter will attempt to emphasize the value of the brand personality and its influence on brand performance. Accordingly, this chapter also proposes a conceptual framework of brand personality and brand adaptation which relates to brand performance.

Introduction

The word globalization in the fashion industry has impacted global brands to go everywhere including the metropolitan cities, high fashion retail stores and the media. Global brands are using their power and influence within various economic and psychological areas as they are mainly related in brand personality and brand adaptation with aspired values of global consumer culture and behaviour.

Aaker (1997, p. 347) describe the brand personality as “a set of human characteristics associated with a brand.” In one hand, Fournier (1998) and Ambroise (2006) offer a suggestion that the brand personality could be known as personality attributes that is utilized to describe the individual attraction toward a particular brand.

On the other hands, other researchers (Fournier, 1998; Sirgy, 1982; Gouteron, 2006) found a positive relationship between the brand personality and customer preferences such as usage, loyalty, trust, feelings of comfort, and confidence in consumers’ minds. Therefore, brand personality is an important factor to consider when a particular firm intends to enter markets in different countries. The brand personality that gives consumers an insight into purchasing global brands depends on some elements of brand association, which means that they are trying to adapt with the brand. The argument toward brand personality construct has researchers attention effort in making this construct more clear and distinguish from other construct that describe the branding. Keller (1993, 1998) considers properties, benefits and attitudes as the main three classifications to the brand.
Freling and Forbes (2005) noted that brand personality aims to support and detect customer's image towards a particular brand. In other words, brand personality is counted as a significant way to show consumer characteristics. Brand personality can also assist consumers in intense competitions to differentiate firms from other rivalry (Freling and Forbes, 2005). In that regard, consumers’ judgment takes into account that customers’ are depending on the awareness level, e.g., brands that provide fashionable sportswear to attract loyal customer who are aware of style. Sproles and Kendall (1986) assured that fashion awareness is commonly defined as consciousness of new trends, changing fashions, and attractive styling, as well as the desire to buy something exciting and trendy.

**Brand Personality**

Brand personality scale (BPS) is a scale to measure the possesses a brand of any personality traits suggested by Aaker (1997), which is distinguished by five dimensions; (1) sincerity (down-to-earth, honest, wholesome and cheerful), (2) excitement (daring, spirited, imaginative and up-to-date), (3) competence (reliable, intelligent and successful), (4) sophistication (upper-class and charming) and (5) ruggedness (outdoorsy and tough) (Aaker, 1997).

Aker’s scale (BPS) obtained other researchers' attention, which primarily aims to validate and purify the (BPS) among vast industries and different cultures. Several advantages could be added to positive brand personalities as suggested by consumer study. Researchers noted a positive brand personality could lead to maximize customer preference and usage (Sirgy, 1982), increase emotions in consumers (Biel, 1993), increase levels of trust and loyalty (Fournier, 1998), encourage active processing on the part of the consumer (Biel, 1992), and differentiate brands from other brands (Aaker, 1996).

Additionally, brand personalities could be compared with human personalities, including traits that are relatively enduring. In this regard, Aaker (1997) describes the brand personality as the set of human characteristics, unlike human behaviours such as sincerity, excitement, competence, ruggedness and sophistication with a brand. As a result, the brand personality could vary and construct a competitive advantage in the customer’s minds for brands that are not impossible to differentiate from their competitors. In human personality research, a predominant way of measuring personality is through the ‘Big Five’ factor structure which reduces the immense amount of traits that can be used to describe people’s personality into five dimensions.
In the case of marketers’ perspective, they assume to distinguish and construct customer preference towards the brands by considering brand personality perceptions as a main portion of how functionally the customers perceive the brand personality. Even, so many researchers (Aaker, 1996, Keller, 2003) asserted that when the brand connected to the right personality it may affect the consumer emotion that the brand is pertinent and direct to customer loyalty.

**Brand Adaption**

Researchers like Aaker & Shan by (1982); Domingo (1988); Rise & Trout (1981) show that brand adaptation refers to make the adjustment or apply modifications to market position towards a domestic brand that is leading to the global customers' minds in terms of positioning. There are many considerations in the leading global marketers to adapt their brands such as: (1) the intense rivalry among other rivalry, (2) creates new distributor channels and (3) the rapid change in customer needs. In other words, the issue of changing customer needs refers to the cultural differences between the local and global markets.

In that regard, Ganesh & Oakenfull (1999) suggest to the global marketers to add the kind of consumer characteristics and behaviours in their consideration while they want to take decision to making a positioning to the previous brand adaptation considerations. The justification behind why the global brand adaptation is not homogeneous is because there are many variations in the physical environment, legal requirements, cultures, economic development, and infrastructure among each global market.

Thus, researchers (Boddewyn et al 1986; Cavusgil et al. 1993; Hill & Still, 1984; Wind, 1986; Zou & Cavusgil, (1996) asserted that it is better for global organizations to withdraw into their explanations of the variance in the culture and the infrastructures by focusing or adapting their marketing campaign in a particular situation separately for each targeting markets. With the advancement occurring, universally, developed and developing nations open their doors for trading not only to the daily consumption and technology related products, but also for the fashionable clothes such as garments, shoes, handbag and many other items that relates to the apparel industry.

The marketers seek to distinguish their own product by special branding to maintain their brand in the mind of their customers, in order to satisfy customers and gain an extensive customer base. This will contribute towards maximizing their profit margin. The role of brand personality in
fashion brands aids, to increase and elevate the result of a personality characteristic among brand adaptation.

The brand personality has a strong relationship with customers. Aaker, (1997) mentioned that brand in a fashion business has acquired the five (BPS) mentioned earlier; (1) Brand personalities of sincerity brands, for example (Lanidor, Acetato and Benetton), (2) exciting brands like (Diesel, Sisley, Fashion Clinic and Cheyenne Buzz), (3) competence brands (Massimo Dutti, Boss, Alto Collection), (4) sophistication brands like (Trindade, Calvin Klein) and the (5) ruggedness brands like (C. Topeka).

According to Azoulay and Kapferer, (2004) economists and business analysts have determined that globalization is vital, efficient and sustainable as it allows some mature industries such as the fashion industry as clothing, footwear or even cars to do their activities globally. Thus, the fashion business is usually guided by a vast and complicated cluster that strongly links the industries which are distinct by several importance and weight. All factors are affected at different levels on the importance of fashion ability (Mihm, 2010).

**Brand Performance**

Performance is known as the willingness to utilize one’s work to gain superior result at the end (Sujan, et al. 1994: 39; Phusavat, et al. 2009). In other words, it is a direction that leads to achieve an optimistic evaluation of people’s abilities (Ho, 2009). Performance can be measured in many ways and many researchers measure brand performance using numerous methods. For instance, Morgan and Rego (2009) have measured performance using; (1) cash flow variability, (2) advertising spending-to-sales ratio, (3) sales ratio, (4) customer loyalty, and (5) relative market share.


**Brand Loyalty**

Six essential elements that define the brand loyalty as presented in Bloemer and Kasper (1995) is as follows: 1) the biased (non-random); 2) behavioural response (Purchase behaviour); 3)
expressed over time; 4) decision-making; 5) selecting option among brand; 6) a function of psychological processes. In other words, brand loyalty is usually measured by the number of repeated purchases, which is known as the power of preference for a particular brand compared to other similar options available. Reichheld and Sasser, (1990) assured that loyalty is seen as an intangible asset to the firm because customers are able to pay higher prices and recommend the firms to other peers by positive word of mouth which is appropriate for the firm to obtain new customers to their sales booth.

There are two major works to explain the loyalty construct in Amine (1998); (1) the behavioural approach which suggests that the repeated purchases on such a specific brand for a long time will express consumer loyalty. (2) The attitudinal approach contends that consistent buying of a brand is an essential but not an appropriate status of ‘true’ brand loyalty due to with the need for a positive attitude towards this brand which makes certain that this behaviour will be pursued further. Therefore, brand loyalty is a function of behaviours and attitudes which is counted as consumer preference for buying a particular brand that takes place. In that regard, the customer believes that the brand provides many appropriate products such as features, images, or level of quality at the accurate price. This perception becomes the basis for the new buying habits because customers will initially examine the product brand to evaluate achievement of a satisfied purchase, tendency to form habits and to keep buying the same brand because the product is safe and familiar.

As mentioned earlier, this chapter is based on previous studies which shows that the interaction between brand personality, brand adaptation and brand loyalty is important. The following picture depicts this relationship through a conceptual framework

![Figure 1.3: Conceptual Framework of Brand personality and brand performance](image-url)
Chapter Summary
As a finale, the discussion by the authors provides some important insight of brand personality that leads to performance. In addition, the above discussion has some interesting findings on the mediating effects of brand adaptation and brand loyalty. This outcome from this chapter is to encourage further research to empirically examine the conceptual framework on a relevant industry. It is important for the marketers to enhance the global branding in developing their marketing strategies as gaining customer loyalty, which is important for a successful business in the global arena.

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Chapter four

Firm’s International Performance
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Overview
This chapter begins with an introduction of international firms’ performance by illustrating external globalization forces faced by the international firms, international firm commitment and brand responsibility and international marketing strategy which helps researchers to develop a conceptual framework for the international firms’ performance.

Introduction
Successful organization often experiences a decline in demand for their products in domestic and/or international markets. Therefore, it is only natural that a rising number of companies put their insights much further by eyeing up opportunities beyond their existing boundaries. Their expansion into these new markets act as a catalyst for momentous growth, vast opportunities and immense performance possibilities. These business expansions into new markets attest to many advantages such as an increase in sales/revenues, profits, expansion of scope, increase in the ability to tap much larger and lucrative customers, developing a much solid consistency in brand image and increase in economies of scale in terms of productions and distributions. These vast lines up of advantages show the importance of pursuing this topic in further details.

In the areas of international marketing, before an organization decides to begin selling products overseas, some fundamental decision is made, for instance, in which foreign market, they should select and also whether to employ a standardized marketing strategy mix (product, price, promotion, place, people, and process) in a singular marketing strategy in all nations; or adjusting, cutting and customizing the marketing mix to suit the unique dimension of each possibly unique local market.

Selecting the right foreign market without a doubt is one of the most vital decisions that firms should take in their internalization process; which ultimately would have long term consequences over the success and operation of the firm (Malhotra et al., 2006).
There are basically two kinds of international performance, which are brand performance, such as awareness, reputation and loyalty which in the end directly affects the second performance mentioned which is the financial performance. When consumers are aware of the product or service that are available to them, the firm has basically a huge opportunity to change the target customers in trying their products or services and also when there are stable and loyal consumers, the long term advantages of building a strong brand can compensate the immediate costs. In this research, we generalize performance into a singular element since brand performance will eventually directly affects the firm’s financial performance. In the end, this conceptual investigation will attest with detailed literature reviews revolving in this area.

The effects of international marketing strategies on performance have been a focus of many marketing researches today (Cavusgil&Zou, 1994; Morgan et al. 2004). While a vast deal of studies has been done on these two associations, the factors and antecedents affecting international marketing strategy remain scarce; thus leaving this subject of the area relatively vague. Various ambiguities cause this area prone to ineffective strategy, structuring which in the end leads to a non optimized firm performance. This chapter constitutes a step towards bringing down this gap and also providing valuable literature in both the theoretical understanding and managerial applications of this field. Besides that, this chapter also intends to make audiences have a brief idea on some of the antecedents of international marketing strategy.

This conceptual study is crucial in a way that it identifies a variety of empirically proven factors which contribute towards an effective international marketing strategy; thus leading towards performance. This chapter will benefit to international marketing strategist in their process of what should and should not be considered in the structuring of strategy in marketing internationally.
External Globalization Force

External globalization force consists of several factors in the industry such as market factors (global channel, global customer, homogenous needs), competitive factors (interdependence between country, competitors globalized or attempt to globalize), cost factors (low production cost to achieve economies of scale, increase learning and experiences, attractive logistic, lower product development costs) and environment factors that create the needs for firm to execute a global strategy (Yip, 1989). The global competitive force on the other hand indicates the international rivalry and competition which is the key force behind the globalization of products and markets (Chailom and Kaiwinit, 2010).

As markets turn into an increasingly integrated path, more firms are rising from all regions of the world in expanding operations on a global scale (Ghemawat, 2007; Peng, 2009). According to Porter (1990), the firm’s internalization is commonly illustrated as a gradual progression that develops after a period of domestic completeness and growth. Many numbers of businesses look into foreign markets for reasons such as large competitions domestically, maturing markets in hometown or even limited opportunities in the domestic market (Chailom and Kaiwinit, 2010). Gupta and Govindarajan (2000) noted that pressure from amplified external globalization will cause firms to use all their available ways and means to reduce costs and achieve the economies of scale.

Zou and Cavusgil (2002) on the other hand have defined the external globalization condition as the external forces that are favourable to global marketing. In the global industries, firms are forced to adopt global marketing strategies as they face many external pressures. Yip, (1989) in his research has highlighted market globalization drivers. The writer believes that these drivers will have an effect on the global strategy and it is very important to achieve the balance on globalization drivers and marketing strategy. Drivers such as homogenous markets or customer needs, familiar marketing regulation, resemblance of product technologies, product information existence and attentiveness worldwide and global competition will bring to a more standardized marketing (Yip, 1989, Zou and Cavusgil, 2002).

When there is globalization, it is wise for a company to take part in the major world market, regulate its marketing programs, concentrate and organize its worldwide marketing activities and incorporate its competitive development across markets (Zou and Cavusgil 2002). Laanti et al., (2009) on the other hand have found that globalization drivers are strong in small and open
economy countries and essential for firms when coming to a decision about standardization of marketing strategies.

It can be said that a more standardized marketing strategy will be considered when the presence of globalization drivers are strong. It is predicted that there is a significant relationship between external globalization forces and the firm’s international marketing strategies. The various elements which are incorporated in the external globalization forces have a huge impact in the process of structuring and choosing the type of international marketing strategies a corporation should pursue, be it standardization or adaptation strategy. It is found that external globalization pressure will cause an impact on the selection of marketing strategies.

**International Commitment**

Commitment theory in accordance with Bearmish and Banks, (1987) is defined as actions or behaviours, and values or attitudes which are caused by decision makers. Axinn, (1988) explained that in an international perspective, commitment is the scale to which managers and staffs in general are devoted in the internationalization process of the corporation; which basically hovers around the long term vision of the internationalization strategy and resource dedication. It describes the extent to which resources, both financial and human resources which is made available in the process of international marketing activities. According to McDougall et al. (1994), international ventures are different compared to older and larger ventures not only in terms of how they enter foreign markets but also, most importantly in terms of their organizations’ attitudinal or behavioural commitment aspect towards internalization.

McDougall et al., (1994) proposed that an international activity level of a venture can be predicted by the management’s dedication towards the necessity of establishing an international presence. In recent research in the areas of internationalization, firms that implement high level of international commitment would have a very huge possibility in developing trust with their business partners (Johanson and Vahlne, 2009). With such partnerships, new knowledge can be spawned and learnt; dedication to global markets provide corporations with opportunities and chances to acquire market-specific knowledge, which in the end enables firms in enhancing their marketing abilities for international growth. Likewise, firms that allocate large degree of their learning efforts to foreign markets would suffer a high possibility of increasing their degree of
internalization and thus, are more amplified in developing new foreign knowledge for even greater levels of incorporation.

In comparison with ventures that have low levels of commitment, firms with high grades are extremely likely to have excellent interactions with their overseas partners (Nadkani and Perez, 2007). McDougall et al. (1994) stressed that success in the internalization process of a firm may often pose a need in huge strategic changes over time. Nevertheless, the international commitment level of a firm solves this by help driving strategic change through parallel paths for firms with dynamic environmental circumstances to tailor its market based resource and assets to compete in international markets (Cavusgil, 1984; Hadley and Wilson, 2003). It is also said that the success of strategic planning depends almost hugely on the willingness, commitment and ability of senior managers in conceptualizing strategies and making appropriate strategic decisions.

In structuring and implementing a marketing strategy in a global market, resource is undeniably an important support element. Various empirical researches advocate that international marketing commitment has a positive influence on the globalization and internalization of firms (Kwon and Hu, 2011). A corporation’s commitment to its process to internationalization plays an essential part in marketing strategy, where the amount of resource allocated and their willingness to become engaged in an international venture are vital in the livelihood of the strategy. Numerous researchers have found a positive connection between international commitment and the marketing strategy, channel, where many existing literature supports a strong part of an international commitment towards international marketing (Anderson and Narus, 1990; Noordewier et al., 1990; Cavusgil and Zou, 1994; Kumar et al., 1995).

The more resources that are contributed into the international venture, international marketing actions such as product and pricing strategy, promotional activities and distribution channel support that are prevailing in the global market would have high possibilities of being transferred successfully. It is predicted that there is a significant relationship between international commitment of a firm and their international marketing strategies. A high level of commitment in senior managers’ attitudes and strategic thinking revolving around their corporation’s international activities, will lead to a much dedicated and comprehensive structuring of the international marketing strategies. Moreover, the association between the firm’s international
commitment and their international marketing strategy has been tested empirically and proven (Wong and Merrilees, 2007).

**Brand Repositioning**

Wong and Merrilees (2006) defined brand repositioning as the alteration of the market position from a domestic brand into suiting a foreign market that is appropriate to the minds of its foreign consumers. It basically refers to the process of adapting the domestic brand market positioning into the overseas consumers’ minds and psychologies, by suiting the overseas market’s situation. Brand repositioning can be viewed as the response to the remainders of an overseas market, covering aspects such as customer needs, culture, competitive situation and channel structures dissimilarity.

The concept of brand repositioning has evolved from simply a marketing mix adaptation into its own broad notion of brand repositioning. Brand repositioning is distinct and different to marketing mix adaptation, where the latter revolves around the physical perspective such as packaging; colouring and brand name compared to brand repositioning, which goes much deeper in dealing with aspects such as psychological perspectives (Wong and Merrilees, 2006). Brand repositioning is a much profound term that deals with the creation and assignment of a desired brand in the target's consumers’ mind (Czinkota et al., 2001). Corstjens and Doyle (1989) had identified three types of repositioning strategies. The first is zero repositioning; a strategy which is considered not at all a repositioning since the house maintains its initial strategy in the face of an evolving environment. The second is gradual repositioning; whereby the firms implement an incremental, continuous adjustments to its strategy of positioning to mirror the development if its environment and finally, the radical repositioning; a technique that denotes a discontinuous shift in the direction of a new target market or a new competitive advantage.

The “structure-construct-performance” paradigm emphasises that the external environment is the primary factor that influences firm’s performance (Caves, 1972; Miles and Snow, 1978; Lusch and Laczniak, 1989). Environments of a form are encompasses the combination of cultural, political, social and technical factors into which the firms may adapt (Preble et al., 1988; Subramaniam et al., 1993). Ganesh and Oakenfull (1999) observed that in making a positioning decision, international marketing strategists need to take into account the degree of conflict that exists in terms of consumer characteristics and behaviour. Culture is the main reason of why
domestic brands are customized to suit a foreign market (Erdem et al., 2006). To reposition the brand within a foreign market, international marketing strategies need to be customized accordingly as brand repositioning is one of its main determinants. This customization reflects the new and unique spot this international brand holds. For instance, when a global brand is targeting a low income market, the international marketing communications need to be tailored, modified and customized to suit that particular target market. If targeting a lower market, this global brand goes for repositioning to target a higher end market instead. Winning the target market and satisfying their wants would require efforts such as enhancing brand value in terms of consumer service.

It is important that each brand has a solid positioning that amplifies its appeal and being recognized by the target user and market which it holds a unique leverage over. It is predicted that there is a significant relationship between brand repositioning and international marketing strategies. Brand repositioning helps shape effective international marketing strategies as it underlies all strategic branding decisions regardless of long or short term. This determinant has strong influence over the degree of structuring and customizing the international marketing strategy. Also, the connection between the firm’s brand repositioning efforts and international marketing strategy has been empirically tested and proven by Wong and Merrilees (2007) on their research paper.

**International Marketing Strategy**

The process of internalization of a corporation is a progression in where the company advances towards greater market participation (Johanson and Vahlne, 1997; Luostarinen, 1979). Exporting clarifies one of the most common entry modes to the international trade area (Chailom and Kaiwinit, 2010). According to Lee and Makhija (2009), exporting is a one of the viable ways for firms in shifting from a potential stuttering domestic sale into growing overseas markets, which maintaining flexibility, minimizing costs and risks compared to other foreign expansion modes. In the deployment of foreign expansion, it is essential to understand the proper marketing strategy required (Douglas and Craig, 2011).

International marketing strategy is the execution of the marketing mix in producing a sustainable advantage throughout the global and international marketplace. This involves a wide-ranging marketing effort that marketing strategist creates to launch their products or services in global
overseas markets. The international marketing strategy basically is a combination of measures developed by Appiah-Adu (1997), which is manufactured by the P’s of marketing which are product, price, promotion and place which is the conception of the fundamental marketing concept. When deploying an international marketing strategy, marketing strategists usually consider a set of international market characteristics and environment such as political, economic, socio-cultural and technological (Preble et al., 1988; Subramaniam et al., 1993). Also, according to Sousa et al., (2011), international marketing managers play a vital responsibility in their firm’s export development since they are the primary decision makers who are ultimately responsible for export initiation, maintenance and operation.

4 P’s Interrelation

Studies, which are related to marketing standardization or adaptation has fuelled significant interest among academia and practitioners in developing international marketing strategies (Cavusgil and Zou, 1994; Jain, 1989; Katsikeas et al., 2006; Lages et al., 2008b; Tan and Sousa, 2011). Existing literature on international marketing, however, encounter two mainstream schools of opinions concerning this area of international marketing. The first school is the standardization approach, an organization which emphasizes that multinational company’s behaviour must be uniform and homogeneous in order to minimize total costs and promote a global corporate image. Supporters of this system believe and claims that consumer needs, wants and demands do not differ across different markets and countries because they believe that the universe is becoming more similar both in terms of environmental and consumer requirements (Vrontis and Thrassou, 2007). Under this approach, the global firms run with absolute constancy at relatively lower cost; as if the whole world was one single element, basically selling the same products in the same way, everywhere. Some advantages of standardization in terms of product are economies of scale in terms of yield, stock cost reduction and creating worldwide uniformity and synergy. In terms of price, a better control and price uniformity will be achieved. In terms of place, there will be an efficient transfer and secure economies of scale. Promotion will have more psychological meanings, higher consumer mobility and consistency and also creates worldwide uniformity. In terms of people, process and physical, firms will be able to provide universal appeal message and image, a high chance of achieving corporate identity and achieving consistency with consumers and also allows a much better identification
of the firm by the consumers. The other school of thought suggests that multinational corporations should adapt in fitting the exclusive dimensions of each unique local market. The fundamentals that lie under the internalization adaptation is the marketing strategy factors which are microenvironment in nature. These factors have constraints such as language dissimilarity, economic conditions, race, occupations, climate, topography, taste, and education conflicts originating from differences in cultures, societies and laws (Czinkota and Ronkainen, 1998). By far, the most important and hardest to measure source of constraint are cultural differences which are rooted in history, religion, values, education, attitude and values, customs and manners, aesthetics, dissimilarity in needs, wants and tastes, economics and legal organizations.

The differences in cultures are commonly reported to complicate the process of building relationships (Griffith and Harvey, 2001). Supporters of this school of thought emphasises that multinational companies need to search on how they should adjust the whole marketing strategies, covering on how firms should sell, distribute products in order to fit and tailored to meet the new market demands. Tailoring, adjusting and customizing the marketing mix determinants and marketing strategies are vital and important to tailor to local tastes, meets unique market demands and meeting customers' unique requirements (Yip, 1989; Koudelova and Whitelock, 2001; La-Roche et al., 2001; Poe et al., 2001; Harris and At-tour, 2003; Chou and Cheon, 2005). Some advantages of adaptation strategies are in terms of products, as firms are able to match differences in terms of consumers’ unique taste, needs, wants, socio-cultural factors and meet the differences in consumer lifestyles.

In terms of price, firms will be able to meet exchange rate fluctuations, demand rate and observe differences in legal and political restrictions. Place, in this sense would allow firms to match differences in physical environment, market size requirements, achieve specializations among channels, and be able to meet differences in logistical decisions. In terms of promotion, firms will be able to see the differences in consumer’s perceptions, buying motivations and buying patterns. In terms of people, process and physical; firms are able to empower and motivate their employees and allows flexibility in meeting the consumer’s non-identical needs and requirements. Both schools of thoughts, in terms of standardization and adaptation are coherent, logical and sensible as highlighted by some of its advantages that a multinational company could gain by going through one of those advances. The degree in where a firm adapts or standardizes their strategies when expanding and working in foreign markets is vital to the field of
international marketing strategy (Cavusgil and Zou, 1994; Katsikeas et al. 2006; Lages et al. 2008; Schilke et al. 2009).

Ayal and Zif (1979) also has extensively discussed the subjects revolving market concentration versus market diversification as two major paths in the process of international expansion. The firm’s international marketing performance is a depiction of the level to which a company’s economic and strategic objectives with respect to a product or service that has been marketed to an international market are achieved through structuring and execution of its international marketing strategy. According to Cavusgil and Zou (1994), there are several multi-dimension international marketing operations such as financial performance and brand execution.

An effective international marketing strategy basically can be designated when the firm’s economic and strategic objectives with regard to the process of marketing a product or service to a foreign market is achieved through superior planning and deployment of its international marketing strategy. International marketing strategy is very likely to exaggerate the overall international marketing performance. By assimilating the international marketing strategy, structure and processes into the external globalization forces, this would provide firms with the means of achieving a much higher level of performance in the global marketplace (Townsend et al., 2004). It is anticipated that if the international marketing strategy is aligned with the external globalization drivers, a significant positive impact will emerge on the firm’s global market performance (Zou and Cavusgil, 2002). Deploying international marketing strategies could boost a firm’s reputation, build strong brand awareness and also foster brand loyalty that directs into advantages such as decrease in marketing costs, greater trade leverage, new consumers (Calderon et al., 1997; Ewing et al., 2001) and also price premium. Consistent marketing support is essential in determining the success of a brand (Keller, 2000). From the successful strategies deployed, brand awareness and its perceived quality will attract young consumers.

Herbig and Milewicz (1997) emphasized that one of the most important factors that influences the firm’s performance is brand reputation. Brand loyalty brings good to the firm by generating favourable word of mouth buzz and it helps build a resistance among the loyal consumers to competitor’s strategies (Calderon et al., 1997; Dick and Basu, 1994). A research in a domestic context conducted by Yoo et al., (2000) discovered that distribution intensity has a positive effect on brand loyalty. The advertising campaign was found to have a positive impact on brand loyalty, associations and awareness. All of these factors combined can enhance performance.
within a foreign market. A firm that has a more recognizable brand performs and has a much higher success rate than those firms who don’t have a recognizable brand (Appiah-Adu, 1997, 1999; Okoroafo, 1996). All these discoveries imply that international marketing strategy can influence directly to the firms' performance. It is predicted that there is a significant relationship between international marketing strategies and implementation. The process of exploiting and manipulating the marketing mix leads firms in acquiring a superior competitive advantage over their rivals, which in the end multiplies the potential outcomes in financial benefits. Furthermore, the association involving international marketing strategy and the organizational performance has been empirically tested and supported by many research (Lee and Griffith, 2004; Wong and Merrilees, 2007).

**International Market Type**

The Oxford dictionary defines globalization as the process by which businesses or other corporations’ developing international influence or start operating on an international scale. Ferociously dynamic nature of domestic markets has forced many firms’ managers to seek expansion opportunities in unexplored international markets. Aaker, (1998) argues that businesses must mirror a clear understanding of the market being entered, as effective strategy analysis pivots on the appropriate definition of the market and contain levels of synergy adequate to make them cost effective (Day, 1981). Any organization that recognizes the importance of globalization will try to penetrate the international market, be it an emerging economic market or developed economy market. These companies will face challenges in their global penetration and face many factors that will increase or hinder their business endeavours. According to Jatusripitak (1986), the corporation's decision to begin exporting internationally is the mental process in which an individual decision making process of transforming the knowledge about the possibility of exporting which is basically the initial exposure to the idea, to execute the decision based on the opportunity. New ventures have a hands-on chance to accumulate in “learning advantages of newness” (LAN), where these firms have less stiff organizational routines and structures; that enables these firms to quickly learn market knowledge that is necessary in accelerating early internalization growths.
Hamill, (1997) argues that companies should be prepared to tackle the international market not only from the physical side, but also the usage of the technology and internet. Segal-Horn, (1996) stated that the globalizations of business activities include expenditure reductions and the reformation of international logistics operations. Also, globalization influences the manufacturing operations, design, purchasing, promotion, merchandising, distribution, advertising, and consumer service, creation of standardized facilities, software development, methodologies, and processes across locations. Yip, (1989), also mentions the benefits of globalisation such as cost lessening, enhanced quality of products and programs, better customer preference and augmented competitive leverage. There are several challenges for companies entering the international marketplace. All countries might not have analogous infrastructure development and marketing institutional development, thus a standardized global strategy will not be suitable in multiple country settings. Furthermore, firms need to lead and be the early adopters of e-marketing strategies for their market penetration; otherwise they will face competition from well-established e-marketers.

Bingi et al (2000) argues that challenges facing the international electronic commerce consist of four diverse factors which is the economic factors such as cost rationalization, internet access, telecom infrastructure and skill shortage, technical factors in terms of security, reliability and protocols, bandwidth, integration, social factors such as privacy, cultural diversity, trust absence and finally legal factors such as intellectual property rights, legal validity of transactions, taxation concerns and regulations. Culture would most likely become a more significant factor in international marketing strategy in the future years where firms need to react to the increased need for more powerful culture study in the years ahead. Cayla and Arnould (2008) suggested that a cultural approach to global branding is better than the concept of branding as a universal technique by acknowledging the various ways of branding and thinking about brands on much bigger perspective; the planetary scale. Kaufmann and Roesch (2012) had suggested that the performance of a company in the international market can be gauged using various factors such as motivation, opportunity and power.

Firms must understand the processes influencing entry into an industry and be able to forecast the entry rate of different types of firms in the future. Knowledge and forecasting can be helpful in the marketing strategies which will be done internationally, whether it could help smoothen or
even daunt entry into the international marketplace. Basically the marketing capabilities of a firm extend across many diverse levels in the firm and across many different functional areas (Zou et al., 2003). The main idea behind the marketing capability is fundamentally the firm’s ability in learning about its market environments and exploiting this knowledge in directing its actions towards external market changes in a way that is quick and efficient (Day, 1994; Fang and Zou, 2009; Vorhies and Morgan, 2005).

In determining a firm’s ability in adapting to the needs of its target export market, marketing ability is a very important factor. Johanson and Vahlne (2009) explained that in the process of a firm’s internalization process, the organizational abilities related to marketing and networking elements are the key force in the process and outcomes of early internalization. Market orientation and entrepreneurial direction; shape a born-global firm's ability in technology innovation and knowledge concentrated products in the process of targeting niche segments in the global markets (Knight and Cavusgil, 2004). In a broad picture and bigger sense, the firm’s marketing capability actually captures and reflects how easily a firm can link market-based assets and its processes which will eventually lead to financial performance.

New ventures that are from emerging market economies are more likely to face different types of challenges and opportunities when entering into developed versus emerging markets. In addition, emerging market firms have rigorously pushed into entering advanced economies in order to tap resources, skills, markets, brand names and increasing their competitiveness globally (Matthews, 2006). Factors such as cultural underpinnings, non-traditional marketing experience, limited resource and highly regulated political environments frequently affect the firms which originate from emerging markets. Thus, their efforts by entering advanced economies and the profusion of learning resources are more likely to motivate these firms in developing a more distinct marketing ability for enhanced international growth.

It is predicted that the type of international market has a significant moderating influence on the relationship between the firm’s international marketing strategy and its implementation. The types of international market; be it developed or emerging economy market can determine the relationship between the firm's marketing abilities internationally and also its international growth or performance. When a new or young venture is handling business in an advanced or
developed foreign markets, their marketing abilities play a more pivotal role in the process of contributing to performance compared to when operating on an emerging international market. For firms that are from emerging markets such as China, the process of learning about developed markets has a much higher possibility of providing more and different marketing ability insights compared to when operating in other similarly emerging markets.

The level of competition intensity also differs greatly in developed market compared to emerging markets; competition in developing markets requires a more sophisticated market based assets and abilities (Zhou et al. 2012). Aspects such as huge amounts of international suppliers and their competition with each other for market share in developing economies, coupled with the existence of many sophisticated consumers in terms of demands, make the marketing abilities play a more salient role in emerging market firms that operates in developed compared to emerging markets. In addition, Zhou et al. (2012) has empirically shown that international market type moderates the relationship between firms' marketing ability internationally and its growth (performance).

The existence of certain external globalization forces, the high level of commitment given by the managers and staffs in their process of internalization and high degree of brand positioning in the minds of the new international consumers based on their unique socio-cultural factors would impact the effectiveness of the international marketing strategy. International marketing strategy is positioned as a mediator between independent variables of external globalization forces, international commitment and brand repositioning towards the firm's international performance. The firm’s international performance is positioned as the dependent variable. International market type on the other hand is positioned as the intermediary between the relationship of international marketing strategy and the dependent variable, firm’s international performance. The main contribution of this research lies in the new combination of the three independent variables and also international market type which acts as the moderator. Below is the proposition for the conceptual research framework.

After a comprehensive and inclusive series of literature reviews, we derived a framework based on the relationships which we have structured based on literature supports and also empirical result supports. External globalization forces which are made up from various factors such as
Market factors, competitive factors, cost factors and environment factors are predicted to influence international marketing strategy. This is very sensible as vast pressures that are asserted from external globalization forces compels corporations to dedicate and go all the way by any means in achieving economies of scale and reduction of costs, which will affect them in structuring, inventing or pursuing an efficient and effective international marketing strategy.

International commitment on the other hand, which are comprised by the level of dedication maintained by the firm’s direction and organizational employee plays a huge factor in impacting the international marketing strategy as both of them play a vast role in terms of financial, strategic and human resource cooperation towards the success of the procedure in the firm’s internationalization process. This affects the development of structuring the international marketing strategy. The management’s willingness to become engaged in an international venture and the amount of resources allocated to achieve it is paramount towards imposing strategies such as product and pricing strategies, promotional and distributional channel strategy running in the global securities industry.

Therefore, the more resources and commitment contributed into the international venture would increase the possibility of international marketing strategies in term of marketing mix to be conducted successfully. Brand repositioning on the other hand not only determines the effectiveness process of international marketing strategy but also the firm’s greater performance, basically by modifying the domestic brand to the foreign market and not just referring to the adaptation of the marketing mix but also the total and holistic representation of the market itself. Culture is basically the main determinant why domestic brands are being modified in suiting a foreign market and also by acting in a way that it amplifies a product appeal, which involves being recognized by the target user that it has unique leverage. It influences international marketing strategy such as the international marketing communications process by determining beforehand the necessary strategic branding decisions and actions that should be fixed later on.

Finally, international marketing strategy is a vast subject being simplified as a process in which the elements of marketing mix is being implemented in a standardized or adaptive way towards expanding their business activities globally and it takes into account external environment such as political, economic, socio-cultural, technological and legal aspects which impact the firm’s overall international performance; basically by gaining huge advantage such as a decrease in marketing costs, greater trade leverage and a whole new clusters of consumers.
An effective marketing strategy being deployed internationally would boost brand awareness, brand reputation and brand loyalty, thus amplifying the brand recognition which in the end gives a huge boost in performance and success of the firm compared to a firm whose brands are less recognizable. The process of exploiting the marketing mix into an effective strategy leads firms in gaining superior advantage over their competitors at the end, leading them to a much more successful prospect in terms of financial gains and performance.

![Conceptual Framework of International Firm’s Performance](image)

As shown in figure 1.4, the conceptual model proposed in this study recommends, corporations and marketing managers who are actively engaged in the international marketing should pay much attention regarding their present approaches in terms of choosing or structuring their respective international marketing strategies. Elements such as the firms’ overall commitment towards the incorporation process, the external forces that exist in globalization and also brand repositioning strategy in the new market (taking into account the type of international market) would deem to hugely affect the firm’s possibility of attaining a superior international performance.

**Chapter summary**

In terms of academia, the above framework is definitely a thriving area to pursue, since most businesses and organizations today strive highly on going global. Researchers who are interested to pursue future study in this area would benefit the academic arena by using this chapter as a road map as well as backbone guideline and therefore expand further by conducting detailed investigations through primary data collection and empirical validation initiatives Therefore,
there should be continuous collaborations between researchers and practitioners in ensuring what has been discovered in this conceptual investigation be carried out in real life scenario.

References


Chapter Five

Logo Design and Consumer Purchase Intention
Muhammad Sabbir Rahman, Mohd. Ismail Bin Sayyed Ahmad, Sheela Devi D Sundarasen, Muhammad Madi Bin Abdullah

Overview
This chapter is designed to demonstrate the importance of logo and its effect on consumer buying behaviour, by introducing the characteristics of logo design and its effect on consumers’ purchase intention. In addition, the discussion also explores the essence of brand image and its relationship with brand awareness. At the end, this chapter will provide a conceptual framework to illustrate these interactions.

Introduction

Brands always play a vital role in making decisions on product purchasing. According to Boone and Kurtz (2002), the brand is identified to have a characteristic of name, term, sign, symbol, design or any of the combinations that differentiate it from competitors. These attributes of the brand help consumers’ to identify and recognize one product from another (Kotler, 2006).

A brand has functional and emotional importance that guarantees an exclusive and best experience for its members. Branding and brand differentiation is vital in creating and sustaining competitive advantage over rivals (Aggrawal, 2004). A brand can enhance the value of the merchandise and protect from imitation of fellow competitors. The distinctive features and uniqueness of the firm’s brand can prevent other competitors’ to imitate and used it (Kathuria et al., 2009). Aaker, (1991) once said “A product can face obsolete and get outdated, but a successful brand will live forever”.

So a brand is said to be one of the most valuable asset a company has. It is said that brand relationship and interpersonal relationship of consumer is related (Blackston, 2000). The customer usually perceives one’s brand in a way that the brand actually relates to them (Muniz et al., 2001). This chapter intends to reveal that customer identity will have a significant
relationship on logo design and brand awareness. We believe by integrating and interpreting the analysis done by previous researchers, we will be able to come up with a framework that is comprehensive and complete.

**The Characteristics of Logo Design**

The logo design can be defined as a symbol sketch that give firms the opportunity to identify itself among others firms in the market place. Logo, due to its visual communication helps brands transcend international boundaries and language barrier as it provides brand identity and instant recognition. A well designed logo is easily distinguishable, elicits and expresses meanings and evokes the superior effect (Peter, 1989, Vatorella, 1990). It may also result in a perception of liking or attract more intense aesthetic responses (Bloch, 1995). The likeability and transferability of the aim toward the visual stimulation is a key ingredient towards a global design. Transferability allows a brand to be defensive against different opportunity and constraints (Keller, 2003).

Proportion design contributes to brand awareness, due to cross cultural design of divine proportion and greater predilection for the designs based on the divine proportion due to non-conscious decision, culture and convention. This allows further awareness towards the brand and attracting customers without culture constraint. Defined as the interaction among horizontal and vertical dimensions, it’s also a critical design characteristic in nature, painting and architecture as these items have a common geometric proportion. There are particular proportions considered more attractive than others proportions (Wong, 2003, Thompson, 1942; Wittkower, 1965).

**Logos, Brand and Its Effect on Customer**

Brand logo sensitivity is categorized into belief in fate (affects consumers’ brand logo sensitivity), belief in fortune teller (affects consumers’ brand logo sensitivity), belief in magic and fictional figures (affects consumers’ brand logo sensitivity) belief in urban legends (affects consumers’ brand logo sensitivity) belief in lucky charms (affects consumers’ brand logo sensitivity) and belief in superstitious rituals (affects consumers’ brand logo sensitivity). Hollenbeck (2008) argues that customers frequently purchase a firm’s logo merchandise to concretise their pleasurable consumption experiences.
According to Oliver, (1999) human feeling for a particular brand is due to companionship, some customers immerse their sense of self in the ownership of particular products or brands. This phenomenon results in customers exhibiting “ultimate loyalty” to the product/brand. Other research found that some customers develop profound bonds with a brand, such as personal attachments to commercial service establishments (Belk, 1988).

By allowing the customer to identify themselves with the brand, the customer can create a relationship and a sense of belonging, thus creating brand awareness toward the brand (Rosenbaum and Martin, 2012). Gladden and Funk (2002) suggested that creating attributes such as escape, nostalgia, and pride in place will create brand associations between a company and its customers.

Alexandris et al. (2002) identified factors that influence brand associations. They also establish a link between brand association and customer loyalty. By building a behavioural and attitudinal loyalty among its customer, businesses can create a connection with their customers. Brand design must involve consideration of its design and what the brand stands for. A brand that fulfils the customers’ criteria and identity, are able to create brand awareness of their businesses. It will help to create customer loyalty and create customer’s awareness (Alexandris et al. 2002).

Factors such as logo designs and customers’ identity can affect customer awareness toward a particular brand. A complex and clumsy names create confusion around the company’s identity and erodes brand equity. A logo design that doesn’t reflect sensitivity toward a region, custom can affect brand awareness toward the customer (Keller, 1998, 2000).

Alexandris et al., (2008) found that by targeting customer’s feeling and emotions and satisfying their customers expected benefits, it can create customer loyalty and brand awareness. The aim of a good logo is a significant ingredient in brand association as it encourages customer’s awareness, recall and differentiating from the competition. Other factors that can create brand awareness such as the attractiveness of the logo increases as complexity increase, the complexity of the logo is more expressive and complexity of the logo influence how professional an identity is being received (Foo, 2003). Brand awareness through customer identity can be achieved by executing a customer place identity, such as distinctiveness, continuity, self-esteem and self efficacy (Mark and Martin, 2012).
Celebrity Endorsement

Celebrity endorsement can be experienced as “any individual who enjoys public recognition and they use this recognition on behalf of a consumer good by appearing with the product in an advertisement” (McCracken, 1989). Endorser roles can be enforced where the celebrity takes the form of an expert, spokesperson or as an inspirational figure that has no knowledge of association with the product. Endorsement types can be implicit, explicit, imperative or co-presentational. From Keller’s (1993) definition, we can interpret celebrity images as the perceptions about an individual who fancies public recognition as reflected by celebrity affiliation held in the consumer’s memory. In line with the Marketing Science Institute (MSI, 1989), equity means “both an asset finance and a set of favourable relations and behaviours”, both in terms of either with a celebrity or brand. The celebrity product endorsement is a form of co-branding, which is the pairing of two or more brands, in this perspective where money is substituted for an image transfer, in becoming complementary beneficial between the partners (Motion et al., 2003). Celebrity credibility is the extent to which a celebrity is “perceived as possessing expertise matching the communication issue and can be trusted to arrive at an objective opinion about the subject” (Goldsmith et al., 2000). The principal constituents of celebrity credibility are expertise and trustworthiness. As consumers judge the trustworthiness and expertise of the celebrities, it is mirrored on the validity of the expertise (assertions made by the celebrity) and their trustworthiness (the celebrities’ confidence in their intent of delivering the most valid assertions). According to the research conducted by Sanaa and Lucas, (2007) celebrity credibility is significantly related to brand image, where brand celebrity’s credibility also has an indirect and positive impact on brand equity.

The Core of Brand Image

In the prospect of core brand image, past studies on brand strength proved that it can be defined objectively and also subjectively (Broniarczyk and Alba. 1994; Reddy et al., 1994). According to Reddy et al., (1994), the objective can be determined as an association with market share, advertising cost and channel distribution. In terms of subjective definition, it refers to consumers’ overall judgment of the brand, which is widely known as brand image. Many researchers have proposed that some the constituents of the core brand image are brand awareness and brand preference (e.g. Aaker and Keller, 1990). Brand awareness came into the
mainstream from the big fractions of different parts and dependency of extensions to contrasting fields of advertising messages (Bogart and Lehman, 1973). Attributes (an element that exists and can be distinguished from each other) that are sensible and wise might be the main judgment point in which consumers would bear the “causes” to the image of the brand, rather than what they project as their image themselves (Da Silva and Alwi, 2006). In the research carried out by Shah et al., (2012), it is presented in their hypothesis that brand image significantly and positively impacts purchase intention.

**Brand Awareness**

Brand awareness is an important factor influencing the buying decision and intentions (Macdonald and Sharp, 2000). The purchase behaviour will much depend on their alertness to the respective brands (Grewal et al, 1998). High brand awareness can bring about the purchase decision of the consumers (Aaker, 1996). According to other researchers, brand awareness refers to the brand’s strength that is present in the mind of consumers’ and is one of the most significant factors in brand equity (Aaker, 1991). Aaker (1991) also states brand awareness as the “the capability potential consumer to recognize and recall a certain brand relate to a certain product”. Keller (1993, 2008), on the other hand defines brand awareness as the consumer capability to rememorize and distinguish the brand which is an important factor in the process of consumer decision making. Intensity and width are among the set of inputs to measure brand awareness (Hoeffler, & Keller, 2002). If a product’s brand has both concentration and size simultaneously, consumers will first think of the brand that gave them the most brand awareness whenever they are going to purchase the product rather than a lower awareness brand. There are some sources that produce brand awareness such as television advertisement, magazines, billboards, friends and more social network (Kathuria et al., 2009). Brand awareness can be associated with brand image (Tsuji et al, 2009) as without awareness of the brand, brand images cannot occur (Aaker, 1991). The interaction among brand awareness and core brand image is positive in nature (Wu et al, 2009). Yaseen (2011) has also found a significant interaction among brand awareness and buying intention. This is on the same line with the research done by Macdonald & Sharp (2000) who come up with a conclusion that brand awareness has a significant role in bringing customers to receive purchase intentions. So, we can conclude that
brand awareness will bring to purchase intention. The stronger the sense of awareness, the more incline the consumer will be towards purchasing activity.

**Consumers’ Purchase Intention**

According to Fishbein and Ajzen (1975), consumer purchase intention is an essential index to predict consumer behaviour as they act as a subjective attachment to a product. Purchase intention is commonly used to understand consumer behaviour in related disciplines. Fishbein and Ajzen (1975) mentioned that purchase intention is a subjective inclination the customers have towards a specific product and has widely been approved as the primary factor in projecting consumer behaviour. Buying intention can be interpreted as the probability that the consumers will plan or be willing to purchase a specific product or service in the future. When there is an increase in purchase intention, it will lead to an increase in the customers’ purchasing probability (Dodds et al., 1991; Schiffman and Kanuk, 2007). Consumer buying intention also helps as the mediator between their attitude towards a certain product and their real purchase behaviour (Fishbein and Ajzen, 1975). Measurement scale to determine purchase intentions are; possible to buy intended, to buy and considered to buy. There are basically four phases of the consumer purchase decision model as derived by Engel et al. (1995); recognition of the problem, searching for solutions, evaluation of alternatives, the decision to purchase and finally the behaviour after purchase. Engel et al. (1995) later expanded that purchase intentions can be broken down fractionally into unplanned buying, partially planned buying and fully planned buying. Unpredictable scenarios and individual attitudes usually influence purchasing intention. According to Dodds et al., (1991), individual attitudes such as personal preferences of others, following other people’s judgment and unpredictable scenarios signifies that consumers change purchase intention because a scenario is appearing; for example, when the price of a product is much higher than the price which the consumers have predicted beforehand.
Figure 1.5: Conceptual Framework for Logo Design & Consumer Purchase Intention

The framework is drawn from the above literature review and finding by researchers. Logo designs and customer identities are factors that affect brand awareness.

**Chapter Summary**

Logo design can influence and attract customer awareness to the brand. However, customer identity such as customer’s culture and personality can influence the design of the logo. Customer identity can also produce brand awareness as it creates an association and relationship between the brand and the customer. We also found that brand awareness will bring to core brand image on consumer which will then lead to purchase intention. Therefore, we observe a direct relationship between brand awareness and purchase intention. The enhancement factor such as celebrity endorsement will increase the core brand image and the stronger the core brand image a consumer has on certain products, the greater the tendency of consumers to purchase the product.
References


Chapter Six

**Online Advertising and its Aspects on Small Medium Enterprises**

**Overview**

Online advertising is a concept that has seemed since the world become dependent on technology in most of the activities. Therefore, this chapter will use the concept of online advertising to be used in SME’s by giving an introduction to this topic and illustrating the perception of online advertising and its significant role the perspective of SMEs. This chapter continues to provide a comprehensive conceptual framework to demonstrate the interactions among the proposed variables.

**Introduction**

Online advertising has been widely accepted by many corporations as an alternative to traditional advertising in increasing brand exposure and enhancing customer engaging activities. Online advertising has the advantage of being able to target on very specific groups of audience as compared to the traditional advertising which offer lesser demographic like geographical and historic period. However, Small Medium Enterprises (SMEs) are perceived to be more conservatives in choosing advertising media due to the doubt on size of audience it may reach, and the constraint on their technology competency.

The growth of online business and economic activities are enabled with the apparent movement of the universe into the new information age (McMillan, 2007). Nevertheless, the situation is awkward for SMEs as they are serving relatively small geographical area and do not require huge exposure to attract customers. SMEs only consider adopting e-commerce, e-business and internet technology when thinking of bringing significant changes to their performance (Ramayah et al. 2005).

However, online advertising is being regarded as a radical move which is the first medium of advertising that allows the interaction between advertisers and customers (McMillan, 2007). This also allows the advertisers the possibility to build a personal relationship with the customers. Due to privacy concerns, the intrusive form of online advertisements may bring negative
perception and may be less effective, uninformative, forgettable and ineffective, whereby the annoyed viewers may discard the advertisements (McMillan, 2007; McCoy et al. 2004).

**Perception of Online Advertising Medium**

The boundary of the online advertising is also blurry as the term is loosely defined (McMillan, 2007; McCoy et al., 2004). The advertising effort can be either simply a website to create an online presence, static banner, pop-up, in-line, or even in the form of interactive games. With the rising popularity of the social networking websites, the ways of online advertising have increased the user’s perception according to their search for the advertisements feed (Gibs, 2010).

There are various thoughts on the use of online advertising by the SMEs for their targeted consumers’ because of its durability and usefulness. In spite of that, some will also think of it as the last resort (Ha, 2008; McCoy et al., 2004). As pointed out by McCoy *et al.* (2004), online advertisements have significant effects on retention of the online experience, and the retention will be better if the advertising is non-congruent to the serving website. This research also suggests that publishing advertisements on other websites will contribute to better retention than serving advertisement on the company’s own website. Ha (2008) also noted that different types of advertising medium will have an influence on the customers’ perception. In addition thereto, the customers’ responses are getting better when the advertisers can engage them through various methods of serving advertisement (Gibs, 2010; Bond et al. 2010).

**The significance of online advertisement to SEM’s**

As Bond *et al.* (2010) pointed out; customers perceive differences between brands that use online advertisements. It is important for companies to measure the success of their online advertising campaigns which needs holistic assess on their brand building. McMillan (2007) mentioned that online advertising can also serve as an itinerary of corporate communication. However, Jahanshahi *et al.* (2011) noted that the growth of the digital economy, SMEs are still lagging behind larger organizations in terms of online advertisement. Online advertisement creates a new cost effective means for SMEs to enhance their relationship with their customers to provide and share products and services related information (Jahanshahi *et al.*, 2011). Gibbs (2010) noted that awareness of a product or brand and the purchase intent will increase when the advertisers use methods of organic impression, homepage ads, or both. Wei *et al* (2010) also
found that online advertising generates a substantial influence on attitude toward the brand and purchase intention. McMillan (2007) mentioned that online advertisements will have a various efficient with the influence of interactivity, personalisation, and intrusiveness.

### Online Advertising Effectiveness

Despite the debates about the effectiveness of online advertising over the traditional advertising, online advertising research paradigm leads to the study on advertisement effectiveness (recall, recognition, purchase intent, perceived risk, product evaluation, arousal, and attention). As long as the online advertisements do not violate the wrong area, it will be welcomed by the customers (McMillan, 2007; McCoy et al., 2004).

### Developing a conceptual framework in regards Online Advertising Effectiveness on SMEs

After reviewing previous literatures, this chapter puts online advertising medium as independent variable. When the selection of the medium is right, the online advertising efficacy will increase, and vice versa. As a result, the company exposure efficacy and the customer engagement efficacy will be also affected accordingly. This puts the advertising efficacy as the mediating variable between the advertising medium with the company exposure efficacy and the customer engagement efficacy. Put differently, the dependent variables are the company exposure efficacy and the customer engagement efficacy. The following figure describes the conceptual framework of Effectiveness of Online Advertising for SMEs.

![Conceptual Framework for Effectiveness of Online Advertising for SMEs](image-url)

**Figure1.6: Conceptual Framework for Effectiveness of Online Advertising for SMEs**
The effective utilization of online advertising is expected to improve the efficacy of online advertising by SMEs. This will contribute to the overall improvement on the company’s exposure as well as customer engagement. In contrast to that, misuse of the online advertising by SMEs will bring adverse effects to the appeal of their companies, products and services. Therefore, SMEs need to realize the need of extending their company’s exposure through online media and emphasis should be given to improving the customers’ engagement activity in order to improve their image. Further investigation is expected in order to verify the proposed conceptual framework, either from the primary or secondary data or both, to explore and empirically test the model on SMEs which could generate benefits to the researchers and practitioners in gaining more insights into the field of online advertising enquiry.

The literature has demonstrated that at present SMEs have the highest possibilities of ICT adoption, the greater the benefits perceived. Perceived benefit is viewed as one of the important factors that affect ICT implementation of SMEs. According to Giovanni and Mario (2003), ICT is able to provide SMEs with a broad collection of potential for developing and facing intense competition, such as offering new means of obtaining entrance to the market and much other usefulness. ICT adoption makes advertising easy and can reach potential clients at any location. According to OECD (2004), it is mentioned that online advertisement can offer SMEs to switch over to the actual - information moment and construct nearer connection through providers or trade co-workers. Barua (1995), Lymer et al (1997), and Lauder and Westall (1997), mentioned that by applying ICT at the SMEs can help to maximize the productivity as well as minimize the production costs. Furthermore, utilising the net for commercial purposes can improve the communication process with trading partners and customer as well. As a result, the small firms can achieve cost effectiveness as motivating factors. These days, SMEs are more accessible in electronic business with a global attendance. The World Wide Web can allow for SMEs to share their business activity through the word. The internet can make the trade more easily and eliminate the variation of location and other physical elements that effect on business performance. Therefore, SMEs can do their job at any place in the world at any particular time. However, SMEs can expand their business worldwide through online advertising (Vlachos et al 2009; Ang and Husain, 2012). Online advertisement has significant influences on SMEs due to the widespread effect among potential customers and lower advertisement cost.
Chapter summary

Online advertising is extremely important, for small businesses in managing their local business to target a particular market. However, SMEs can easily predict customer needs and desire more effectively by arranging online advertisement in their marketing operation.

References


Chapter Seven

Customers’ Satisfaction and Destination Loyalty
Muhammad Sabbir Rahman, Norizah Mustamil, A.K.M Ahasanul Haque, Abdul Highe Khan

Overview

This chapter intends to bring in the customer satisfaction towards loyalty for a particular destination by demonstrating the customer satisfaction concept as well as the loyalty concept. Additionally, this chapter presents the interaction between customer satisfaction and customer loyalty, analysing customer Trust, destination loyalty and satisfaction from the perspectives of the tourism industry.

Introduction

Having a successful marketing program is an important ingredient for building destination loyalty from the perspective of tourists (Chen & Chen, 2010; Wu, 2010; Alqurneh et al. 2010). There are many methods for customer satisfaction (CS) measurement which have been discovered in the last thirty years but there isn’t an agreed method yet. There are two schools of thoughts for the CS field. The American school, which was led by Zeithaml, Berry and Parasuraman in 1985, says that CS has both negative and positive results based on the comparison between the actual performance and the first expectations of the service or product. The Nordic school led by Gronroos, (1990) provided a totally different point of view for CS measurement; it mentions about the usual result of performance quality and consumer perception. There was great debate in the past marketing studies related to the determinants and the nature and measurement of CS (Song & Cheung, 2010).

The existence of various cultures in behaviour, attitude and social class can alter the perception and expectation (Som et al. 2011; Song & Cheung, 2010). For instance, people who have less education and income level and with low economic conditions usually demonstrate low expectations compared to others. According to their thoughts a trip to other countries in the summer is very luxurious and that leads to higher levels of satisfaction related to vacation (Mahasuwearachai & Qu, 2011). Also, from various countries and cultures the destination can attract the people therefore based on their originate country the degree of their satisfaction can increase or decrease.
Based on previous findings, the relationship between tourist satisfaction, positive word of mouth and return intention is significant (Haghkhah et al. 2011; Jennings & Nickerson, 2012; Liu, 2011). Also, the same relationship can be found between the eagerness to go to other destinations for next trips, tourist dissatisfaction and a negative word of mouth (Liu & Yen, 2010; Shonk et al. 2008). Another important factor is dissatisfaction or satisfaction from past experience because it will alter the expectation for next purchase (Narayan et al. 2009). So, the crucial source of competitive advantage is the tourists’ favourite perception and also attitudes but however we should state that the influence of CS on loyalty and repeat business is not similar in all types of industries and also not similar around the world for all destinations (Liu & Yen, 2010; Liu, 2011).

**Customer Satisfaction Concept**

Having the satisfaction of consumers is very crucial for sustaining growth and enhancement of a business which provides more share in the marketplace. This will ensure the continuity of the business in the market and an increases profit (Divisekera, 2009). Hossain et al. (2011) stated that this belief is very limited because it considers only one aspect; the behavioural intentions but there are also many more factors that can alter the actions of the consumers. Vansteenwegen, (2009) concluded that both of the service quality and satisfaction of the consumers are the crucial indicators of the repurchase process. The perception related to quality and satisfaction can change the degree of recommendation in a great way.

**Customer Loyalty Concept**

Generally related to the brand loyalty is the concept of loyalty which can be analysed by considering the goods which are tangible (DeWitt et al. 2008). The number of purchases from the customer during a certain time is called the brand loyalty. Measuring and also conceptualizing of the loyalty became very complicated over the past years (Kuo et al. 2012). Most of the studies in the market agree that this concept has many different dimensions but overall there are two or three main aspects of loyalty. Chitty provided another view related to loyalty in 2007. He believes that there are two dimensions for presenting the loyalty. One of them is behavioural loyalty which can be seen by repeated purchases and also attitudinal behaviour which is relevant to affectations that are inherited and cognition of loyalty. Study of
(Karatepe, 2011) from an airport aligns with this fact which showed three separated approaches for measurement of loyalty as well as composite measurement.

Few years ago, behavioural aspect was the main concentration of researchers so the other elements of the buyers were neglected (DeWitt et al., 2008; Kuo et al., 2012). The approach that is mainly behavioural is about alteration of the people's behaviour and also the powerful motivation to purchase again from the same service provider compared to the other ones. According to marketing studies, repurchasing intention is the vital factor for measurement of loyalty as well as the intentions that have been switched and the most important one is intending to purchase (Ryu & Han, 2010).

Nevertheless, some of the researchers were opposing the definition of behavioural loyalty which was very limited and old fashioned. Campo-Martinez & Garau-Vadell, 2010; Ryu & Han, 2010 stated that we cannot explain the elements that impact the purchase behaviour by means of behavioural measures because the frequency of the measurement is the only measurement available. They also opposed behavioural method for not having enough bases for conceptualization and focus. On the other hand, Li, (2011) said that if someone has a repurchase intention, it is not certain that it is related to their commitment or the degree of loyalty. Next measure for the loyalty is attitudinal. Having attitudinal loyalty for a service or product needs a lot of marketing transactions. Having a positive attitude for a service or product can become stronger over time (Gilhespy & Harris, 2011). Commitment is very important for attitudinal loyalty because the self-evaluation of customers can be seen in commitment in the context of consumption and making decision for having a long relation. A commitment is effective when there is a desire for keeping a relationship that has value to someone. It is the psychological attachment that shows the relationship is emotional between the service provider and the buyer (Mahasuweerachai & Qu, 2011). It can be said that this type of attachment leads to attitudinal loyalty. So a loyal person is the outcome of affective commitment because they want to stay loyal. According to previous investigations, the power of costumers’ attitudes for a service or product can represent their behavioural loyalty in the best way (Divisekera, 2009).

Attitudinal loyalty is related to loyalty measure which is called cognitive loyalty. This approach relates to reformation of the sentiments of the buyer related to the provider of the service. The evaluation is consciousness, related to the rewards and attributes and also the advantages which
are gained from re-patronage (Pizam, 2009). These types of measures have top of mind, price tolerance, first choice, a consideration that is exclusive and also the identification with the provider of the service and motivation for more payment (Gilhespy & Harris, 2011). By combining the first two aspects we can have a composite measurement. By utilizing the preferences of the people, we can measure the degree of loyalty as well as the degree of switching brands, total number of purchasers and its frequency (Bianchi & Pike, 2009).

In this research, the composite approach was chosen for the loyalty because the loyal people are the ones who have good attitudes for the provider or a business and repurchase the product and service while suggesting it to others. In conclusion, it can be said that the literature of the psychology is concentrated on pre-relationship maintenance (Song & Cheung, 2010). Jones and Taylor (2007) understood that loyalty with two dimensions consists of three kinds of examining services. So, loyalty has the essence of what people do and the meaning of psychology of the relationship. This shows the composite approach which is about operating of this investigation.

Customer Satisfaction and Customer Loyalty

There is a lot of attention around consumer satisfaction because it is very important for the literature of relation management and its effect on the loyalty of the people. The repeated sales are generally related to this aspect as well as a good word of mouth and customer loyalty. If the amount of satisfaction is high then the people do not like to change the brand and the product (Nunkoo, 2013; Vansteenwegen, 2009).

Most of the studies related to the satisfaction of creating the loyalty were positive, which demonstrated that satisfaction is a vital element of customer loyalty and their retention (DeWitt et al., 2008; Haghkhah et al., 2011; Nunkoo, 2013; Pizam, 2009; Smith, 2012). According to these findings, it can be said that the impact of satisfaction is very strong and powerful and directly alters the customer loyalty but there are also some studies that show the impact of satisfaction is not very highly related to the loyalty concept and that this point of view is traditional about satisfaction. It can be said that although satisfaction is crucial for loyalty creation but it will not lead to loyalty at all times.
Tourist satisfaction

Tourist satisfaction is mainly related to the emotional state of tourist who experiences his/her visit to any particular tourist destinations. Tourists can feel the satisfaction by visiting their favourite destination (Baker and Crompton, 2000; Heng and Chou, 2006). Tourist satisfaction refers to the pleasure of the tourist after visiting any particular tourist destinations. Tourist measure satisfaction by comparing the expected service with actual service (Severt et al. 2007; Chen and Tsai, 2007). Baker and Crompton (2000) describe that tourist satisfaction as the emotional state of tourists after visiting desired tourist destinations. It could be positive, negative or indifferent. Chi and Qu, (2008) confirmed through the research on the tourist destination image, tourist satisfaction and tourist destination loyalty that there are many factors that leads to tourist satisfaction but tourist destination image is a significant factor in tourist satisfaction.

Tourist loyalty

The important goal of every tourist destination is to make tourists loyal to a destination. According to Oppermann, (1999) and Yoon and Uysal, (2005), when tourists visit any particular tourist destination multiple times then it is called tourist loyalty. According to Chen and Gursoy, (2001), tourists revisit perception of any particular tourist destination refers to tourist loyalty. When any tourist perceives positive experience about any destination, then he or she thinks to revisit the destination. When a tourist is loyal towards any destination then he or she recommends others to travel to that destination (Oppermann, 2000, Chen and Gursoy, 2001). According to Yoon and Uysal (2005), if tourist gets better service from any tourist destination, they will be loyal towards the ends. Besides that, positive word of mouth will also influence tourist to visit a particular destination.

Tourist satisfaction and Tourist loyalty

There is a close relationship between tourist satisfaction and tourist loyalty. According to Cronin and Taylor, (1992); Kozak and Rimmington (2000); Machleit and Mantel, (2001) tourist satisfaction is the antecedents of tourist loyalty. Yoon and Uysal (2005) suggested a model on tourist satisfaction and tourist destination loyalty. Similarly, Oh (1999) established a model where it was proposed that, besides service quality, price and value, tourists ‘satisfaction also influences customers towards revisit intention. If tourists are satisfied with any tourist
destination, they will feel comfortable and then secured to visit the same tourist destination (Chen & Tsai, 2007; Huang et al., 2006; Hui et al., 2007).

**Relationship of Customer Satisfaction and Customer Experience**

By having satisfaction from a particular hotel, there will be an accumulation of satisfaction which has some sub experiences related to the consumed services (Liu & Yen, 2010). In hospitality services, satisfaction is concluded from three different factors which are the natural product, the employee’s attitude and behaviour and the context itself. Also, Berry, (2002) used a categorization for customer experience as three sets which are human, clues and functional and finally, mechanics. So, it can be said that these clues that have been discussed previously are directly affecting the customer satisfaction.

According to Narayan et al., (2009), the experts agree that the relationship of expectation and experience results in satisfaction which can be shaped based on the value. Nunkoo, (2013) did a research on total customer experience in the museum sector and stated that the indicator of satisfaction is the experience. So, the connection between satisfaction and experience is very strong. According to these findings, for having loyalty, the experience plays a key role which directly affects the loyalty of the costumers. Also it should be mentioned that it is not solely the indicator of loyalty but there are other factors such as satisfaction, value and quality which should be considered as well.

**Analysing Customer Trust, Destination Loyalty and Satisfaction in Tourism Industry**

For many years, one of the important topics of the researchers was to discuss about choosing a spot and a destination for the decision of the tourists (Hossain et al., 2011; Nunkoo, 2013; Pizam, 2009). These kinds of decision makings have some connections with the decision making process, decision rules and elements of the choice (Smith, 2012). Although there are many collaborations from past studies about the making decision for tourist destination (Pike et al. 2010), the studies reveals limitation on the link among decisions in selecting tourist destination and also the loyalty destination from the relationship marketing point of view. This research intends to pursue this issue even further.
Previous studies have mentioned the importance of relationship marketing in some services industries and also have a positive effect on the profits of a firm and retention of the customer (Divisekera, 2009; Hossain et al., 2011). Nevertheless, the new way of loyalty and quality relationship in the services sector has a lot of marketing concepts and science theory that is being applied for many years in the industry (Huang et al., 2010). So, this study develops destination loyalty and relationship quality from the perspective of the intangible tourist destination and suggests good inferences for tourism managers.

**Development of Propositions and Model**

According to the relationship marketing theory, the relationship quality is known as the total evaluation of the power of a relationship (Mahasuweerachai & Qu, 2011). There are also some discussions about the suitable dimensions that make the relationship quality with a destination for tourist and the relationship quality can be seen as an aspect which has two different components (Alqurneh et al., 2010): (1) trust on a tourist destination (Jennings & Nickerson, 2012) and (2) satisfaction with a tourist destination (Mahasuweerachai & Qu, 2011). Also, this research conjectures that relationship quality is followed by trust and satisfaction, which are presented in the following lines.

![Figure 1.7: Conceptual framework for tourist satisfaction and destination loyalty](image-url)
Chapter summary

Satisfaction on the destination of tourists is not the only crucial result of a tourist and his favourable destination relationship (Pike et al., 2010), but there is an affective side that happens to the evaluation of the experience of the tourists in the destination (Pizam, 2009). It can be said that an emotional part of the tourist is satisfaction, which is the result of the total estimate of their desires and preferences in the destination of tourist. The tourist development is known as a vital outcome of investing the emotional relationship between tourists and their destination (Bianchi & Pike, 2009). Relying on the tourist destination is called trust, which has some willingness as well and it has some degree of confidence and agrees that the destination activities are trustful (Karatepe, 2011). The tourist destination’s increased trust is sometimes known as a crucial part of the relationship determination success and mainly provides a good relationship quality for the destination (Bianchi & Pike, 2009; Karatepe, 2011; Li, 1990; Pizam, 2009; Ekinci et al. 2011;Hossain et al., 2011;Pike et al., 2010). Dick and Basu, (1994) stated that customer loyalty plays a significant role in the attitudes. Wulf et al. (2001) said that customer loyalty is a quantity which is composite and is related to purchase frequency. In this study, the destination loyalty from the tourist is defined as the patronage which is repeated, word of mouth suggestions and switching behaviour (Chen & Chen, 2010; Hossain et al., 2011; Huang et al., 2010).

It means that a customer will experience satisfaction from a tourist destination and most of the times demonstrate a positive intention (Nunkoo, 2013), which enhances the loyalty into the destination (Alqurneh et al., 2010). On the other side, the customers that fully trust on a destination of a tourist will have a positive behaviour on the destination because they keep that trust which increases the loyalty of the destination till the end (Mahasuweerachai & Qu, 2011).

The experience is about tourist destination, its historical significance as well as history itself (Dujmović & Vitasović, 2012; Pizam, 2009). The tourists’ cognitive involvement can be enhanced by this experience along with the destination, while mentioning the tourist demands for the learning with experience (Nunkoo, 2013; Pike et al., 2010). The destination preference theory (DeWitt et al., 2008) might assist the managers to find out about the key aspects that impact the tourist trust, satisfaction as well as loyalty (Divisekera, 2009; Pizam, 2009). It can be said that trust and tourist satisfaction can be impacted by three main choices that attributes to cultural difference, perceived safety and the transportation which is convenient (Ekinci et al., 2011).
Based on the service studies, the quality tours and safety perception of the spot should increase the degree of customer satisfaction and trust that leads to a better quality of the relationship because a suitable quality based on the safety that is perceived in the destination should provide good evaluation and behaviour for the future (Divisekera, 2009; Nunkoo, 2013; Pike et al., 2010).

Also, the trust and satisfaction of the tourist to a destination will become better if the diverse resources of culture and their development is focused on the destination (Shonk et al., 2008). Finally, when we say transportation should be convenient, it does not mean that there should be a destination located close to the international airport but rather it means the time contained in the travel between airport to lodging, having easy access to some locations like the seashore, shopping mall and others (Haghkhah et al., 2011). It means that by having more convenient transportation in the destination, the trust and satisfaction will increase remarkably, so the tourist will recommend the firm to others and also increases the loyalty of the destination (DeWitt et al., 2008; Karatepe, 2011; Kuo et al., 2012).

References


Chapter Eight

Consumer Attitude on Purchasing Smartphone’s: Global Perspective
Muhammad Sabbir Rahman, Syed AziziWafa Syed Khalid Wafa, Fadi Abdel Muniem Abdel Fattah, Mohd. Ismail Bin Sayyed Ahmad

Overview
This chapter will introduce consumer attitude on buying their own smart phone by investigating globally and showing the most significant issues in the buying process such as feature fatigue and purchasing attitude.

Introduction
Mobile communications have become a useful way of communication since the 1940s, when radiotelephone linked a few clients in cars to public landline networks (Lee & Murphy, 2006). Business awareness of mobile phones took place in the 1970s, when the foundation of digital microprocessors made the industrialization of mobile phones economically possible and applied to the masses (Nicopolitidis et al., 2003). Mobile phones and telecommunications usage has been rising dramatically over the years to be one of the largest growing industries worldwide (Feldmann, 2003; Mackenzie et al., 2004). A smart phone is a device that is mobile, wireless, continuously connected and is qualified for voice and video communication, GPS, Internet surfing and that can work with several ranges autonomously (Shin, 2012).

Furthermore, Smart phone is considered as products that give users the ability to communicate or enjoy themselves, and work at anytime and anywhere, in a manner that captures direct acceptance and diffuses quickly into customers’ lives (Kimiloglu et al., 2010). These kind of devices will outstrip any other types of smart communication and computing in an extremely short time. The most well-known devices are the iPhone and the iPad from Apple, followed by devices like the Galaxy S, Note, and the tablet from Samsung (Shin, 2012).

In addition, the famous brands in the global market comprises of the likes of Nokia, Siemens, Sony Ericsson, Motorola, and more newly HTC and Apple’s iPhone 4 and 4s, also Samsung Galaxy S2, Note 1 (Balakrishnan& Raj, 2011). Smart phones can be designed to support a multitude of features, support a scope of properties relating to ubiquitous processing to be
practiced in every mixture of three key system environments: human-centred environments, physical world, and circulated computing environments (Shin, 2012). Also, smart phones allow customers to download and use the applications by themselves, depending on their own requirements and interests (Verkasalo, 2008).

Usages of smart phones have been growing over the past few years (Head & Ziolkowski, 2012). In Europe, the revenue of mobile operators over recent years has grown to nearly 10% per annum, to the extent that the mobile industry currently ranks as a vital sector among other sectors in Europe (Jurisic & Azevedo, 2011). Mobile phone saturation rates are more than 75% in the U.S, Japan, Hong Kong and Europe. Hu et al., (2010) noted that most of the subscribers receive more than one mobile to be used in their everyday life activities. In fact, the number of mobiles used worldwide is exceeding four billion mobiles; three-quarters of these cells are in the developing parts of the world. Also in Africa, 4 out of 10 persons at the present time possess a mobile device (The Economist, 2009). According to the report of the National Communications Commission, 11.29 million smart phones were in use in Taiwan in 2009, with around 60% using value-added services by consumers (MEPO Humanity Technology Inc., 2009).

Smart phone fame has been rising dramatically with the introduction of the iPhone 3G and the iPhone 4G. There has been a dramatic change in the culture of mobile phone as smart phones resume redefining old-style phone usage. Indeed, the smart phone culture has totally changed the way customers cooperate with media and content. These days, customers view smart phones not only as a device for making calls and texting, but also as a multi-function device for socializing, gaming, and installing applications, resulting in major changes in patterns of behaviour (Shin, 2012). The smart phone usage increases social presence and connectedness (Srivastava, 2005) among groups, in which friends and colleagues are highly influential, strengthens relationships between families and close friends and affords a sense of safety and security as they can interact with others in times of suffering or dangers (Carroll et al., 2002). Some consumers also deem that their position among their peers increases if they employ an advanced technology, smart phone (Ozcan & Kocak, 2003). The vitality of the smart phone market can be perceived both in consumer and commercial perspectives (Kimiloglu et al., 2010). Moreover, the increasing demand for mobile enjoyment and business advanced technical applications has infused growth in the mobile phone industry worldwide. Severe competitions among smart phone companies have started significant price discounts and have contributed to the industry globally (Kimiloglu
et al., 2010). However, competition in the smart phone industry is a key factor in keeping costs low and has caused sales of smart phones to increase since the late 2008 (Tseng & YiLo, 2011). Also, severe market circumstances and the fast pace of technology in the smart phone industry urge companies to better understand their customers in order to offer rare and competitive products with preferred attributes.

Thus, it becomes vital to understand the requirements and serve several consumer segments with different behavioural profiles (Kimaloglu et al., 2010). However, while smart phone producers may assume that the better the variety of functionalities and features inserted to the devices; there is little experimental proof to show that these consumers' rates this functionalities and feature richness.

Furthermore, in the sector of information systems, studies tend to concentrate on developing and validating instrumental models that attempt to justify the relationships between several constructs that eventually lead directly to an endogenous variable like attitude, intention to use or satisfaction. However, the factors that affect the consumers purchasing attitude of Smartphone’s are still indistinct, and indecisive, due to the similarities in functions, features, and capabilities of such devices. Furthermore, a little research was conducted to satisfy the literature gab of hedonic and utilitarian needs that can influence and affect the purchasing attitude of consumers in the field of Smartphone’s worldwide. Supporting this argument, Head & Ziolkowski, (2012) argue that a little research in the information systems field has investigated to a more essential level of segmenting the priorities of consumers by the technology perceived features of the utility. Therefore, this study aims to investigate the effects of hedonic and utilitarian variables on the consumers purchasing attitude of the smart phones in the global market.

Whereas the axiom ‘more is better’ might apply to lots of things in life, this might not always be the situation with consumer complex products, like electronic devices. In this section, we assess the term of ‘feature fatigue’, specifically as it conveys to technology products. Additionally, we summarize major theoretic reinforcements of formation towards the attitude for products and services that is related to information technology, concentrating on the attitude determination within the smart phone context (Head & Ziolkowski, 2012).
Feature Fatigue

Smart phones offer greater and advanced resolution displays and provide customers with a marvellous collection of features, involving mobile web browsing, email, GPS, games, thousands of applications, picture messaging, instant messaging, a video camera, picture and video editing, video and audio playback. These days, customers all around the world can buy a single device that operates like a mobile phone, camera, camcorder, game console, computer, MP3 player, text-messaging device, web browser and email device, and alarm clock (Head & Ziolkowski, 2012). In addition, numbers of researchers have remarked that product features have an effect on the consumer’s assessment of quality (Clodfelter & Fowler, 2001; Mukherjee & Hoyer, 2001; Nowlis & Simonson, 1996; Shimp & Bearden, 1982; Yoon & Kijewski, 1997). Economic theory indicates that attributes/characteristics of the product are interrelated to customer demand through an additive function of utility (Lancaster, 1971). This means that any addition of attributes or features that is positively valued should improve the usefulness of consumer toward that product (Head & Ziolkowski, 2012).

The features are roots of major profits received when the product is bought (Yoon & Kijewski, 1997), and so they have a positive effect on product assessment (Mukherjee & Hoyer, 2001). Furthermore, the variety of tangible and intangible characteristics that might influence the decision-making process for technology products are quite high since these products are becoming a major slice of the customer life (Kimiloglu et al., 2010). Also, the variety of smart phone features may raise a positive impression on the usefulness of technology (Chen et al., 2009). The producers of the smart phones have been attaching related features of the smart phones from the time when the smart phone introduced to the customer markets (Haverila, 2011). Zhou and Nakamoto (2007) also explored how the improved and rare features affect the preferences of product. In addition, knowing the preferable features for customers ought to be of particular concern for the smart phone marketers and producers (Haverila, 2011).

Adding additional features can also benefit producers to improve and differentiate their products from rivals (Carpenter et al., 1994; Mukherjee & Hoyer, 2001). In the sector of technology, the marginal cost of features added to a product is often considered very low (Head & Ziolkowski, 2012). Every year, customers are able to buy several technology products with extra features and regularly at a lesser cost than the past year (Thompson et al., 2005). A product that is rich of features obtains to fulfil the requirements of heterogeneous customers and it might also be more
cost effective for a producer compared to manufacturing numerous streamlined features and more narrowly pointed products (Head & Ziolkowski, 2012). As such, customers are regularly faced with ‘must buy features’ in order to purchase those features they do need. Many scholars have studied customers’ responses to feature-rich and complex products. The theory of ‘choice task complexity’ (Johnson & Payne, 1985) proposes that superior features complex product would need superior customer effort and that customers naturally hope to minimize their efforts of decision (Wright, 1975). As such, the usefulness of products that are rich of features may be impacted negatively by their complexity (Dellaert & Stremersch, 2005). Additionally, customers might experience negative feelings, for example, nervousness or anxiety, when using highly complicated products (Mick & Fournier, 1998).

Thompson et al. (2005) created the ‘feature fatigue’ term referring to the phenomena that so many features could make an overwhelming product, hence contributing to customer disappointment. They enticement on usability study to propose that addition of features to products have a negative outcome of the customers’ capability to use them and that each added feature is “one more thing to study, one more thing to probably misread” (Nielsen, 1993 p. 155). Thompson et al. (2005) discovered that raising the aggregate of features does have a positive effect on customers’ evaluations of a product’s ability. Observations about the product's ability are imperative in the primary evaluation of products before real use. Indeed, customers give high values of importance to capability and less value of the importance of usability in their primary product evaluations. Excitingly, after the usage of the products, usability turns out to be more important in evaluation than product capability.

Products that are rich of features are no more favourably perceived after use, which supports the term ‘feature fatigue’. Whereas the addition of features to a product may enhance the primary product attractiveness, it seems to decline customers’ satisfaction after product usage (Head & Ziolkowski, 2012). This reduction in customers’ satisfaction and creation of negative attitudes about product that is rich of features after use could negatively affect re-buying decisions and lead to drop customer lifetime values (Thompson et al., 2005). In other words, the mentioned study proposes that a smart phone that is rich of features may have negative effects on customers’ attitudes. Homogenous customer segments that are further in their inclinations and use of smart phones may profit from less bundles of features that match the customer use. Usability of smart phones may be improved, as it is not comprehended by the adding of
undesirable features that make smart phones desperately complicated for customers (Head & Ziolkowski, 2012).

**Purchasing Attitude**

Attitude is a desperate aspect in clarifying human behaviour (Head & Ziolkowski, 2012). Consumption attitudes are customer context-exact dispositions that connect personal values to real consumption behaviours (Petruzzellis, 2010). Attitude is not obvious behaviour but a disposition that affects behaviour (Head & Ziolkowski, 2012). A person's attitude to a specific object inspires his intention to carry out certain behaviours associated with that object, which then leads to the real behaviour linked to that object (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975). Several theories have explained the position that an individual carries around an object and their doings. The Theory of Reason Action (TRA) is the best prominent of other theories (Ajzen & Fishbein, 1980). TRA was formed in an effort to deliver consultancy in studies of the connection between behaviour and attitudes (Fishbein & Ajzen, 1975). TRA suggests that actual behaviour is identified by intention to execute the behaviour, which, in turn, is identified by attitude towards subjective norms and behaviour (Head & Ziolkowski, 2012). The Technology Acceptance model (TAM) by Davis, (1989) could be considered as a derivative of TRA, fitted to the contexts of IT. Whereas TRA is “designed to describe practically any human behaviour”, the aim of TAM is “to deliver a clarification of the factors of computer acceptance through a broad range of user populations and computing technologies end-user” (Davis et al., 1989).

According to TAM, usage behaviour of IT is identified by behavioural intention, which is an attitude function, and attitude is identified by both perceived ease of use and perceived usefulness (Head & Ziolkowski, 2012). As debated by Nysveen et al. (2005b), customers’ intention to use smart phone together with their position on the actual purpose is significantly affected by the direct motivational impact of enjoyment. For example, Shin, (2007), has lately reported that, although perceived enjoyment has a positive impact on customers' attitudes for using mobile Internet, there is no major effect on their intended purpose, while Ha et al., (2007), illustrated that there is a positive impact on the customer's attitude towards the role of mobile games, without judging the effect on the intended purpose. Also, widespread research has brought out that aesthetics play a critical role in appreciation of human and attitudes for IT (Schenkman & Jonsson, 2000; Tractinsky, 2004).
Kurosu & Kashimura, (1995) argued that interface aesthetics might play a superior role in customer’s attitudes for IT than earlier researches are keen to confess. Moreover the purpose of buying a brand is built on a customer’s attitude for the brand together with the social norms influence and other customer’s expectations (Jamil & Wong, 2010). Specially, TRA (Fishbein & Ajzen, 1975) builds on the suggestion that the determinant of customer’s actual behavior is their purpose to behave in a convinced way and that purpose is inclined by both, their personal attitudes and also by a social influences (subjective standard). According to the theories, behavioural intention is conjointly determined by the customers’ attitudes and social norms (Ajzen & Fishbein, 1973).

Withal, as respects attitude towards the technology and prior experience of high technology product verify to have a greater impact (Sorce et al., 2005). In addition, the components of hedonic and utilitarian variables of attitude clamp much potential for improving the consumer attitudes understanding (Luca Petruzzellis, 2010). Within the situation of smart phone devices, scholars have suggested several models to support understanding, adoption behaviour of smart phone devices and its services, for example: (Lin & Liu, 2009; Li & McQueen, 2008; Bruner & Kumar, 2005; Nysveen et al., 2005 a, 2005b). Nysveen et al., (2005a), and (2005b) are generally quoted within the mobile phone devices field and it has been effectively simulated under numerous conditions. The Nysveen et al. (2005a, 2005b) model of mobile adoption, behaviour is built on TRA (Fishbein & Ajzen, 1975), TAM (Davis, 1989) and hedonic objects. They suggest some originators to attitude for use (perceived expressiveness, perceived enjoyment, perceived usefulness, and perceived ease of use), which, sideways with normative anxiety, defines customers’ intention to use smart phone devices and services (Head & Ziolkowski, 2012). The model of (Nysveen et al. 2005a, 2005b) is the heart for search in this study. It condenses both hedonic and utilitarian intentions with the smart phone context. Lastly, it has been confirmed to be strong across gender, age groups, and mobile phone service groups (Head & Ziolkowski, 2012).

Perceived Expressiveness

Perceived expressiveness is the capability of a client to express feelings or identity (Cassidy et
al., 1992). Scholars have agreed that expressive values have a strong impact on customers using smart phone services, compared to users of information service, who are further impacted by the suitability value (Andrews, et al., 2012). Seva et al., (2007) examined whether the experience of emotion of the smart phone use affects attitude to purchase. Therefore, expressive motivations must be taken into consideration when advertising innovative products. Accordingly, the influence of emotions turn beyond the hedonic product consumption and spreads to the technological product acceptance, like smart phone devices (Chtourou & Souiden, 2010). The latter, instead, symbolizes customer behaviour with more particularity, expressive and symbolic aspects (Petruzzellis, 2010). Moreover, the more the enjoyment the more positive the effects of the consumption of brand (Chaudhuri & Holbrook, 2001). Indeed, companies that drive on expressive and psychological features have become a higher feedback in terms of awareness of the brand. Also, morals and anticipations are usually brand-driven, and inspire consumer choice (Petruzzellis, 2010).

**Perceived Enjoyment**

Perceived enjoyment is the degree to which a customer perceives technology to be “‘enjoyable in its particular right, separately from any performance implications that might be anticipated’” (Davis et al., 1992 p. 1113). Enjoyment (Pagani, 2004; Curran & Meuter, 2007), Fun (Pagani, 2004; Bruner & Kumar, 2005), Perceived Playfulness (Fang et al., 2005), and Perceived Enjoyment (Nysveen et al., 2005). Enjoyment is a critical predictor of the adoption of digital mobile TV. This view is supported by Fang et al. (2005), who found that perceived enjoyment gives encouragement to customer’s attitude, but just for tasks about gaming. Thus, the essence of enjoyment is not substantial for typical and transactional tasks (Chtourou & Souiden, 2010). Bruner and Kumar (2005) stated that enjoyment is positively encouraged by ease of use and that it has also a further significant effect on the attitude for the act more than useful. Curran and Meuter (2007) assured this view and discovered that enjoyment is more significant than usefulness when taking into consideration the adoption of self-service technologies in the context of banking. Hong et al. (2008) experienced numerous phone usages and concluded that enjoyment encourages the attitude for the act in the using of mobile information services and entertainment services context. Dabholkar & Bagozzi (2002) additionally confirmed that enjoyment could be considered as an attitude antecedent.
Similarly Verkasalo, (2008) confirmed that the enjoyment has a positive impact on attitude for the act for nearly all the smart phone applications they experienced, fluctuating from e-mailing to the use of instant messaging. This result is partly supported by Yang & Jolly, (2008) who discovered that enjoyment has an important but a weaker influence on attitude than usefulness for both babies-boomers and X Generation. Likewise, Nysveen et al. (2005) presented that fun is a cause of the usage intention of mobile services and further fun is a greater determinant of usage intention for female clients than for male clients. Within an empirical study, Pagani, (2004) settled a model where enjoyment is considered as usefulness’ mediating effect on attitude for the act. Therefore, he proposes that usefulness encourages enjoyment. This outcome was, though, not supported by Liao et al. (2007) and Kim, (2008) who discovered that perceived enjoyment encourages usefulness. Also, in using and accepting smart phones, enjoyment becomes an important dimension alongside with usefulness (Shin, 2012). Venkatesh, (2000) discovered fun to be a predecessor of attitude whose outcome growths over time as customers gain more technology experience.

**Perceived Quality**

Quality of device has become a significant aspect of smart phone services due to augmented reluctance to use smart phone services in the aspect of common response postponements, common disconnections, absence of access, and insignificant security (Shin, 2009). Perceived quality is an assessment of the current experience of consumption of the server market. This concept evaluates customization and dependability of a product or service. Customization is the context to which a product or service sees requirements of customers, and reliability is the context to which company's offering is trustworthy, consistent, and free from blemishes. Perceived quality is seen to have a positive influence on satisfaction of customers (Fornell et al., 1996). Roca et al. (2006) observed quality of information, response time, and accessibility of system as qualities of the system and displayed that these variables are robust interpreters of usefulness and ease of use.

Therefore, time of response and accessibility of systematic, alongside with other features for example reliability and security of system can be considered as characteristics that clarify the spirit of the organization. Perceived quality is mainly significant in customer adoption of smart phones from the time when the devices are promoted as quality provider’s services and content.
Perceived Usefulness and Ease of Use

Perceived usefulness is the extent to which a customer “believes that operating a specific system would be efforts free”. Perceived ease of use is the extent to which a customer “believes that operating a specific system would improve the performance” (Davis, 1989 p. 320). Originally, in the TAM model, “Usefulness” is partially expected by “Ease of use”; together justify “Intention to use” and “Actual use” through “Attitude to use” (Chtourou & Souiden, 2010). Subsequently, Venkatesh et al. (2003) comparing various models and discovered that the expectancy of performance, the expectancy of effort (that might be associated to ease of use), and social anxiety are just the direct substantial forecasters of intention of behaviour. They examined the influence of self-efficacy, anxiety of the computer, and simplifying circumstances on the usage intention and the literal use of four types of technologies in the context of business and discovered that all these effects were not significant. They reported that the effects of effort expectancy and performance expectancy may capture these effects (Chtourou & Souiden, 2010).

Furthermore, perceived usefulness straightforwardly affects the intention of customers to use the latest technology. The perceived ease of use of product indirectly affects the customer’s intention behaviour to use the latest technology by straightforwardly impacting the attitude of customers for the product and the product perceived usefulness (Tseng & Hui-Yi Lo, 2011). Perceived usefulness and perceived ease of use have important outcomes with intentions of pre-adoption and post adoption (Bhattacherjee, 2001; SeJoon et al., 2006). In addition, the goal of perceived usefulness and performance or quality value is to meet the needs of clients. Also, bigger perceived usefulness or quality value of performance might result in a greater whole customer valuation of the product (Tseng & Hui-Yi Lo, 2011).

Developing a conceptual framework.

Using the smart phones and their tools and applications has been dramatically grown in recent years. Nevertheless, studies that investigate how customer segments form they’re purchasing attitude and worth of the functionality of smart phone devices have been lacking. The following figure shows the conceptual framework to illustrate the interaction between the constructs.
As shown in the previous frame and with reference to Head & Ziolkowski, (2012) applied conjoint analysis to gain into how customers (especially in the global market) worth numerous smart phone tools and applications. From an academic perspective, it is wished that the method used in this research will inspire scholars of information systems to reconsider their suppositions on technology adoption models “one-size fits all” and study distinct exploiting methods that stimulate understanding of insights among customer segments that are identical in their utilities of features but may be mixed in their demographics. A “one-size fits all” technology adoption model may be confusing as dissimilar customer segments (clustered by perceived feature utilities before demographics) may have dissimilar concepts or practice dissimilar causal relations in the model (Head & Ziolkowski, 2012). For example, indoors of the situation of smart phone use, scholars have studied observations and acceptance across different genders (Nysveen et al., 2005b), age groups (O’Riordan et al., 2005) and nationalities (Srivastava, 2005) as (Head & Ziolkowski, 2012). Specially, Nysveen et al. (2005a, 2005b) model has been validated to be strong across gender, age groups and mobile service categories (Head & Ziolkowski, 2012).

The study outlined in this concept study addresses the question of suitability of segmentations, which are communal in the field of information systems. Should scholars of information systems study other lines over which to observe their projected (TAM) models? Our outcomes suggest that, yes; customer segmentation by technology features perceived utility might generate a wealthier and greater understanding of the inclinations and insights of feature rich products (Head & Ziolkowski, 2012).
For smart phones, the influence of perceived expressiveness of attitude in the established (Nysveen et al. 2005a, 2005b) model was presented to differ between the segments recognized within the cluster and conjoint analyses (Head & Ziolkowski, 2012). Furthermore, this research delivers additional proof to the concept of ‘feature fatigue’, as suggested by (Thompson et al., 2005). The segments acknowledged in this research establish well-defined preferences for efficient hustling of functionalities of smart phone. Steady with a usability study, the adding of unwanted or unnecessary features has a negative influence on the whole perceived utility and serviceability of the smart phone device. From an applied view, segmentation of utility is helpful as it offers perceptions for feature and function hustling, which can figure development of product and strategies of marketing that best links to the views of different market segments. Specially, smart phone producers should take into consideration rationalization of their offerings to present direct communicators among applications which are easy to use and allows for personality manifestation in a synchronous way, and information seekers or communicators the capability to communicate asynchronously and synchronously together with browsing web without the interruption of superior applications that are not valid or applied (Head & Ziolkowski, 2012).

In the smart phone industry, dense investments are made to attract new consumers, while little efforts are created to retain and maintain existing consumers and shape beneficial long-term relationships (Ferguson & Brohaugh, 2008; Jurisic & Azevedo, 2011). Furthermore, new consumers attracting cost in this matured market with abnormal penetration degrees is growing (Jurisic & Azevedo, 2011). While feature-rich smart phone devices might assist to attract the attentiveness of new consumers prior to use, ‘feature fatigue’ might set in after the smart phones are used, resulting in negative customer attitudes (Thompson et al., 2005). Existing consumers negative attitudes can hurt decisions of repurchase and lead to decrease customer lifetime values (Head & Ziolkowski, 2012). Positive using attitudes and satisfaction are probable to negatively influence smart phone customers from changing their smart phone devices and services, which is notable as an analytical matter confronting companies in the smart phone industry (Ranganathan et al., 2006).

**Chapter summary**

Smart phone designs, functionalities and features have dramatically changed over the last few
years and will probably continue to dramatically change in the future since social networks and maps have become freely available among several smartphones. Therefore, it is suggested that future research should investigate on how new kinds of applications might unfold and move customer segmentations.

References:


Chapter Nine

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Overview

This study intends to conceptualize the relationship between service quality, customer satisfaction and customer’s patronage intentions in the health insurance industry. Its aim is to offer suggestions and clear vision for health insurance decision maker.

Introduction

A high quality and efficiency offered by the health insurance industry to meet the needs of their customer’s desires and achieve its objectives work in parallel in most countries, regardless of developed or developing economies. However, many governments around the world are striving to fix healthcare as one of the main agenda of the national key economic policy. Hence, governments’ contributions and investments in this area help the particular country to promote healthcare and at the same time, raise its economic performance. World organizations, for instance the World Health Organization (WHO) in 2008 noticed that not many of the developing and developed countries could get the money to obtain personal health care insurance (Xu K et al., 2007; Brainard, 2008; Drechsler and Jütting, 2005). In other words, increased consumer demand and rising health care costs will probably push the development of private health care insurance, which is one of other many sectors that can drive economic growth. Moreover, Das and Hammer, (2004) recognized that the quality of service offered in addition to its inability to meet customer expectation and also differ from one provider to another.

Furthermore, high levels of household savings to help strengthen the progress of the insurance marketplace. In order to achieve competitive advantage, this is the goal that health service companies are seeking (Aaker and Joachimsthaler, 2000). Hence, direct attention towards health
care industry, i.e., health insurance make medical service provider in particular to find ways and means to meet these demands. This will in turn lead to the adoption and application of new modern model through new management concepts, particularly with the emergence of leading companies in this era (Hennig-Thurau& Klee, 1997). An important outcome of this chapter is deriving a conceptual framework of customer patronage intention; to minimize the wide gap and to understand the effectiveness of service quality in the health insurance industry.

**The Impacts of Health Insurance Industry**

The 2004 World Development Report shows that the increase and widespread of diseases and sickness have a significant role in pushing the populations under the poverty line due to spending more money on treatments and cures. Furthermore, health services and medical care sectors considered as an important sector in any country, due to its significant role in developing a country's economy. However, with the changes and developments in the economic, social and for the whole society, this led to the increase in the challenges faced by health insurance industry, by including long and short-term planning, and implementing marketing activities related to customer satisfaction. So, the purpose of this study is to propose an exceptional model to insure a high level of customer satisfaction through dimensions of service quality provided for health coverage offered by the health insurance industry, and establish a comprehensive integrated conceptual framework to identify the most significant constructs concerning with service delivery in the health insurance industry.

From another angle, the literature implies that few studies integrate the role of the moderating variables within the context of other service industries and variables like service quality, customer satisfaction and customer repurchase intention have received little attention. This study will use conceptualizing factors such as service quality dimensions component (tangibles, reliability, responsiveness, assurance and empathy) as precedents to customers' on the whole evaluation process of service quality. As a result, attention must be paid to the respective antecedents of service quality on customer satisfaction, and how customer satisfaction influences perception of customer patronage intentions by applying data from the health insurance sector.
The Significance of Health Insurance Industry

Many governments in developing nations such as America, UK and Europe are the leaders in this area. So, it requires for developing countries like Malaysia, Jordan and other many developing countries follow the steps of the developed countries, by creating development plans for transforming to be high income developed nation in order to observe the principles of inclusiveness and social justice. To bring these plans to fruition, it is necessary to understand the concepts involving the service quality, customer satisfaction and customer patronage intentions and its influence on the health insurance industry in general. Many studies have intensified on measuring service quality based on the of the SERVQUAL model developed by Parasuraman et al. (1988). However, few have studied the exact nature of the relationship between perceived quality services, customer satisfaction and customer patronage intentions. This study expands on the above-mentioned relationship amongst the construct to investigate the possible impacted relationship which affects customer satisfaction and customers' patronage intentions as service quality is seen as a main tool to assess the outcome of service industry. However, the service quality approach can plump for the betterment of quality service delivery to obtain customer satisfaction rather than dissatisfaction. This work is built on a comprehensive, integrated framework for service quality and customer satisfaction towards customer patronage intentions in the health insurance industry context.

Many governments as well as international organizations consider the customer service as a vital part of the health insurance services industry to success, in terms of customer satisfaction, consequently surviving in strong competition and growing their market share. This study will be guided to all the health insurance industries with respect to different location, culture, environment and demographic data in developing a conceptual model for service quality, customer satisfaction and customer patronage intention in the health insurance industry and to underscores the effects of the mentioned variables in improving customer patronage intentions. In addition, it will intend to enhance the theoretical understanding and realization of the intricacy of service quality and its measurement with regard to the health insurance industry. According to Claessens and Marion (2000), Health Insurance industry is seen as a vital sector of the financial services industry by offering and supplying a wide diversity of services, where these services help to improve and support customer’s quality of life.
In recent decade, service quality has received more attention in playing a significant role in addition to customer satisfaction (Bolton and Drew, 1991; Cronin and Taylor, 1992, 1994) and patronage intentions (Hocutt, 1998; Storbacka et al. 1994; Zahorik and Rust, 1992). Many researchers approved that customer satisfaction and customer patronage intention with maintaining service quality are what service providers are looking for to achieve successful business completion in the same industry (e.g. Buzzell and Gale, 1987; Phillips et al. 1983; Zeithaml, 1996; Bolton and Drew, 1991; Parasuraman et al. 1988, 1991). Whereas, service quality defined amongst customer satisfaction construct; as an arrangement level between customers' expectations and customer perception of the service received (Gronroos, 2001). Service quality perceptions are generally defined as a client’s judgment of, or impression about, an entity’s overall excellence or superiority (Bitner and Hubbert 1994; Boulding et al. 1993; Cronin and Taylor 1992; Parasuraman, Zeithaml, and Berry 1985, 1988). This judgment is often described as not matching between consumers’ expectations and actual service performance for specific services. Also Grönroos (1984) highlighted that, expectations used as a standard reference against with, which performance can be evaluated. Parasuraman, Zeithaml, and Berry (1985) declared that the quality of service is the gap between expected and perceived service.

From a customer’s point of view, Babakus and Boller (1992) stated that customers should decide what is the service characteristics’ that benefits them instead of the service provider determining these characteristics. Hence, it seems that many different issues were found in service quality and customer satisfaction towards customer patronage intention. Previous studies are slightly fragmented, mainly in the area of customer patronage intentions, even though it's considered as the key to success in the customer-oriented industry (Bolton and Drew, 1991; Ravald and Gronroos, 1996; Woodruff, 1997; McDougall and Levesque, 2000; Wang and Lo, 2002).

Despite the importance of service delivery in service industries, it’s not easy to find relevant studies having service quality, customer satisfaction and their effectiveness on customer patronage intentions in general and in the insurance industry in particular. This chapter deliberately focuses on high level of abstraction in an effort to contribute the spacious theoretical and empirical knowledge on the relationships among customer's perceived service quality, and customer's satisfaction towards customer patronage intentions.
The proposed conceptual framework draws a relationship between service quality, customer satisfaction and customer patronage intentions. Researchers assured (Bolton and Drew, 1991; Ravald and Gronroos, 1996; Woodruff, 1997; McDougall and Levesque, 2000; Wang and Lo, 2002), that there is evidence to support linkages among service quality and/or customer satisfaction with customer patronage intention. Therefore, the theoretical basis of the model, upon which the research, conceptual framework is based, is derived from several sources. The service quality model developed by Parasuraman et al. (1991), utilized four variables; customer satisfaction, service, loyalty, perception of corporate image and customer repurchase intention. In this conceptual model, three main significant variables are used; which are represented as service quality, customer satisfaction and customer’s patronage intention. Service management literature assured that the condition of service quality is concerned with creating customer satisfaction (Gronroos, 1984; Parasuraman et al. 1985). More generally, with regard to customer's patronage intentions and perceived service quality that will provide customer satisfaction is known as a key precedent in the health insurance industry as well as in other service industries (Lewis, 1993).

Also, Parasuraman et al. (1985) assumed that perceived quality of a service is a function of the size and direction between expectation and perception gap to the consumer. As well, Johnston (1987) defines service quality in the phrase “customer satisfaction”, that is the level of correspondent between customer's expectation and perceptions of service. Intentions are considered as subjective judgments regarding individual behaviour towards buying such particular products. (Boulding et al., 1993; Soderlund and Ohman, 2003). Furthermore, Rust, Zahorik and Keiningham (1995) assured that patronage intentions and actual re-patronage patterns could differ in its process and the way of influencing. Hence, Butcher (2005) declared that patronage intentions can be measured as service quality outcome. At the same time, Soderlund and Ohman (2003) and Hellier et al. (2003) mentioned that customer patronage intentions as the individuals’ judgments to buy offered services. Further, the service attributes of perceived service quality relate to customer satisfaction (Cronin and Taylor, 1992, 1994; Fornell et al. 1996; Parasuraman et al. 1994).

Customer satisfaction or dissatisfaction leads to gain knowledge and form experience with the service, which impact the perceived quality of the service (Anderson et al. 1993). Perceived
service quality is the primary factor for health insurer behaviour. This model offers a link between perceived service quality and customer satisfaction.

There has been evidence regarding perceived service quality, customer satisfaction as well as service, loyalty which has been identified as key antecedents in service industries (Lewis, 1994). Further, Oliver, (1980) suggests that customer loyalty to patronage intentions as a "gathering" of customer satisfaction, which is a task of a cognitive assessment of expectations earlier to consumption and real experience.

Caruana, (2002) asserts that service, loyalty, with its final effect on repurchasing intention by customers, is perhaps one of the most important constructs in services marketing. In addition, some previous studies have attempted to link service quality, customer satisfaction or customers repurchase intentions (Anderson and Fornell, 1994; Cronin and Taylor, 1992). Based on the nature of the satisfaction experience, many researchers (Bolton and Drew, 1991; Fornell, 1992; Dagger et al., 2007; Oliver and Linda. 1981) claim that customer satisfaction affects on customer patronage intentions. There have been other findings to suggest that satisfaction will increase the opportunities to re- patronage intentions (LaBarbera and Mazursky, 1983). Based on the literature reviewed, it is noted that only a few studies have looked into the insurance sector in general and health insurance in particular, worldwide. Hence, this issue needs to be looked into. Hence, this chapter is concerned to examine the health insurance companies to minimise the gap between customers and providers’ perception and assuring the positive effects of health insurance companies in developing countries. Accordingly, this conceptual model presumes that the customer perceived service quality will influence customer's satisfaction; through the level of customer's patronage intentions. This conceptual model also proposes that service quality and customer satisfaction constructs have positive effects to be antecedents to customer patronage intentions. The conceptual framework is shown in the form.
The Relationship between the Constructs

According to Yi and La, (2004), customer satisfaction is a function of perceived service quality and expectations. Satisfied customers tend to keep their consumption patterns or consume more of the same product or service. In the insurance industry, customer satisfaction has become a significant indicator of quality and future policy renewal rates.

Despite the importance of service quality in influencing satisfaction, little is known about the impact of customer perceived service quality on satisfaction. Indeed, understanding the role of patronage in customer perceived service quality and customer satisfaction, both as antecedent and consequence is a key issue that has received little attention in the service marketing field. In the beginning, service quality is defined as a difference between customer expectations and perceptions of service (Gronroos, 1984; Parasuraman et al. 1988, 1991). They suggest that measuring service quality, as no confirmation or no difference between perceptions and expectations, this led to allow for service providers to identify gaps in the service provided. Indeed, the outcomes of SERVQUAL scale, studies have been utilized by more and more researchers for calculating gap scores.

Customers' Expectations Compared to Perceptions of Service Quality

Parasuraman et al. (1985) asserted that there is a difference between customer service perception and expectation. Furthermore, Wilkie, 1990; Wells and Prensky, 1996 and Oliver, (1997) clarify the issue that when customers do an assessment or evaluation for such a product or service performance, maybe exceed or below their level of expectation, this solution will lead to neither...
satisfaction nor dissatisfaction. In addition, Oliver (1980) expected that users will judge quality to be low level if performance does not meet their expectations, in the same manner, if Perceptions of quality in high level then performance equals or surpasses their expectations. In this regard, many studies noticed that Service Quality has a direct effect towards customer patronage intentions as well as, behavioural intentions (Bitner, 1990; Bolton and Drew, 1991a). Additionally, due to variation in behavioural designs, service quality also has an effect in determining customer loyalty (Jones and Farquhar, 2003). Bolton (1998) assures that service quality has an effect on consumer behaviour, intentions and preferences. Cronin and Taylor (1994) declared that service quality significantly affects patronage intentions. Many Other studies (Zeithaml, Berry and Parasuraman, 1996; Cronin and Taylor, 1994; Cronin, Brady and Hult, 2000; Choi et al., 2004) support that service quality positively affects customer patronage intentions. Based on the discussion, the researcher proposes the first preposition as

**P1: Service quality has a positive connection to customer patronage intentions.**

**Customer Satisfaction Influences Customer Patronages Intentions**

Satisfaction is identified as an overall evaluation of the service based on all experiences with the service provider (Cronin and Taylor, 1992; Fornell, 1992) while customer patronage intentions related to the likelihood of using a service offered by the providers in the future. As many researchers (Fornell, 1992; Rust and Zahorik, 1993; Taylor and Baker, 1994; Patterson and Spreng, 1996) assured that there is a positive relationship between customer satisfaction and customer patronage intentions, Bearden and Teel (1983, p. 21) argues that ‘customer satisfaction has significant impact on the sales process, producing positive word of mouth, and assist maintaining customer by being loyal. Additionally, a study carried out by Ranaweera and Prabhu (2003) showed that there is a positive relationship between customer satisfaction and customer patronage intentions. More simply, customer satisfaction has an impact on customer patronage intentions, which is backed up by many literatures conducted in different industries (Rust and Zahorik, 1993; Taylor and Baker, 1994; Patterson and Spreng, 1997; Bolton, 1998; Hellier et al., 2003). Here, the second preposition to this study is shown:

**P2: Customer satisfaction has a positive connection to customer patronage intentions.**
Many subjects reported a direct positive relationship between customer satisfaction, and customer’s patronage intention (Bolton, 1998; Cronin and Taylor, 1992; Fornell, 1992; Oliver 1980). In sequences with the theory of customer satisfaction, taking into account an individual's intention to re-patronage again from service provider as well as intention to recommend the service provider to others through customer word of mouth communication between each others. Loyalty may be affected by positive satisfaction with regard to the service provider (Labarbera and Mazursky, 1983; Newman and Werbel, 1973). Due to the outcome of a satisfaction assessment, a customer will expand an impression of the provider as an orientation for future fitting into intentions (Fisk et al. 1990) and client's loyalty. Loyalty has been inspected in the context of consumer satisfaction in terms of brand loyalty, repeat purchase, attitude change, and post purchase behavior (Bearden and Teel, 1983; Churchill and Surprenant, 1982; Labarbera and Mazursky, 1983; Newman and Werbel, 1973; Oliver and Linda, 1981; Oliver and Swan, 1989; Swan and Carroll, 1979). Oliver (1980) examines loyalty over time as the foundation of future purchase intentions. It is noted that a consumer's intention to repurchase at a first point in time might act as the adaptation level for future intentions. This study shows that overall customer satisfaction with a service and is associated with the customer patronage intention.

**Service Quality towards Customer Satisfaction**

The services marketing literature has given contradictory results with regard to the causal relationships between customer satisfaction and perceived service quality and their influence on repurchase intentions. Buzzell and Gale, (1987) and Phillips et al., (1983) explained in their study that service quality and customer satisfaction are becoming the most important factors for successful business competition for service providers (Oliver, 1981; Brady and Robertson, 2001; Lovelock, Patterson and Walker, 2001). It is pivotal to study the significance between customer satisfaction and service quality because it's seen as the main antecedents affecting customer behavioural intentions. Hence, the importance of this kind of discipline can be referred to many purposes, for instance (1) service quality and customer satisfaction are constructs related to each other (Fornell, 1992; Rust and Zahorik, 1993; Patterson and Spreng, 1997). There are great arguments that it is more expensive to acquire new customers than to retain existing ones (Ennew and Binks, 1996; Hormozi and Giles, 2004). (2) The increase of retention rate implied greater positive word of mouth (Appiah-Adu, 1999) and, (3), guiding to better economic
performance (Fornell, 1992; Ennew and Binks, 1996; Bolton, 1998; Ryals, 2003). Additionally, Cronin and Taylor (1992), states that the gap scores technique is unsuitable for assessing service quality and they argue in support of performance-based standards. Furthermore, they add that "the present conceptualization and measurement of service quality is based on a flawed paradigm". Indeed, Dabholkar (1993) states that "in terms of transnational or global perspectives, both service quality and customer satisfaction can be conceptualized and measured in relation to an overall evaluation of the service, given service experience, or specific aspects of the service". Customer’s Satisfaction affects service quality (Bolton and Drew, 1991; Carman, 1990). Additionally, Taylor and Baker (1994) note that satisfaction and service quality act jointly on intentions, and account for higher re-patronage intentions when both perceived service quality and customer satisfaction levels are high.

Table: the difference between Customer Satisfaction and Service Quality

<table>
<thead>
<tr>
<th>Distinction</th>
<th>Service Quality</th>
<th>Customer Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimensions</td>
<td>The dimensions underlying quality judgements are quite specific.</td>
<td>Result from any dimension, whether or not it is quality related.</td>
</tr>
<tr>
<td>Expectations</td>
<td>Based on ideas or perceptions of excellence.</td>
<td>Judgments can be constituted by a plurality of non-quality issues, such as needs, equity, perceptions of fairness</td>
</tr>
<tr>
<td>Conceptual Antecedents</td>
<td>Less conceptual antecedents</td>
<td>More conceptual antecedents.</td>
</tr>
<tr>
<td>Experience Needed</td>
<td>Experience not required towards the service or provider.</td>
<td>Experience needed to deal with both the service and provider.</td>
</tr>
</tbody>
</table>

Source: Adapted from different sources (Taylor, 1993; Oliver, 1993; Rust and Oliver, 1994; Spreng and Mackoy, 1996; Choi et al., 2004; Grace and O’Cass, 2005)

Boulding et al. (1993) proposes that service quality is a combined concept that is updated each time the customer experiences service delivery. Customers' expectations on key service attributes, and each new service experience, merge to form an assessment of service and these results in determining what customers consider will or should happen in future service encounters. As for the relationship between service quality and customer satisfaction, Oliver (1993) first suggested that service quality should be antecedent to customer satisfaction and
repurchase intentions (Cronin and Taylor, 1992). However, the current research attempts a linear association between customer perceived service quality and their influence on customer satisfaction. In this regard the research attempts the third proposition which is

**P3: there is a strong relationship between service quality and customer satisfaction.**

**The Importance of both constructs toward Customer patronage Intentions**

Researchers approved that service quality and customer satisfaction are the main constructs and have a positive effect on customer patronage intentions. Ravald and Gronroos, (1996) who showed that the customer satisfaction construct has weak effect; to customer patronage intentions compared with service quality. Moreover, (Cronin and Taylor, 1992; Parasuraman et al., 1994) declared that the link between customer satisfaction and customer patronage intention is weaker than the relationship that link service quality and customer patronage intentions. More practically, customer satisfaction constructs are considered to be more influential in the case of repurchase intentions, which is likely to attain a greater degree of statistical significance when both service quality and customer satisfaction have a significant effect on repurchase intentions (Dabholkar, 1995). This clearly appeared after the purchasing process done by either positive or negative word of mouth about the service provided.

In that regard, it's necessary to provide a clean vision and deep understanding to the management and decision maker of health insurance industry regarding to which of these variables have the most potent effect on customer patronage intentions. Hence, the researcher proposed the forth and last prepositions which is

**P4: customer patronage intentions are more influenced by customer satisfaction compared with service quality.**

The literature review support that the presence of service quality, customer satisfaction and patronage intentions at the same time could give the reader a clear vision and deep understanding of construction to this relationship. Hence, these three constructs could differ from country to country and would be unique to the economy, society and culture of the country being studied. In this study, the customer satisfaction and customer patronage intentions used to determine and
based on them, strategies will be developed to facilitate and enhance customer and provider perception.

Summary

While many researchers have stated theoretical framework and empirical contributions to study service quality in different industries for instance (Hospitality, Banking, Education and other services), the previous studies in the health insurance services sector are not sufficient or even do not exists. Some of the earlier works in this era were concentrated totally on relational qualities, but no study has been conducted on the nature of service quality, customer satisfaction and customer patronage intentions. Therefore this conceptual study in result aims to focus on this ignored nature and tries to minimize and fill the literature gap in this era.

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Chapter Ten

Religious Motivation, Destination Selection and Destination Image
Abdul Highe Khan, Norizah Mustamil, A. K.M Ahasanul Haque, Muhammad Sabbir Rahman

Overview

This study intends to conceptualize the relationship between Religious Motivation, Destination Selection and Destination Image. This study aims to offer a suggestion and clear vision for activating and improving tourism decision maker. Religious Motivation is one of the prime motivators for destination selection and destination image that has a significant role in satisfying tourists which should not be underestimated and is considered vital when affecting destination image.

Introduction

These days, tourism is not as before, even in developing nations, it has become a key component of the national economy with increased importance of this sector over other sectors such as industry and services in some countries that have an absolute advantage in the tourist product. However, new concepts were accepted in the tourism field such as medical tourism, eco-tourism and spiritual tourism. In this conceptual paper, the research intends to discuss the important role of religious motivation in tourism sphere.

Moreover, motivation plays a significant role in travelling. Motivation in travelling refers to a set of interests that influences tourists to travel anywhere. Tourists may go for recreation, social status, culture or spiritual motivation (Goeldner et al., 2000). Many researchers have found that tourists are motivated to move based on pull motivational factors and push motivational factors (Ulrich & Jarmila, 2002; Yoon and Uysal, 2005). There is a close relationship between tourism and spiritual motivation. For instance, Henderson (2003) found in research that tourists visit religious destinations due to religious motivation. Religious destinations refer to any event, religious festival, or memorable place. He also found that religious tourism gives tourist mental and spiritual benefits. In Islamic tourism, Muslims do not only visit places; rather they seek the mercy of creator Allah S. W. T. For instance, during the Hajj and Umrah, Muslim pilgrimages
visit their holy land Makka, Saudia Arabia. Muslims get satisfaction by visiting their holy land because travel for Hajj or Umrah give them recreation (Haq and Wong, 2010). During the course of their pilgrimage, Muslims often visit Islamic historical cites (Din, 1989). Visiting such places can be a form of relaxation and educate Muslims on the history of Islam (Agamaz, 2009). Through Islamic tourism, travellers can enrich their religious knowledge and can be closer to Allah S. W. T. In Islamic tourism, Muslim tourists are motivated to travel to Islamic places like religious rituals, events, and programs. Religious motivation has a direct and influential role in overall tourist behaviour. Tourists choose tourist destinations and select products and service during their visit based on his or her religious beliefs (Weidenfeld & Ron, 2008). According to Fang et al. (2008), tourists travel to meet their individual interests but religion plays a role in their decision making process.

Destination Selection

In recent times, destination selection gets much attention to the tourism researches (Pikkemaat, 2004; Nicolau and Mas, 2004; Omerzel, 2006). Destination selection is an important concern for every destination manager. Every tourist destination manager wants to present their destination in such a way that encourages tourists to select their destination. It is the primary task before visiting any tourist destination. There are many factors that attract tourists to select any tourist destination. For instance, tourist’s demographic factors (age, education, race, marital status) influence to select destinations. According to Nicolau and Mas (2004), the price of the service, infrastructure of the destination image, or reputation of destination, accommodation facilities, and shopping facilities are the influential factors to select any destination. Buhalis (2000) found in research that, tourists often considered transportation and accommodation facilities before selecting the destination. According to Genuens et al., (2004) and Timothy, (2005), shopping is a major part of travelling. Tourists select destinations with the best shopping facility. Cook et al. (2007) and Kroshus (2003) were of the opinion that without building a strong transportation system, it is very difficult to attract tourists. Without convenient transportation systems, tourists cannot easily visit places. For this reason, tourists seriously considered transportation facilities when selecting a tourist destination. Ahmed et al. (2010) mentioned that, good service quality, strong destination image, comfortable accommodation, well-organized transportation systems, and good shopping facilities attracted more tourists to the destination.
**Destination Image**

The destination image is one of the maximum studied areas in the current tourism study (Echtner and Ritchie 2003; Pan and Xiang, 2011) and it has an influence on the overall tourist behaviours (Bigne et al. 2001; Hsu et al., 2004; Laws, 2002; Beerli, 2004; Bonn et al, 2005; Lee et al. 2005; Xia et al. (2009). Hall, (2000) defined destination image as a well-defined geographical area, for instance a country or an attractive island or a popular town. If any tourism management can create positive images of their destination, it will encourage greater tourist numbers (Hankinson, 2004). A strong destination image gives a competitive advantage over competitors (Mykletun et al. 2001; Fan, 2006). According to Hall and O’Sullivan (1996), there are three essential factors that help to build a positive destination image. First of all, there is word-of-mouth, if tourists speak positively about a particular destination, then it is easy to build a strong image of a destination. Secondly, image-making through media and lastly government policies. Milman and Pizam (1995) asserted that the image of a tourist destination is closely related with three key aspects. 1) The quality or standard of the destination compared to other similar destinations, 2) the weather, and 3) overall tourist facilities. A positive destination image enhances the probability of greater tourist numbers (Coshall, 2000; O’Leary and Deegan, 2005). According to Baloglu and McCleary (1999), destination image in the tourist industry has three categories (1) cognitive factors: the estimation of site selection of the tourist, (2) affective factors: perception and attitude towards the destinations, and finally (3) conative factors: the selection of the destination.

**Tourist Satisfaction**

Tourist satisfaction is defined as tourists’ positive feelings towards any tourist destination. According to “disconfirmation theory”, the core issue of evaluating satisfaction is comparing initial expectations of service with the actual service (Homburg and Giering, 2001; Yuksel&Yuksel, 2002; Prayang, 2008). Any tourist can fill their satisfaction when he or she visits their favourite destination with pleasure (Baker and Crompton, 2000; Kozak, 2002a; Yoon and Uysal, 2005; Heng and Chou, 2006; Alegre and Garau, 2010). Tourist satisfaction refers to the pleasure of the tourist after visiting any particular tourist destination. Tourist measure
satisfaction by comparing the expected service with actual service (Severt et al. 2007; Chen and Tsai, 2007).

The interaction among Conceptual framework constructs

Religious Motivations and Destination Image

Tourist travel motivation is essential for the creation of the destination image. If tourists are motivated to visit any certain tourist destination, he or she draws a positive image of that destination. According Baloglu & McCleary (1999), as a factor, tourist destination image is divided into two sub-factors, namely personal factors (psychological and social) and stimulating factors (information sources, previous experience and distribution). The travel motivation of tourists is closely associated with the affective element of the destination image, as a tourist’s affective image of a destination influences his/her motivation to travel (Baloglu&McCleary, 1999). Subsequently, Beerli and Martín, (2004) also found that tourism motivation plays a role in making an image of a travel destination.

Religious Motivation and Destination Selection

According to Um and Crompton (1990) and Mansfeld (1992), the selection of destination is influenced by the motivation of tourists to travel. Pikkemaat (2004) and Lam & Hsu (2006) noted that two types of motivational factors help tourists to select any tourist destination; push motivational factor and pull motivational factor. Push motivational factor denotes the psychological, motivational factors of the tourist such as the values and personality of the tourist. On the other hand, pull motivational factor refers to the dimensions that is directly related to the
selection of tourist destination such as the distance to the destination, type of area, infrastructure, total area of destination, and the surrounding activities found at the destination (Lam and Hsu 2006).

**Religious Motivations and Tourist Satisfaction**

Based on the previous studies, it was found that there is a close relationship between tourist motivation and satisfaction. Berlin and Martín (2004) mentioned that motivation is the demand that drives an individual to behave in a certain manner to achieve the desired satisfaction. According to Yoon and Uysal (2005), tourist satisfaction works as a mediator between travel motivation and tourist destination loyalty. Valle et al. (2006) found a similar result. In the context of Islamic tourism, where Muslim tourists are motivated to visit an Islamic tourist destination, there is a possibility to make those tourists satisfied.

**Destination Image and Tourist Satisfaction**

Destination image has a positive influence on tourist satisfaction. If tourists have a positive destination image in their mind and so they will be well satisfied. A better destination image makes tourist satisfied easily (Kozak & Rimmington, 2000; Yu and Dean, 2001; Chen & Tsai 2007; Chi and Qu, 2008). Mohamad et al. (2011) found in their research that destination image is one of the antecedents for tourist satisfaction and tourist loyalty. Lee et al. (2005) conducted research on destination image in Korea and they concluded that destination image was one of the essential antecedents of tourist satisfaction. Chen & Tsai (2007) and Kazaks & Rimmington (2000) also found a positive relationship between destination image and tourist satisfaction. Chi and Qu, (2008) confirmed that there are many factors that lead to tourist satisfaction, but tourist destination image is an important factor to make tourists satisfied.

**Chapter Summary**

The religious tourism becomes important as destinations for tourists from all over the world to perform religious rites, or to visit places of religious history, heritage, as is the case to go to Mecca to perform the Hajj, or Jerusalem to see the land of Isra and Mi'raj. This has become the password for individuals and nations and it is important to study so those factors to understand the tourists’ behaviour and assist them accordingly. The expansion of tourism around the globe
has created new major challenges for destination marketing. The rising of tourism activities and recognizing the increased number of tourist destinations have showed a complex, competitive global marketplace in which destinations compete for the attention of potential tourists. The upshot of this change definitely needs to grasp the researchers’ attention to study this phenomenon. Nonetheless, the significance of the destination image should be favourably differentiated from other destination selection in order to obtain a position on the potential tourists’. The destination image plays an important role in connection with tourists’ selection of destination. Put differently, the destination image influences the tourists’ satisfaction. Hence, the destination image emerges as a key factor in the placement process.

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