Expert Journal of Marketing

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Editor's Introduction to Volume 3, Issue 2 of Expert Journal of Marketing

Simona VINEREAN[*]

Sprint Investify Research Unit

The second issue of volume three of *Expert Journal of Marketing* presents marketing articles that approach new areas of research in terms of consumer engagement in online setting marketing, brand alliances and their associated consumer perceptions based on cross-country analysis, industry competitiveness related to customer satisfaction and brand switching intention, and employee-related internal marketing concepts that have a direct impact on business growth. Further, I present a short description of each article that is published in *Expert Journal of Marketing*, vol. 3, issue 2.

In *'Consumer Engagement in Online Settings: Conceptualization and Validation of Measurement Scales'*, the authors propose a measurement instrument for consumer engagement based on theoretical assessment and empirical research conducted on 110 respondents. Their study examines this new concept in online environments by considering the multidimensionality of the construct, considering the underlying cognitive, emotional, and behavioral dimensions of consumer engagement. This paper enhances marketing literature, from the perspective of consumer behaviour in digital settings and branding, and offers practical insights for managers who operate in an extremely competitive online business environment.

Mark Anderson and Peter Martins Da Silva evaluate brand alliances, in their paper *'Evaluations of Co-Brands: A Two-Country Comparison'*, based on past research which has identified important determinants of consumer attitudes to cobrands, such as familiarity with the parent brands and their relative brand equity. The authors use the partial least squares (PLS) method to test their model drawing on Hofstede's theory of national culture. Their model is empirically tested using respondents from UK and Italy for a cross-country analysis on four brand alliances from the food and beverage industries. After subsequent analyses and validations, the findings of the research show that culture represents an influence to the relative impact of pre-existing brand attitudes and fit measures on brand alliance perceptions.

Authors, Mahmoud Abdel Hamid Saleh Abdulrahman Althonayan, Ayman Alhabib, Essa Alrasheedi, and Ghafar Alqahtani, examine the competitiveness of mobile services industry in Saudi Arabia, by studying customer satisfaction and brand switching intention, in their article entitled *'Customer Satisfaction and Brand Switching Intention: A Study of Mobile Services in Saudi Arabia'*. Using a sample of 350 respondents, the study also investigates the association of customer service, service pricing, service quality, and value added services to customer satisfaction. This paper also reflects a managerial perspective in terms of improving marketing knowledge regarding the impact of certain factors on customer satisfaction in the mobile services industry. Thus, the insights supported by results and thoughtful arguments shed light on possible differentiation opportunities for brands, while mainlining the profitability objective of companies.

Alexandra Vinerean's paper, *'Loyal Employees. A Key Factor in the Success of a Company'*, tackles three main concepts related to employees, and their repercussions the bottom line of a company, namely,

[*] Correspondence:
Simona Vinerean, Sprint Investify Research Unit

employee loyalty, satisfaction, and employee engagement. Her theoretical paper enhances knowledge on the performance of employees as an important cause of business growth and performance. Moreover, any organization that uses internal marketing can facilitate the implementation of its external marketing strategy or any other organizational strategies, thus, showcasing the interrelationships between internal and external marketing for a company's business success.

A Final Thought

On behalf of the Editorial Board of *Expert Journal of Marketing,* I would like to thank our Authors for publishing their studies with us, our Reviewers for their valuable insights, and our Readers for advancing and disseminating these published articles in their future work!

Consumer Engagement in Online Settings: Conceptualization and Validation of Measurement Scales

Simona VINEREAN[1] and Alin OPREANA[2*]

[1]Sprint Investify Research Unit
[2]Lucian Blaga University of Sibiu

This paper addresses the conceptualization, scale development and scale validation related to the study of consumer engagement in online settings. It first reviews this concept and draws attention to the multidimensionality of the construct, considering the underlying cognitive, emotional, and behavioral dimensions of consumer engagement. Then, it presents the foundation of this concept in relationship marketing and adds support to this proposition. Further, it proposes the construction and psychometric assessment of a 37 scales that examine all three dimensions, based on an international sample of 110 respondents who engage with a brand on a social media network. Based on multiple and successive applications of exploratory and confirmatory factor analyses, 11 scales are developed showing strong evidence of reliability and validity measurement of consumer engagement in online settings. The final section includes a discussion of the academic contributions, managerial, implications of the findings and directions for future research.

Keywords: *consumer engagement, online marketing, social media, scale development, scale validation, relationship marketing, multidimensional concept*

JEL Classification: *M31, M10*

1. Introduction

In the last decades, marketing scholars have directed their attention to the nature and dynamics of business-to-consumer relationships. As a result of technological developments, these relationships can be studied particularly in terms of the interactivity promoted in the online settings.

In this framework, consumer engagement is a concept that has gained much traction in scholarly literature meant to explain the interactivity between brand and consumers in online environments and platforms.

The broader theoretical perspectives of this concept were established in consumer culture theory (Arnould and Thompson 2005), service-dominant logic (Karpen et al., 2012; Vargo and Lusch 2004, 2008 a,b), and relationship marketing (Vivek et al., 2012).

The concept of consumer engagement has exhibited significant interest from online marketers, however from a scholarly perspective this concept has not received the proper attention to showcase practitioners' interest and provide new insights.

As a result, there is a limited understanding and measurement in academic literature. Most studies examine this concept from a theoretical or qualitative perspective, with few empirical studies that try to measure and validate a scale for consumer engagement.

Therefore, this study responds to calls for research of this concept, in terms of its conceptualization and measurement through a validated scale (Brodie et al. 2011; Hollebeek, et al., 2014; MSI—Marketing Science Institute 2010, 2014).

Nonetheless, consumer engagement has been perceived as an important metric for establish marketing performance in online settings (Bowden, 2009; Kumar et al. 2010; MSI—Marketing Science Institute, 2010). Moreover, this concept is applicable in social media (Hollebeek, 2014, Brodie et al., 2011a,b) networks which is the reason for establishing this paper's quantitative research in the online setting of business-to-consumer interactions facilitated by Facebook.com, a widely known social media platform.

The concept of "social media" or "social media networks" can be defined as "a group of Internet applications, which are based on technological ideologies and foundations of Web 2.0 that enable the creation and sharing of user-generated content" (Kaplan, Haenlein, 2010, p.61). Existing research show the impact that social media networks have on consumer behavior in online services.

Specifically, interactive social media capabilities can provide a conceptual parallel of the generated and interactive nature underlying the concept of "engagement". By providing access to online content and facilitating communication, social media networks can connect customers with organizations, thus stimulating "consumer engagement" (Van Laer, et al., 2013, p.42).

This paper has three major objectives. Firstly, we aim to offer insights into the conceptualization of consumer engagement in online settings, based on existing marketing literature, to establish the multidimensionality of this concept. Secondly, we aim to explore the foundations of this construct by focusing on the specific conceptual associations with relationship marketing. Thirdly, we aim to propose a validated scale for consumer engagement that can be used in quantitative studies based on the three dimensions associated with this concept, namely cognitive, emotional, and behavioral dimensions. Lastly, we aim to explain the implications and importance of consumer engagement for online marketers.

The next section provides a literature review of consumer engagement and its foundation in relationship marketing. Section three explains the research design and methodology. Section four explores the empirical analysis of the quantitative research of consumer engagement in online settings. Section five reflects on the theoretical contribution of the study, managerial implications, limitations and future research directions of this topic in online marketing.

2. Literature Review

2.1. Conceptualization of Consumer Engagement

Examination of research on engagement in marketing literature indicates different deriving concept, such as "customer engagement behaviors" (Van Doorn et al., 2010), "customer brand engagement" (Hollebeek, 2011), "consumer engagement" (Vivek, 2009), "user engagement" (O'Brien and Toms, 2008, 2010) and the more generic term of "engagement" (Higgins and Scholer, 2009). While most research focuses on intra-individual perspective based on consumer psychology, Van Doorn and his colleagues (2010) chose to focus their study on the company by observing specific effects of customer engagement behaviors from an organizational point of view.

Considering the main purpose of scale validation, to capture a wider and comprehensive vision of how all these forms, in this paper we will discuss and use the term "consumer engagement in online settings".

Several authors have examined this concept based on different research frameworks. For example, O'Brien and Toms (2008, 2010) have contributed to this concept in terms of a qualitative empirical research (2008) and a quantitative empirical study (2010) of user engagement with technology aimed at developing and validating scales for user engagement in online shopping environments. Their result consist of their proposition that user engagement should be studied in relation to six factors that reflect the multidimensionality of this concept (cognitive, emotional, and behavioral): perceived usability, aesthetics, novelty, involvement, focused attention and durability (O'Brien and Toms, 2010, p.60).

Verhoef et al. (2010, p.248) gave an overview of consumer engagement as part of customer management in order to increase the value of an organization through tactics focused on three dimensions: cognitive, emotional and behavioral. In 2011, Brodie et al. (2011b, p.108) developed this concept mentioning its context dependence (particularly to a brand), the interactive, dynamic and iterative nature that this concept tends to exercise, fluctuating intensity, multidimensionality and relationships with various other concepts that act as antecedents or consequences of consumer engagement in brand communities.

Then, still in 2011, Brodie et al. (2011, p.263) published a new study supporting the idea of a complex construct of consumer engagement as "a consumer's co-creative and psychological state that occurs by virtue of interactive experiences with an agent / object focal (e.g. brand) in relationships centered on service".

Similar to Brodie et al. (2011a, b), Bowden (2009, p.64) suggests that consumer engagement is a psychological process that shapes the underlying mechanisms that drives loyalty towards a brand or marketing object, as well as mechanisms that focus on maintaining customer loyalty by repeated purchases. In her research, Bowden (2009, p.65) identifies six elements of the process of customer engagement creation: involvement, calculative commitment, emotional commitment, trust, joy, and loyalty.

Customer engagement includes behavioral manifestations with an indirect impact on company performance. With a particular a focus on the behavioral dimension of engagement, Bijmolt et al. (2010) distinguished three general manifestations of the customer engagement: word-of-mouth recommendations, co-creating with the client and the complaining behaviors; and all these aspects affect a brand or company in ways other than buying.

Hollebeek (2011b, p.566) defined consumer brand engagement as "the level of cognitive, emotional and behavioral investment of a customer in brand specific interactions". In addition, the author defines three main themes for this concept: "Immersion", "passion" and "activation". 'Engagement' represents a multi-dimensional concept comprising of relevant cognitive, emotional, and behavioral dimensions (Hollebeek 2011a, b, 2012), although the specific expression of focal 'engagement' dimensions may vary across contexts (Hollebeek et al., 2014).

In a more recent research, Hollebeek et al. (2014, p.154) conceptualize consumer brand engagement with a brand as the "cognitive, emotional and behavioral activity with positive valences for a consumer, activity which may occur during a consumer-brand interaction, or may be related to this interaction". In this paper, the authors also proposed a scaled used to measure consumer brand engagement based on cognitive processing (3 items), affection (4 items) and activation (3 items) (Hollebeek et al., 2014, p.157).

2.2. Relationship Marketing and Consumer Engagement in Online Settings

The origins of consumer engagement are quite unclear. The proactivity of consumers, a characterization that is implicit in this concept, can be assumed that is part both of relationship marketing theory and the service-dominant logic (Grönroos, 1997, 2011; Vargo and Lusch, 2004, 2008a, b).

Each of these marketing insights regard consumers as active participants in their interactions with a brand that may lead to co-created experiences. In today's marketing, consumers are no longer just passive recipients of programs and marketing initiatives, and consumer engagement captures their activation particularly in online settings.

The conceptual foundations of consumer engagement seem to be in the extended relationship marketing theory (Brodie et al, 2011a, b; Hollebeek 2012, p.19). Relationship marketing, characterized by reciprocal, interdependent, committed, and long-term relationships between sellers and buyers, has dominated much of the managerial and academic discussions of the 1990s (Sin et al., 2005, p.185). A relationship marketing orientation has generally been assumed to create a competitive edge for an organization, and to have a positive impact on organizational performance.

Moreover, relationship marketing refers to "all marketing activities aimed at attracting, retaining and developing successful relational exchanges" (Morgan and Hunt, 1994). All these activities are critical for companies that have as their major goal the building of interactive long-term and valuable relationships with their existing and potential customers in networks used for organizing and facilitating the process of value co-creation (Brodie et al., 2011b). As described earlier, in Bowden's (2009) conceptualization of consumer engagement, her focus on mechanisms that drive and maintain customer loyalty further support the foundation of this concept in in relationship marketing.

Considering the conceptualization of consumer engagement in specialty literature so far, it seems that many of the feature of this construct have key basis in relationship marketing. Nevin (1995) notes that the term has become a buzzword, with the concept being used to reflect a number of differing themes or perspectives such as database marketing, electronic marketing, multilevel marketing, customer retention and partnering, and a business philosophy (Sin et al., 2005, p.185).

3. Research Methodology

3.1. Research Hypotheses

The aim of this paper is to determine the dimensions of consumer engagement towards a brand in the online environment, and the components of scale that can be used to measure this concept in the context of quantitative studies. Based on this aim, we have proposed the following research hypotheses:

Hypothesis 1: Determination of scales that measure the cognitive dimension of consumer engagement.
Hypothesis 2: Determination of scales that measure the emotional dimension of consumer engagement.
Hypothesis 3: Determination of scales that measure the behavioral dimension of consumer engagement.

3.2. Research Design

In this paper, we will develop and validate a scale for measuring the concept consumer engagement towards a brand in online settings. As noted in specialty literature (Churchill Jr., 1979), we have designed a large pool of scales to measure this concept and then to further reduce the proposed items in order to reflect the most relevant scales of consumer engagement in an online environment. These elements will investigate the dimensions of the concept and consumer expression of engagement towards a brand in online settings.

3.3. Measurement and Research Instrument

All the constructs examined in this research are newly formed and were studied in the survey according to Table 1.

Research tool implied a survey with 47 questions. The questionnaire consisted of general questions used to profile the respondents (Tables 2 and 3). 37 scales are newly proposed to measure consumer engagement, as follows: 12 scales for the cognitive dimension (abbreviated EC-C), 11 scales for the cognitive dimension (abbreviated EC-E), and 14 scales for the cognitive dimension (abbreviated EC-B). These scales can be seen in table 1, according to their eligibility values of Cronbach's alpha that surpass the accepted level of 0.7.

Table 1. 37 newly proposed scales to measure the multidimensionality of consumer engagement in online settings

Latent dimension	Cronbach's alpha	Item	Scale
CE-C	0.932	CE-C1	I pay a lot of attention to the Facebook page of this Brand.
		CE-C2	I am immersed in browsing on and interacting with the Facebook page of this Brand
		CE-C3	When I am on the Facebook page that I 'like,' I get mentally involved with the company's posts.
		CE-C4	I feel like I learned a lot about the brand and/or its products because of the notifications posted on Facebook.
		CE-C5	I am absorbed in the Brand's page that I 'like' on Facebook.
		CE-C6	Using this Brand's Facebook page stimulates my interest to learn more about the company and its products.
		CE-C7	Time flies whenever I am browsing on the Facebook page of this Brand.
		CE-C8	I use this Brand and its Facebook fan page because it captures my attention.
		CE-C9	This Brand's page that I 'like' on Facebook provides useful information (special offers, company news and announcements, philanthropic efforts,…)
		CE-C10	I find this Brand's Facebook posts to be very useful.
		CE-C11	I make more informed buying decisions because of the Brand-related information I come across on my Facebook feed.
		CE-C12	The Brand's page that I 'like' on Facebook provides accurate information.
CE-E	0.931	CE-E1	It gives me great pleasure to use this brand and interact with it on Facebook.
		CE-E2	The Facebook notifications from this Brand are like my guilty pleasure.
		CE-E3	I'm very interested when I use the Facebook page of this Brand.
		CE-E4	This Brand's Facebook posts are entertaining.

		CE-E5	I am proud to be a fan of this Brand's Facebook page.
		CE-E6	I have an intense interest in this Brand and its activity on Facebook.
		CE-E7	I am enthusiastic about this Brand's posts on Facebook.
		CE-E8	I feel excited about this Brand's Facebook notifications.
		CE-E9	The Brand's page that I 'like' on Facebook is fun.
		CE-E10	I feel a bond to this Brand that I "like" on Facebook.
		CE-E11	My emotional attachment to the brand is 1 (weak) to 7(strong)
CE-B	0.943	CE-B1	I don't think I will stop using this Brand's Facebook page in the near future.
		CE-B2	If I was asked, I would love to contribute with different ideas of improvement for this Brand through its Facebook page.
		CE-B3	I will continue to be a Facebook fan of this Brand for the next few years.
		CE-B4	I spend a lot of time browsing through the Facebook posts of this Brand, compared to other brands.
		CE-B5	I am willing to collaborate in different Facebook initiatives with this Brand in the development of new products/services/features.
		CE-B6	I 'liked' posts from this Brand on Facebook.
		CE-B7	In general, I feel motivated to participate actively on the Brand's Facebook page that I 'like'
		CE-B8	Regarding this Brand's Facebook page that I "like" I have … -Read fan comments
		CE-B9	-Responded to fan comments
		CE-B10	-Watched video(s)
		CE-B11	-Shared different posts
		CE-B12	-Liked different posts
		CE-B13	-Played games or other activities
		CE-B14	I would promptly agree to spend time to participate in the new products/services/feature tests for this brand.

Note: CE-C = cognitive dimension of consumer engagement, CE-E = emotional dimension of consumer engagement, CE-B = behavioral dimension of consumer engagement

3.4. Sample and Data Collection

For determining the scales that measure consumer engagement based on the three dimensions established in academic studies, we based the exploration of this concept in an online setting, namely the social network Facebook.com. Moreover, each respondent had to mention his/her preferred brand on this social network.

Thus, respondents have to indicate whether or not they interact with a particular favorite brand on Facebook. We chose Facebook as the online service facilitating the interaction between brands and consumers in an online setting, due to the popularity and adoption of this social media network at an international level. We considered that the choice of an online social media has relevance and interest to both the academic and business environment, but also because "consumer engagement" can be implemented on such online social networks.

In this regard, we have conducted an online questionnaire that included 37 items suggested to study consumer engagement towards a brand in online settings, according to three dimensions associated with this concept in existing studies.

The data collection implied a primary research, via Facebook.com as respondents filled out an online survey from February 10 to April 6, 2015. A web-based consumer survey was used for the data collection. The present research uses as a method the pilot survey, for which the sample is small, not statistically representative and not determined based on an established formula, but rather using a convenience sample technique.

The survey gathered 141 respondents. But given the fact that the questionnaire was applied on an online social network, namely Facebook, a set of questions was established to denote the usability and experience of respondents in relation to this social media network. First, it introduced a question of delimitation of respondents, by the question "Do you have a Facebook profile?". 17 of the respondents answered that they did not have a Facebook profile, and 124 responded affirmatively. Thus, we removed 12% of the total of 141 respondents who answered "no" to this screening question. Next, we examined the data and removed 14

observations (9%) because the respondents did not complete the online questionnaire or mentioned the same answer for all of the questionnaire's scales. Therefore, after these two stages of establishing a database that is appropriate for the analysis, from a sample of 141 respondents we have reached 110 observations that can be examined.

This number of observations is consistent with the premises of a quantitative study carried to accomplish the validation of scales (Hollebeek et al., 2014; Churchill Jr., 1979). Also, it is appropriate for econometric analysis techniques (Hair et al., 2010). Given the aim of this study, to examine consumer engagement towards a particular brand in the online environment created within a social media network, namely Facebook, we have analyzed some questions were included in the survey to denote both brand familiarity of the respondents, and familiarity with this social media network.

Table 2 presents the questions and their associated descriptive statistics.

Table 2. Respondents' familiarity with their favorite brand and Facebook

Questions related to respondents' favorite brand and Facebook	Minimum level	Maximum level	Average	Standard deviation
Brand purchase before Facebook appreciation ('like')	1	7	3.89	2.113
Familiarity with favorite brand	1	7	4.51	1.905
Facebook experience	1	10	6.44	2.878
Weekly spent hours on Facebook	1	30	6.60	5.762
Brand usage before Facebook appreciation ('like')	1	7	3.84	2.016

Thus, table 2 shows that most respondents have long experience with predisposition towards a particular brand in general, and with the use of Facebook, in particular. Therefore, respondents are suitable for the analysis of consumer engagement towards a particular brand to interact within online settings.

Table 3 presents the profile of respondents segmented by sex, country, income level, education level, industry of favorite brand.

Table 3. Demographic profile of respondents

Feature		Frequency	(%)
Sex	Male	68	61.8
	Female	42	38.2
	Total	110	100.0
Annual income level	1 – Less than $25,000	16	14.5
	2 - $25,001 to $75,000	30	27.3
	3 - $75,001 to $125,000	18	16.4
	4 - $125,001 to $175,000	10	9.1
	5 – More than $175,001	12	10.9
	6 – Don't wish to answer	24	21.8
	Total	110	100.0
Education level	1 - High school degree	2	1.8
	2 – Bachelor studies, no degree	2	1.8
	4 – Master or PhD degree	106	96.4
	Total	110	100.0
Country	Australia	4	3.6
	Brazil	2	1.8
	Canada	2	1.8
	Columbia	4	3.6
	Cyprus	2	1.8
	Estonia	2	1.8
	Germania	8	7.3
	Greece	6	5.5
	India	6	5.5
	Indonesia	2	1.8
	Italia	8	7.3
	Holland	2	1.8

	New Zeeland	2	1.8
	Norway	4	3.6
	Poland	2	1.8
	Portugal	4	3.6
	Romania	10	9.1
	Russia	2	1.8
	Slovakia	4	3.6
	Spain	6	5.5
	Sweden	2	1.8
	Thailand	2	1.8
	Turkey	2	1.8
	United Kingdom	4	3.6
	USA	18	16.4
	Total	110	100.0
Industry of favorite brand	1 – Apparel and accessories	24	21.8
	2 – Cosmetics	4	3.6
	3 – Retail stores	12	10.9
	4 – Entertainment and leisure	14	12.7
	5 – Electronics	28	25.5
	6 – Food and beverages	18	16.4
	7 – Publications and magazines	10	9.1
	Total	110	100.0

4. Empirical Analysis

To analyze the data and to establish the most relevant scales to measure consumer engagement in quantitative studies, we used exploratory factor analysis (EFA) and confirmatory factor analysis (CFA), presented in the following sections.

4.1. Exploratory Factor Analysis

Exploratory factor analysis (EFA) was used to reduce the number of scales assigned to each dimension of consumer engagement to a particular brand in terms of using social networking services. However, before applying this statistical analysis, we examined the reliability of the scales using Cronbach's alpha coefficient. In relation to this coefficient, it is necessary to obtain a score higher than 0.70 (Cronbach, 1970, p. 161) to ensure that the dimensions explored in this research are eligible. Cronbach's alpha coefficients' results appear in table 1.

In this research of scale validation for the three dimensions of consumer engagement, we applied the Promax rotation method and the maximum likelihood extraction technique.

We used the maximum likelihood method of extracting factors as this method reduces any differences that may arise between factors (Conway, Huffcut 2003, p.149). Also, this method is most commonly used for samples which are then evaluated in AMOS for confirmatory factor analysis, namely an analysis technique that will be used in this research.

Fabrigar et al. (1999) argued that if the data are distributed relatively normal, the maximum likelihood technique is the best choice because it "allows the calculation of a wide range of indicators that show matching model and allows statistical testing of the significance of loading factors, correlations between factors and calculation of confidence intervals" (Fabrigar et al., 1999, p.283).

As a rotation method of the EFA, we used the oblique Promax technique because it allows to link factors and reduce interpretability. The role of rotation is to simplify and clarify the data structure. Also, using this method of rotation, research variables were examined in the light of relations between each factor and their corresponding variables by eliminating the relationships that could be shared by several factors (Field, 2013 p.647).

Moreover, to observe the adequacy of the data, we conducted a "Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)" test and obtained a score of 0.812 (above the 0.5 accepted level), which is a very good value, showing the adequacy of the sample used for this analysis (Field, 2013, p.640).

Further, we explored the total variation for the exploratory factor analysis. The criteria used for determining the factors was that each element should have an eigenvalue greater than 1 (Field, 2013, p.642). Also, the eligibility of the factors can also be seen in terms of the variance explained by each resulted factor, exceeding 70%, namely for this first applied EFA the total variance explained is 72.351% (Table 4).

Table 4. *Exploratory factor analysis results for 3 extracted that explain 37 scales for consumer engagement*

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	17.440	47.135	47.135	16.986	45.907	45.907	14.756
2	5.207	14.073	64.371	8.883	12.811	61.142	14.563
3	4.900	11.734	75.351	7.554	10.633	72.351	14.170

From Table 5, which shows the pattern of factors after rotation and extraction, we notice that certain elements overlap on several factors. Also, the factors that registered loadings below 0.20 were eliminated from this table.

Table 5. *Scores of 3 factors resulted for 37 scales of consumer engagement*

	Factor 1	Factor 2	Factor 3
CE-B1	**0.398**	**0.231**	
CE-B2	0.603		
CE-B3	**0.742**	**0.291**	**-0.304**
CE-B4	0.554		0.276
CE-B5	0.814		
CE-B6	0.804		
CE-B7	0.825		
CE-B8	0.551		
CE-B9	0.835		
CE-B10	**0.752**	**-0.202**	
CE-B11	0.790		
CE-B12	**0.627**	**0.237**	
CE-B13	0.543		
CE-B14	0.678		
CE-C1			0.805
CE-C2			0.612
CE-C3		**0.200**	**0.660**
CE-C4		**0.217**	**0.736**
CE-C5			0.716
CE-C6			0.861
CE-C7			0.651
CE-C8			0.670
CE-C9		**0.329**	**0.312**
CE-C10			0.716
CE-C11	**0.263**		**0.650**
CE-C12		**0.636**	**0.241**
CE-E1		0.621	
CE-E2	**0.216**	**0.411**	
CE-E3		0.834	
CE-E4		0.895	
CE-E5	**0.208**	**0.731**	
CE-E6		**0.567**	**0.249**
CE-E7		**0.626**	**0.319**
CE-E8		0.582	
CE-E9		0.775	
CE-E10		0.540	

CE-E11		0.843	

Note: CE-C = cognitive dimension of consumer engagement, CE-E = emotional dimension of consumer engagement, CE-B = behavioral dimension of consumer engagement

As it can be noted from the calculations of table 5, the scales studying the behavioral dimension consumer engagement (CE-B) formed factor 1, the ones od emotional dimension (CE-E) formed factor 2, and the cognitive (CE-C) dimension led to factor 3. Also in this table, can be observed that there are certain scales that present similarities and correlations with more than a factor.

This shows the imperfection of the exploratory factor analysis, imperfection that needs to be corrected by removing those scales that share factor loadings with more than one newly formed variables and do not contribute solely to their belonging dimension.

Thus, we will reapply the exploratory factor analysis, but we will remove from this statistical procedure 5 scales associated with the behavioral dimension of consumer engagement (namely, scales 1, 3, 4, 10, 12), 4 scales associated with the emotional dimension (namely, scales 2, 5, 6, 7) and 5 scales associated with the cognitive dimension (namely, scales 3, 4, 9, 11, 12). These scales were initially presented in Table 1.

To check the relevance of the new exploratory factor analysis (with maximum likelihood extraction method and Promax rotation), we have reapplied a KMO test for which we obtained the result of 0,849 (above the threshold of 0.5 generally accepted). Table 6 presents information related to the extraction and rotation of newly formed factors, denoting the eligibility of these factors in the analysis because of the eigenvalues greater than 1 and total explained variance greater than 70%.

Table 6. Exploratory factor analysis results for 3 extracted that explain 23 scales for consumer engagement

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	10.619	46.168	46.168	10.155	44.150	44.150	12.618
2	3.824	16.625	61.361	3.420	14.868	59.146	11.955
3	3.479	15.126	76.893	3.064	13.324	73.784	11.720

Table 7 presents the new pattern of the factors resulted from the exploratory factor analysis, based on the remaining 23 scales that show each item's contribution to one dimension. Factor 1 explains the cognitive dimension of consumer engagement, factor 2 explains the emotional dimension, and factor 3 explains the behavioral dimension.

Table 7. Scores of 3 factors resulted for 23 scales of consumer engagement

	F1 Cognitive dimension	F2 Emotional dimension	F3 Behavioral dimension
CE-B2			0.575
CE-B5			0.662
CE-B6			0.551
CE-B7			0.689
CE-B8			0.633
CE-B9			0.874
CE-B11			0.587
CE-B13			0.725
CE-B14			0.797
CE-C1	0.801		
CE-C2	0.695		
CE-C5	0.792		
CE-C6	0.946		
CE-C7	0.657		
CE-C8	0.749		
CE-C10	0.571		
CE-E1		0.725	
CE-E3		0.917	
CE-E4		0.895	
CE-E8		0.674	

CE-E9		0.658	
CE-E10		0.595	
CE-E11		0.878	

Note: CE-C = cognitive dimension of consumer engagement, CE-E = emotional dimension of consumer engagement, CE-B = behavioral dimension of consumer engagement

By reapplying this technique, we managed to eliminate the scales did not explain consumer engagement very well. However, due to the results in table 7 and the distribution of elements to the newly formed factors, this study of testing and validating scales that reflect consumer engagement in a relevant and appropriate manned should be extended with a confirmatory factor analysis (CFA). Therefore, the scales remaining in this final result of the EFA will be included into a CFA to reach a small number of scales that will be used to measure consumer engagement in future studies.

4.2. Confirmatory Factor Analysis

As described in the previous section, confirmatory factor analysis was used to detect the most suitable scales to measure and model the consumer engagement in online settings in terms of the cognitive, emotional and behavioral dimensions. The purpose of this procedure is to further reduce the number of scales beyond the eliminations resulted from the application of exploratory factor analysis (from 37 scales to 23 items). The main purpose was to obtain the most relevant scales, both in terms of content, and of number of scales that could be easily introduced in other quantitative studies.

The structure of the factors resulted from the exploratory factor analyses was implemented in a first order confirmatory factor analysis. The accuracy indicators were investigated, however initial results were not satisfactory and the model did not reflect eligibility and the β values of the standardized variables observed in the CFA did not concur to the requirements.

In order to improve the model, first of all, we removed all the variables associated with each relationship between an observed variable and its corresponding latent dimension that registered a standardized regression coefficient less than 0.7 (Hair et al., 2010, p.684).

Using this rule, we removed a set of 12 scales and reapplied the confirmatory factor analysis. As a result, we have reached a number of 11 scales that measure the three dimensions of consumer engagement. The new model meets the prerequisites of a relevant model, as it can be seen in Table 8, in accordance with the recommendations of Hu and Bentler (1999, p.27).

Table 8. Model accuracy for confirmatory factor analysis based on the 11 scales of consumer engagement

Measurement	Measurement model result	Recommended values
χ^2	44.866 (p=0.036. 33df)	$p \leq 0.05$
χ^2/df	1.360	≤ 5
GFI	0.935	≥ 0.90
NFI	0.946	≥ 0.90
RFI	0.910	≥ 0.90
CFI	0.985	≥ 0.90
RMSEA	0.057	≤ 0.10

Note: χ^2 =Chi-square, χ^2/df = ratio of Chi-square and degrees of freedom, GFI = Goodness of fit index, NFI = Normed fit index, RFI = Relative fit index, CFI = Comparative fit index, RMSEA = Root mean square error of approximation.

Table 9 displays the standardized and unstandardized estimates, standard errors, and critical reports (unstandardized estimates divided by the standard errors). The probability value associated with the null hypothesis, according to which the test is zero, is displayed in the column titled 'Significance'. All regression coefficients of this model are significantly different from zero beyond the level of 0,001. Standardized estimates allow the evaluation of the relative contribution of each predictor variable (observable variable) for each outcome variable (latent dimension). Standardized estimates are appear in Table 9.

Table 9. Confirmatory factor analysis results for the 11 scales of consumer engagement

Relationship			Standardized Regression Weights	Unstandardized Regression Weights	Standard Error	Critical Report	Significance
CE-C	→	CEC6	0.829	1.000			
CE-C	→	CEC7	0.716	0.759	0.105	7.247	***
CE-C	→	CEC8	0.796	0.993	0.107	9.308	***

Relationship			Standardized Regression Weights	Unstandardized Regression Weights	Standard Error	Critical Report	Significance
CE-C	→	CEC10	0.793	0.941	0.100	9.443	***
CE-B	→	CEB5	0.896	0.922	0.086	10.746	***
CE-B	→	CEB6	0.701	0.920	0.113	8.138	***
CE-B	→	CEB7	0.854	1.000			
CE-E	→	CEE1	0.802	1.060	0.109	9.757	***
CE-E	→	CEE3	0.846	0.994	0.094	10.531	***
CE-E	→	CEE4	0.835	1.000			
CE-E	→	CEE11	0.797	1.010	0.103	9.820	***

Note: CE-C = cognitive dimension of consumer engagement, CE-E = emotional dimension of consumer engagement, CE-B = behavioral dimension of consumer engagement

Each standardized regression coefficient represents the amount of change in the dependent variable for each change with one unit in the variable that it predicts. For example, the table above shows an increase of 0.716 CE-C7 (scale of the cognitive dimension of consumer engagement) for each increase of 1 in CE-C (the cognitive dimension of consumer engagement).

Figure 6.3.1 presents the results of the confirmatory factor analysis for the scales measuring consumer engagement for a brand in an online setting.

Furthermore, in this figure, we can observe the correlations between observable and latent variables of consumer engagement. The most pronounced correlation registered a score of 0.744 which is created between the cognitive and behavioral dimensions of consumer engagement, the correlation between the emotional the behavioral dimensions got a result of 0.691, whereas the correlation between the cognitive and behavioral dimensions registered a level of 0.683.
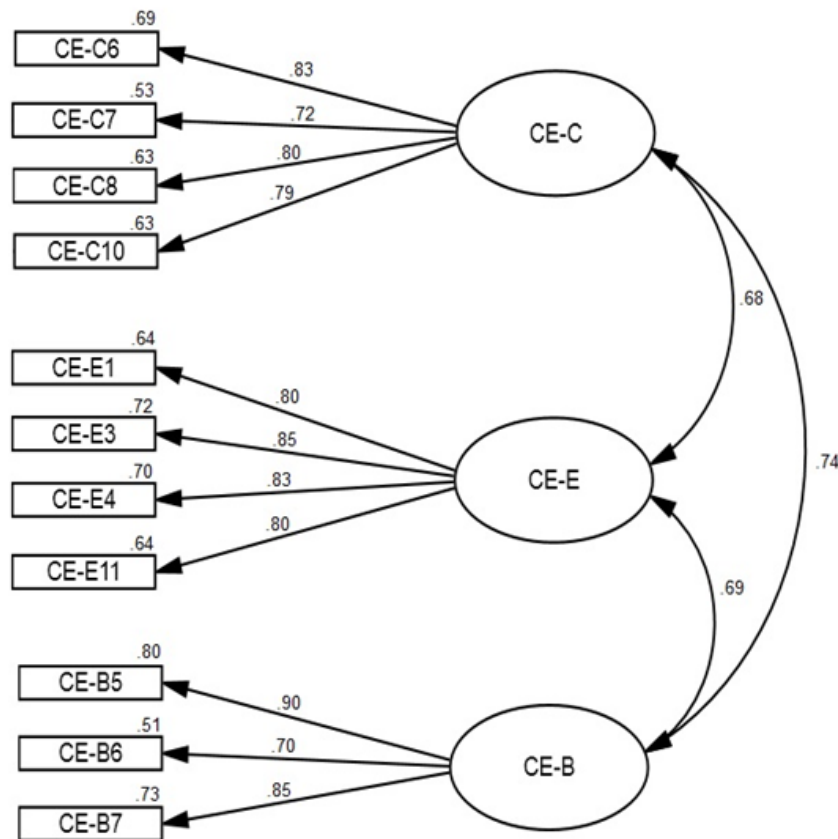
***Figure 1.** Confirmatory factor analysis results for the 11 scales of consumer engagement*
Note: CE-C = cognitive dimension of consumer engagement, CE-E = emotional dimension of consumer engagement, CE-B = behavioral dimension of consumer engagement

Table 10 presents the latest version of the set of scales by which we will measure cognitive, emotional and behavioral dimensions of consumer engagement for a certain brand using the online social media service, Facebook. We also studied the relevance of the new scales by calculating Cronbach's alpha which yielded values greater than the threshold value of 0.7 (Cronbach, 1970, p. 161).

Table 10. *Final set of 11 scales used to measure consumer engagement based on the cognitive, emotional and behavioral dimensions*

Latent Dimension	Cronbach's alpha	Item	Scale
CE-C	0.896	CE-C6	Using this Brand's Facebook page stimulates my interest to learn more about the company and its products.
		CE-C7	Time flies whenever I am browsing on the Facebook page of this Brand.
		CE-C8	I use this Brand and its Facebook fan page because it captures my attention.
		CE-C10	I find this Brand's Facebook posts to be very useful.
CE-E	0.900	CE-E1	It gives me great pleasure to use this brand and interact with it on Facebook.
		CE-E3	I'm very interested when I use the Facebook page of this Brand.
		CE-E4	This Brand's Facebook posts are entertaining.
		CE-E11	My emotional attachment to the brand is 1 (weak) to 5(strong), 1 (low)to7(high), and 1 (little)to7(a lot)
CE-B	0.889	CE-B5	I am willing to collaborate in different Facebook initiatives with this Brand in the development of new products/services/features.
		CE-B6	I 'liked' posts from this Brand on Facebook.
		CE-B7	In general, I feel motivated to participate actively on the Brand's Facebook page that I 'like'

Note: CE-C = cognitive dimension of consumer engagement, CE-E = emotional dimension of consumer engagement, CE-B = behavioral dimension of consumer engagement

To validate the first order confirmatory factor analysis, we have evaluated the model's constructs based on convergence validity, discriminant validity and reliability (Table 11). Table 11's results were obtained using the standardized regression estimates and the results of the correlations between latent variables.

Table 11. *Confirmatory factor analysis results in terms of convergence validity, discriminant validity and reliability*

Latent Dimensions	CR	AVE	MSV	ASV	Correlations between factors		
					CE-B	CE-C	CE-E
CE-B	0.860	0.675	0.554	0.516	**0.821**		
CE-C	0.865	0.616	0.554	0.510	0.744	**0.785**	
CE-E	0.892	0.673	0.477	0.472	0.691	0.683	**0.820**

Note: CR= Composite Reliability values, AVE = Average Variance Extracted; The diagonal values (in bold) are the square root of AVE (AVE = $\sum L_i^2$ / ($\sum L_i^2$ + $\sum Var (E_i)$))

Reliability was examined in terms of the values of composite reliability (CR). These values are calculated using the extracted variance (Hair et al., 2010, p.680):

$$AVE = \frac{\sum_{i=1}^{n} \lambda_i^2}{n}$$

$$CR = \frac{(\sum_{i=1}^{n} \lambda_i)^2}{(\sum_{i=1}^{n} \lambda_i)^2 + (\sum_{i=1}^{n} \delta_i)}$$

where AVE= Average Variance Extracted, CR = Composite reliability values, λ = standardized factor loading, n = number of items, δ = variance's error.

Based on the values calculated in Table 11, we can observe that all the values are higher than the acceptable levels of 0.6 (Bagozzi et al., 1991, p.431) or 0.7 (Gefen et al., 2000, p. 37), considering the fact that the values range from 0.860 to 0.892, thus fulfilling the condition of reliability of the consumer engagement scales examined through this CFA. Also, the reliability of the scales also emerges from the calculated

Cronbach's alpha coefficients (Table 10) which shows substantially higher scores than the threshold 0.7, namely 0.896 for the cognitive dimension of consumer engagement, and 0,900 for the emotional dimension, and 0.889 for the behavioral dimension.

The convergent validity is the extent to which different approaches for building the model show the same results. The convergent validity was assessed for the measurement scales using two criteria suggested by Fornell and Larcker (1981, p.45): (1) all standardized estimates of the model should be significant and above a value of 0.7 (condition which is fulfilled and shown in Table 11 and Figure 1); and (2) the average variation extracted (AVE) for each variable should exceed the variance occurred due to the construct's measurement error (i.e. AVE should exceed 0.5). Again, the fulfillment of this condition can be noted based on the results obtained in Table 11, considering the fact that the lowest level of AVE was registered for the cognitive dimension of consumer engagement with a score of 0.616.

Discriminant validity assesses the extent to which a concept and its indicators differs from another concept and its corresponding indicators. Discriminant validity was evaluated using the recommended criteria (Fornell, Larcker 1981, p.45): the square root of the average variance extracted should exceed the correlation shared by a latent variable with the other constructs of the model. Also, in light of the criteria suggested by Hair et al. (1998, p.612), the correlation coefficients between constructs should be less than 0.9 and in Table 11 we can observe that this condition is met for the validity of the 11 proposed scales, determined as eligible to measure consumer engagement.

Table 11 presents two more indicators, namely MSV (Maximum Shared Squared Variance) and ASV (Average Shared Squared Variance). Both indicators show how a variable can be explained in another variable. The discriminant validity is certified because all AVE values are greater than MSV, but also higher than ASV (Hair et al., 2010, p.654). In other words, the following conditions are met: $MSV < AVE$ and $ASV < AVE$.

5.   Conclusion

5.1. Theoretical Contributions

The first and most important theoretical contribution of this work is to develop a concept that recognizes and responds to the calls for research of Marketing Science Institute (2010, 2014) to propose scales for measuring the engagement of consumers in the online settings and to add to the conceptualization of this emerging concept.

The conceptualization and the proposed scales for consumer engagement towards a brand in an online setting offer new and important perspectives for the academic literature in developing this concept in online marketing. Thus, through this research we have reaffirmed the multidimensionality of this concept and we have proposed new extension of the theoretical and practical framework on measuring consumer engagement in online marketing.

The proposed conceptualization and scale of consumer engagement contribute novel insights to the emerging 'engagement' literature in marketing. Moreover, this paper also adds to a broader academic perspective of interactive relationships in online environments.

This study regarding the validation of scales proposed for a new digital marketing concept followed certain steps which were aimed at establishing the most relevant measurement elements for applications and inclusions in future quantitative research. The conceptualization of the scales was the result of a series of exploratory factor analyses and confirmatory factor analyses to better understand the factor structure, dimensionality and items that best reflect consumer brand engagement in an online setting.

By proposing a conceptualization and a scale for measuring consumer engagement within online settings, this research provides a number of insights into the nature and dimensionality of developing this concept. Moreover, this work reaffirmed consumer engagement's theoretical relevance for the study of interactive relationships between consumers and brands. This conceptualization of consumer engagement contributes to the reiteration of the importance of a broad understanding of the interactions and connections between consumers and certain brands or products, but also between consumers about different brands.

5.2. Managerial Implications

In addition to theoretical contributions, this research also presents a series of implications for marketing practitioners. Firstly, through the conceptualization of consumer engagement, this paper provides managers with improved insights of this emerging construct. This concept can be adopted in various online settings and campaigns that have a broader relationship marketing spectrum, with a focus on improving consumer engagement with a brand or marketing object.

Secondly, online business and marketing programs can benefit from the implementation of this proposed scale for consumer engagement in online settings. Most importantly, by adopting this scale managers can gain insights into consumers' cognitive, emotional, and behavioral focal points of engagement. Specifically, in today's highly competitive business environment, managers face extra challenges of how to attract the most relevant consumers, how to best retain their most profitable ones who may at any time exhibit switching behaviors, and how to persuade loyal consumers to up-selling, cross-selling, or increased purchasing frequencies.

Thirdly, the scale developed and validated in this research for measuring consumer engagement towards a brand in online settings will generate significant managerial insights with potential on improving an organization's performance and enhancing consumer loyalty for a brand. In today's business environment, customer engagement is suggested to generate improved organizational performance, including sales growth, competitive advantage and superior profitability (Kumar et al., 2010; Hollebeek, 2011).

5.3. Limitations and Future Research Directions

As with any study, there are some limitations to the generalizability of the findings. This research focused only on the social media network, Facebook. Thus this aspect should be extended to include other social media platforms or multi-brand sites to explore consumers' engagement in different online settings. Moreover, the research can also be expanded to focus solely on one brand and test the proposed scales in that context.

This direct quantitative research has limitations in terms of the convenience sampling technique regarding the selection of respondents, especially regarding the lack of representativeness of a population because this research was conducted at an international level. Considering the fact that this study implied an international sample, the size of the sample is relatively small, and thus could have impacted the results and scale validation. As with most online consumer surveys, the sample was skewed toward younger, more educated demographics. Nonetheless, such consumers are the main target audience for online marketers, however, a larger sample size might have resulted in stronger results

Future studies should explore the proposed measurement scales for consumer engagement in relation to other concepts, like involvement, loyalty, word-of-mouth, commitments, co-creation, participation, and so on.

Acknowledgement

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Evaluations of Co-Brands:
A Two-Country Comparison

Mark ANDERSON[*] and Peter MARTINS DA SILVA

Kingston Business School, United Kingdom

This paper explores consumer reactions to a brand alliance, with perceptions of the parent brands, perceived fit between the brands and fit between product categories as the drivers. Drawing on previous work on co-brands (Simonin and Ruth, 1998; Baumgarth, 2000), two simultaneous studies of four consumer brand pairings were conducted in the UK (n=122) and Italy (n=125) using respondents from an online panel. Important differences between the studies are identified and possible cultural explanations for deviant outcomes are discussed.

Keywords: *co-branding, culture, replication*

JEL Classification: *M31*

1. Introduction

The popularity of co-branding (also referred to as 'brand alliances') as a brand management strategy is well documented (Helmig et al., 2008). Marketers are increasing their use of co-brands as a way to break through ad clutter and leverage marketing spend; Datamonitor reported that co-branding almost doubled in early 2014 compared to previous years (Schultz, 2014). Co-brands combine the competencies and reputations of two brands to create a new product (Park et al., 1996). Past research has identified important determinants of consumer attitudes to cobrands, such as familiarity with the parent brands (Levin and Levin, 2000), the perceived quality of the partners (Rao and Ruekert, 1994), and their relative brand equity (Washburn et al., 2000). Research on co-branding developed from a burgeoning literature on brand extensions, applying characteristics associated with extension success (strong parent brand quality perceptions, the complementarity between the parent and extension product categories) to a brand alliance scenario. Simonin and Ruth (1998) draw on information integration theory and presented a structural model that relates alliance perceptions to pre-existing parent brand attitudes and the fit (both product-wise and brand-wise) between the parents, and incorporates feedback effects from the alliance back to the parent brands. They found familiarity moderates the strength of relationship between constructs, and that partner brands were not necessarily affected equally by participation in a particular alliance. A query on Google Scholar reveals more than 1800 references to Simonin and Ruth (1998), referred to hereafter as S&R, making it one of the most widely cited studies in the co-branding literature.

[*] Corresponding Author:
Marc Anderson, Kingston Business School, London, Kingston upon Thames, United Kingdom

A few researchers have the applied the S&R model, considering additional drivers and/or ignoring the feedback effects. Ruth and Simonin (2003) applied the model to sponsored events, adding country of origin as a factor. Lafferty, Goldsmith and Hult (2004) applied the original S&R model to cause-related alliances, confirming the importance of pre-existing attitudes toward a cause and a brand on the alliance perceptions, and identifying the fit between the cause and the brand name (rather than the product category) as a necessary antecedent for a successful campaign. Baumgarth (2004) attempted to replicate S&R, looking at car + stereo co-brands, and cereal + chocolate. He found that pre-existing attitudes were less influential, and brand fit more impactful than the S&R findings. These differing results were put down to differences in operationalization in the co-brand evaluation, and to cultural difference between the Baumgarth studies (in Germany) and the original S&R study in the U.S. Subsequently, Helmig, Huber and Leeflang (2006) modified the S&R model adding additional personal variables that influence behavioural intention. They found support for the main relationships, with product fit more influential than brand fit. Bluemelhuber, Carter and Lambe, (2008) considered cross-national brand alliances, adding country-of-origin fit as an antecedent of alliance attitudes. All relationships were supported, with brand fit more influential than product fit on co-brand perceptions. Recently, Bouten, Snelders and Hultink (2011) also expanded fit to include the match between the new product offering and the parent brands; the results suggest brand fit dimensions to be a greater influence than other factors on co-brand evaluations.

These finding suggest questions remain about the relative importance of product fit and brand fit to co-branding endeavours, and the impact of culture on co-branding evaluations. Heeding calls for more replication work in the managerial sciences (e.g. Hubbard and Armstrong, 1994; Easley et al., 2000; Evanschitzky et al., 2007) this paper looks at co-brand perceptions using the S&R framework for four global brand pairings in two countries, Italy and the UK. The research looks at alliance perceptions only and does not consider spill over effects. The study contributes to our understanding of brand alliances in two ways; it provides additional empirical evidence for a widely cited research model, and it considers how cultural differences might impact on brand alliance perceptions. By testing the same brand pairings simultaneously in two countries, a direct comparison can be done.

The paper is organized as follows. The literature review summarises the brand alliance literature from a demand (i.e. customer) perspective, followed by a discussion of the S&R and Baumgarth (2004) studies. Cross-cultural consumer behaviour is then briefly discussed, followed by a short overview of the design methodology. The final section presents the results of the two country studies, comparing against previous research and drawing on Hofstede's theory of national culture (Hofstede, 2001) when analysing the results. Methodological limitations and areas for future research are identified.

2. Literature Review

2.1. Brand Alliances
The theoretical foundations of consumer perceptions of brand alliances developed from consideration of brand extensions (e.g. Aaker and Keller, 1990) and are based on theories on signalling (Rao and Ruekert, 1994; Rao et al., 1999), and attitude formation (e.g. Anderson, 1981; Hillyer and Tikoo, 1995). Signalling theory suggest that because firms hold different information to buyers it needs to find way to communicate this information to them. Research on attitude formation suggests that people interpret and integrate new information with existing beliefs; pre-existing, salient and accessible brand attitudes and close, observable cues influence consumer perceptions of a brand partnership (Petty and Cacciopio, 1986; Lynch et al.,1991), A review of the empirical literature (see Table 1 for a summary) highlights a few key points. First, the extent which consumers perceive two product categories as complementary and well matched (i.e. product fit), and the congruence of brand associations such as quality or brand personality (brand fit), have a positive influence on brand alliance perceptions (3 citations here). The relative impact of brand and product fit has been explored across a range of characteristics, such ingredient branding (Desai and Keller, 2002; Radighieri et al., 2013); functional vs expressive brands (Lanseng and Olsen, 2012); search vs. experience goods (Washburn et al., 2000); cause-related alliances (Lafferty et al, 2004; Ruth and Simonin, 2003) and trans-national brand pairings (Bluehelhuber et al., 2008; Han and Hongwei, 2013; Lee et al., 2013). Recent papers have developed the fit construct beyond simple product and brand metrics (Bouten et al., 2011; Lanseng and Olsen, 2012; Xiao et al., 2014).

Second, studies have also considered how consumer attitudes toward an alliance 'spill over' and influence post exposure attitudes toward the partner brands (e.g. Bengtsson and Servais, 2005; Cunha et al., 2014; Simonin and Ruth, 2008). Overall, the findings suggest general positive outcomes for parent brands (e.g. Washburn et al., 2000; Swaminathan et al., 2012), but several studies suggest these benefits are

asymmetrical (Laffery et al., 2004; Simonin and Ruth 1998; Radigieri et al., 2013) and negative spillover is possible (Votolato and Unnava, 2006; Radigieri et al., 2013). The impact of personality variables have also been considered Finally, the review highlights the broad range of products (e.g. cars, food products, bicycle seats, personal electronics, luggage, clothing, health & beauty) and brands (e.g. Heineken, Sony, Calvin Klein, Evian, Gucci, Corona, etc.) studied. However, most research was conducted in the US (26 of 32 studies in Table 1), no multi-country studies were identified.

Table 1. Empirical literature on consumer evaluations of co-brands (brand alliances)

Study	Products & Brands considered	Findings
Ahn et al., 2009 (Korea)	Levis jeans – Samsung Sense computer; Levis jeans – Motorola computer	If consumers perceive a harmony across paired products or brands, they are more likely to engage in the association process of evaluating the brand alliance
Baumgarth, 2004 (Germany)	4 car brands/ 4 consumer electronic brands; 4 cereal brands/4 chocolate brands	Replication of S&R found lower significance of brand attitudes toward the individual brands for the co-brand evaluations, and greater importance of brand fit as factor.
Besharat, 2010 (USA)	Blue-tooth (Blackberry/ Hitachi) enabled sunglasses (Ralph Lauren/ Police)	Presence of at least one high-equity brand in co-brand leverages consumers' evaluations of a new product
Bluehelhuber et al., 2008 (USA)	Car brands (BMW/Kia) + stereo brands (Sony/Apex/fictitious brand)	Extension of S&R analysing transnational brand alliances – when brand familiarity decreases, positive influence of fit on a brand alliance increases, and is greater than that of brand fit.
Bouten et al., 2011 (Netherlands)	bicycle seat (Batavus/Maxi Cosi/ Sparta and hand vacuum cleaner (Swiffer/ Duracell/ Sorbo)	Extension of S&R – added two new fit measures (new product/product fit and new product/brand fit)
Cunha et al., 2014 (USA)	cereals, brownies & cookies	Well-known brand can weaken or strengthen the association between the less-known brand and the co-branding outcomes, depending on when product information is provided.
Desai and Keller, 2002 (USA)	bath soap, cough syrup	Where product attributes are dissimilar from parent brand, ingredient branding results in more favourable evaluations over self-brand ingredients.
Fang et al., 2013(USA)	Fictitious digital cameras	Both a BA and a warranty were significant signals of product quality. No advantage to having both over just one.
Gammoh et al., 2006 (USA)	Digital camera (fictitious brand) + PDA (Sony)	Brand ally is an endorser of the primary brand i) when cognitive elaboration is low and ad is strong; ii) when cognitive elaboration is high and the ad is weak and the ally is reputable.
Geylani et al., 2008 (USA)	Fictitious brands, luggage and clothing	Not in a brand's best interest to choose highest performing alliance partner. An alliance can increase parent brand attribute perceptions, but also uncertainty about the brands
Li and He, 2013 (Taiwan)	beer flavored tea product by Heineken (Netherlands) and Uni-President (Taiwan)	Brand order and consumers' beliefs about the appropriateness and morality of buying foreign-made products moderate brand attitude effects
Helmig et al., 2006 (Germany)	fruit juice (Hohes C/ Granini, Punica/Valensina) +yogurt brands (Mueller/ Danone/ Ehrmann/Bauer)	Extension of S&R – adds buying intention and personal variables that affect buying intention Product fit has strongest effect on behavioural intention.
James, 2005; James et al., 2006 (UK)	PDA (Filofax/Sony/ Calvin Klein); phone watch (Swatch /Sony/ British Telecom); sun lotion for hair (Vidal Sassoon/Ambre Solaire /Benetton) Mouthwash (Crest/Oral B/Sure)	Brand fit is important; alliances with poor overall attitudes were often linked to associations of attributes of the original parent branded product. Managers should focus on finding a similarity between brand alliance partners in brand personality as well as concrete dimensions
Lafferty et al., 2004 (USA)	Causes: American Red Cross /Famine Relief Fund; water: Evian/Naya; soup: Campbells/ Healthy Choice	Cause benefits more than product from alliance; fit between partners plays a pivotal role in consumer acceptance of the alliance as plausible and familiarity with the cause improves effectiveness

Lanseng and Olsen, 2012 (Norway)	Functional: Krystal detergent/ Clinomyn toothpaste/ Philips TV/ IF life insurance. Expressive: Pepsi/ Gucci sunglasses/ D&G jeans / Corona beer	Both product category fit and brand concept consistency influence consumer evaluation. Product category fit is important in only functional & mixed brand concept-based alliances, not expressive brand alliances
Lebar et al., 2005 (USA)	Internet survey, nationally representative sample	Joint branding campaigns help to increase a brand's perceived differentiation, but also sometimes harm perceived knowledge and esteem in the process.
Lee et al., 2013 (USA)	Car/Car stereo: BMW/Japanese car stereo, BMW/Mexican car stereo	Positive attitudes when images of countries involved are both favourable. Partner with less favourable country image can leverage Country of origin fit to gain favourable brand image and consumer product evaluation.
Levin et al.,1996 (USA)	Brownies (Betty Crocker/ Mrs Bakewell) +chocolate chips(Nestles/ "Rich")	The ingredient brand had larger impact on the co-brand evaluation than the host brand. Host brands were rated lower if the ingredient brand pairing was not well known.
Levin and Levin 2000; Levin, 2002 (USA)	Restaurants	When one brand is ambiguous, quality is inferred when brands are considered to be similar; specific attribute values and global evaluations of quality are assimilated from the better known 'context' brand
Park et al., 1996 (USA)	Slim-Fast/Chocolate cakemix/Godiva	Brands with complementary attributes yield a better composite extension (header + modifier) than a direct extension of the header brand. Complementary brands yields better results than highly favourable brands that are not complementary.
Radighieri et al., 2013 (USA)	Phones (Nokia/Aduiovox) and cameras (Kodak/Vivitar)	Successful alliance positively affects both parent brands but the positive feedback is much more substantial for the weaker (vs stronger) brand. When an alliance fails, a strong ingredient brand is the only parent brand somewhat protected.
Rao et al., 1999 (USA)	real/fictitious TV brand alliances	If a product has an important unobservable attribute, partnering with a brand that has a reputation to uphold delivers higher consumer quality perceptions of the product.
Rodrigue and Biswas, 2004 (USA)	Doritos tortilla chips + partner (Olean cooking oil / Kraft brand cheese)	Brand pre-attitudes have a positive effect on alliance attitudes, with positive spill over effects and perceptions of quality, WTP and purchase intention. Resource dependency moderates effects on ally; contract exclusivity moderates effects on host brand
Ruth and Simonin, 2003 (USA)	Coca-Cola + cosponsor (US: Breyers ice cream/ Jack Daniels whiskey/ Bank of New York/ Marlboro) (Japanese: Meiji/ Suntory/ Bank of Japan/ Fuji)	Sponsor brand nationality and complementarity of products also affect cobrand perceptions.
Simonin and Ruth (S&R) 1998 (USA)	Car (Ford/ Toyota/ VW/ Hyundai) + microprocessor (Motorola/ Fujitsu/ Siemens/ Samsung); NW Airlines + Visa; Disney + major retailer	Looks at individual brand attitudes, product fit, and brand fit as important inputs to brand alliance attitude, with feedback from alliance to individual brands. Familiar brands have a greater impact on BA, but unfamiliar brands benefit from more spill-over effect.
Swaminathan et al., 2012 (USA)	AC Nielsen scanner panel data. Line extensions with ingredient branded products Eg: Betty Crocker cake mix w/ Hershey's Choc	Consumers who trial the co-branded product are more likely to purchase both host and ingredient brands; effect is greater among prior non-loyal users and when there is greater perceived fit between host and ingredient brand.
Voss and Gammoh, 2004 (USA)	Fictitious digital camera brand with Sony (PDA) and HP (Printers)	Single brand ally significantly increased perceived quality and hedonic and utilitarian attitudes. Second ally did not further increase evaluations.
Votolato and Unnava, 2006 (USA)	fictitious clothing brands	Negative spill-over from partner to host brand occurred only when host was viewed as equally culpable for an offence.
Washburn et al., 2000 (USA)	Potato chip: Ruffles/fictitious brand BBQ sauce: Maulls/fictitious brand	Co-branding positively affected subsequent brand equity ratings. Brand names particularly important when claims are difficult to evaluate prior to purchase.

Washburn et al., 2004 (USA)	Paper towels + disinfectant (Bounty/ Mr Clean, Bounty/ Defense, Spirit/Mr Clean, Spirit/ Defense)	Co-branding elevates the perceived equity of both partner brands. Having a high equity partner enhances pre-trial evaluation of experience and credence attributes that are relevant to the high-equity partner.

2.2. Simonin&Ruth (1998) and Baumgarth (2004)

Simonin and Ruth (1998) was the first study to simultaneously consider co-brand evaluation and spill over effects, as well as the fit between brands and products (with brand familiarity as a moderating factor). The hypotheses were tested based on a co-brand of a car brand (Ford, Toyota, Volkswagen, Hyundai) and a microprocessor brand (Motorola, Fujitsu, Siemens, Samsung), resulting in 16 different brand alliances. The co-brand combinations were based on participants being familiar with the car brands, but having differing levels of brand familiarity for the microprocessors. In total, 350 university students and staff participated in a study where the co-brand was presented through an advertisement. The hypotheses of the spill-over effects as well as the co-brand evaluation were tested by means of a comprehensive causal model. To assess its robustness with other types of alliances, S&R then tested the model with two further alliances, Northwest Airlines/Visa and Disney/retailer. The results supported all hypothesized relationships. An indicator of S&R's impact on the literature is the high frequency of citation in later co-brand papers, and six papers from Table 1 apply or extend the S&R model.

Arguing that the validity of S&R's results should be validated in other cultural contexts, Baumgarth (2004) performed a direct replication of S&R in Germany, using well known car brands (BMW, VW, Opel and Porsche), and consumer electronic (audio) brands that were either high familiarity (Sony, Blaupunkt) or low familiarity (Aiwa, Bang & Olufson). An extended replication was conducted for cereal brands (high for Kellogg's and Dr Oeker Vitalks; low for Kolln Flocken and Seitendbacher) and chocolate brands (high for Lika and Ritter Sport; low for Exzet). This study was intended to identify variance due to brand familiarity across both partners, and test the S&R model with fast-moving consumer good (FMCG) products, which is where the majority of real co-brands reside. The test of S&R in another cultural context and with FMCG products was intended to improve the generalization of the model.

A comparison of S&R (1998) and Baumgarth (2004) for the direct replication showed significant differences, with only half of the original eight relationships supported. Three out of the four supported hypotheses focused on spill over effects. Only brand fit was a significant influence on the brand alliance for the automotive/audio brand pairings. (Note for the cereal + chocolate co-brand, all relationship were supported). The main differences between the studies were the lower significance of brand attitudes towards the individuals brands for the co-brand evaluation, and the higher significance of brand fit in Baumgarth's study over S&R. Possible reasons for the differences were hypothesized to be the slightly different operationalizations of co-brand evaluations between the studies or cultural differences. Baumgarth then devotes substantial discussion to operationalization differences, but culture is not addressed. We now briefly consider dimensions of culture and their relationship with branding strategy.

### 2.3. Cross-Cultural Consumer Behaviour and Branding

Most aspects of consumer behaviour are culture bound and much research on cross-cultural consumer behaviour and issues of global branding have used the Hofstede dimensional model of national culture (Hofstede, 1980; 2001). The model has been used to explain differences of the concepts of self, personality and identity, which in turn explain variation in branding strategy and communications. Differences in perception and information categorization, and the social processes that fuel motivation and emotion have also been explained by the model (de Mooij and Hofstede, 2011). Reasons for the widespread adoption of Hofstede's classification of culture lies in the large number of countries measured (82 to date), the numerous comparative studies/replications that support his findings, and the simplicity of his dimensions which are accessible to a wide audience. Comparison of different models from an international marketing strategy perspective indicates that more recent cultural frameworks (e.g. Schwartz's, GLOBE) provide limited advancements compared with Hofstede's original work (Magnusson et al., 2008).

The Hofstede model distinguishes cultures according to five dimensions: power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, and long- vs. short-term orientation. Power distance can be defined as 'the extent to which less powerful members of a society accept and expect that power is distributed equally' (De Mooij and Hofstede, 2011). In large power distance cultures, social status must be clear so that others cans show proper respect, and global brands serve that purpose. In individualistic cultures, one's identity is the person, and is considered to have a 'low context' style centred around explicit verbal communications, that are succinct and to the point. By contrast, collectivistic cultures

are based on the social system to which they belong, and avoiding loss of face is important. Collectivistic cultures are high-context, with an indirect style of communications that is built around relationship-building and trust. For masculine societies, performance and achievement are important and achievement must be demonstrated, so status brands or products are important to show ones/ success (De Mooij and Hofstede 2002), which feminine societies are caring for others and quality of life, and are less brand-conscious. Uncertainty avoidance (UA) can be defined as 'the extent to which people feel threatened by uncertainty and ambiguity and try to avoid these situations'. In high UA cultures, there is a need for rules and formality to structure life; searching for truth and a belief in experts are important here. High UA people are less open to change, and have lower rates of innovation adoption. Long-versus short-term orientation is the extent to which a society exhibits a pragmatic future-orientated perspective rather than a conventional historic or short-term point of view. Long-term orientation implies investment in the future, perseverance, thrift, ordering relationships by status, having a sense of shame ; short-term orientation focuses on personal steadiness, stability, happiness and respect for tradition.

Brands are augmented products with values or personal traits added through communication strategy. Studies have confirmed that different cultural conditions lead consumers to different brand evaluations (Aaker, Benet-Martinez and Garolera, 2001; Kocak et al., 2007), and consumers across cultures may attribute different brand personalities to one and the same global brand. For example, the Red Bull brand has been marketed with a consistent brand identity, but consumers from different cultures attribute different personalities to the brand (Fosch et al., 2008). A commercial cross-cultural brand value study that compared personalities attributed to highly valued global brands across cultures found differences that aligned on Hofstede's dimensions of power distance and uncertainty avoidance (De Mooij, 2010). The mechanisms by which these associations are formed are also influenced by culture, reflecting variations in motivations, emotions, and mental processes (Aaker and Maheswaran, 1997; de Mooij and Hofstede 2011; Malai and Speece, 2005). In brand extension research, Monga and John (2007) relied on cultural differences in thinking style (i.e. holistic vs analytical) to explain the greater perceived fit and more favourable brand evaluations among East Asians compared to Westerners. In general, multi-country replications of brand extension models reveal significant differences to due culture (Aaker and Keller, 1993; Bottomley and Doyle 1996; Bottomley and Holden 2001). To date, no multi-country studies of cobranding have been identified. Although positioned as a direct replication of S&R (1998), the Baumgarth (2004) study in Germany considered culture-specific brands and contained subtle differences in the cobrand category (microprocessors vs audio electronics) that might have impacted the results.

This study seeks to address this gap by applying the S&R model (without spill over effects) simultaneously in two countries (See Figure 1). By using the same product categories and global brands, a clear cross-cultural comparison can be done. The validity of the S&R model in other cultural contexts is particularly important as organizations continue to expand co-branding activities across borders (a recent example is Starbucks + Spotify). The findings of Baumgarth (2004) and the discussion above suggests it is logical to assume that culture influences customer perceptions of the parent brands and moderates perceived product and brand fit. Hofstede's framework will be applied as a theoretical lens to consider differences in findings between the countries.
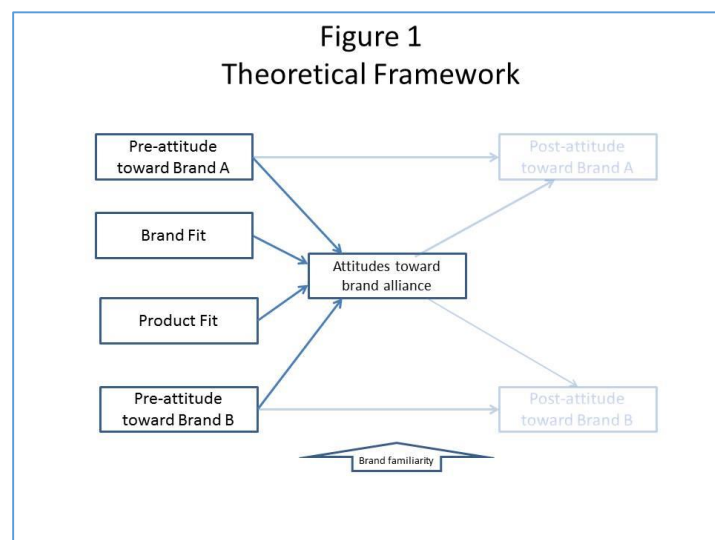
Figure 1. Theoretical framework

3. Method

The design of the study was similar to the S&R (1998) and Baumgarth (2004) studies. The UK and Italy were chosen as the population domains for the sample. A small pre-test (n=30) was performed individually in each country to identify the common products and brands for the main study, with only high familiarity brands selected. Four brand alliances of a host brand (A) and a partner brand (B) were devised: McDonalds (restaurant) + Lindt (chocolate); Colgate (toothpaste) + Mentos (mints); Kellogg's Special K (cereal) + Mueller (yogurt), and Pepsi (soft drink) + Red Bull (energy drink). The variables were operationalized in order to correspond closely to S&R (1998) and Baumgarth (2004). Measures were assessed through seven-point bipolar semantic differential scales, including measures of attitudes toward each partner brand and the brand alliance, as well as brand fit and product fit. Familiarity was operationalized as a single item scale (e.g. Bergkvist and Rossiter, 2007; Droley and Morrison, 2001; Fuchs and Diamantopolous, 2009). The sample was created using an online panel with UK (n=122) and Italian (n=125) respondents.

4. Results

We used partial least squares (PLS) to test our model. PLS simultaneously estimates the measurement and the causal model. However, Hulland (1999) suggests interpreting the model in two stages, looking at the measurement model first and then assessment of the structural model.

4.1. Measurement Model

All factor loadings on the (intended latent variable are significant and bigger than 0.7 (Fornell and Larcker, 1981), and the squared-multiple correlations indicate item reliability. The average variance extracted (AVE) from each variable is bigger than 0.5 (Bagozzi and Yi, 1988), thus supporting the existence of convergent validity. Discriminant validity was evaluated by comparing the AVE of each construct and the variance shared between such constructs and other constructs in the model (Table 2).

Table 2. Correlations, AVE and Reliability statistics

Factors	1	2	3	4	5	6	7	CR	AVE
UK									
[1] Attitudes$_A$	**.952**							.967	.906
[2] Attitudes$_B$	.194	**.954**						.968	.909
[3] Product Fit	.183	.143	**.948**					.946	.898
[4] Brand Fit	.119	.095	.826	**.887**				.879	.787
[5] Familiarity$_A$	.115	.003	.010	.030	-			-	-
[6] Familiarity$_B$	.219	.304	.049	.082	.430			-	-
[7] Attitudes$_{AB}$	.327	.137	.387	.500	.042	.050	**.926**	.948	.858
Italy									
[1] Attitudes$_A$	**.983**							.967	.906
[2] Attitudes$_B$	.376	**.993**						.968	.909
[3] Product Fit	.377	.187	**.951**					.946	.898
[4] Brand Fit	.305	.135	.855	**.958**				.879	.787
[5] Familiarity$_A$	.421	.232	.046	.001	-			-	-
[6] Familiarity$_B$	.299	.464	.059	.093	.622	-		-	-
[7] Attitudes$_{AB}$	.647	.640	.542	.542	.211	.314	**.986**	.948	.858

Note: Numbers in boldface indicate the square root of the AVE. No correlation is greater than the corresponding square root of AVE, confirming discriminant validity

4.2. Main Model

The results are presented in Table 3. The results show pre-existing brand attitudes influence attitude towards the co-branded products for both countries. Interestingly, the influence of the host brand was much stronger in Italy, while the partner brand was a stronger influence with UK respondents. Product fit was a significant influence on co-brand perceptions in Italy, but not for UK respondents. Brand fit had no main effects for either cohort, but a significant interaction effect between brand fit and familiarity of the partner brand was observed for the Italian respondents.

Table 3. *Results of the Partial Least Squares Analysis*

	UK		Italy	
	Path coefficient (t-value)	$f2$	Path coefficient (t-value)	$f2$
Attitudes$_A$ difference of coefficients sig at 5%	0.164 (2.09)*	0.05	0.343 (4.39)***	0.28
Attitudes$_B$ difference of coefficients sig at 1%	0.744 (11.85)***	0.98	0.458 (6.11)***	0.51
Product fit	-0.063(0.52)	0.01	0.275 (2.89)**	0.08
Brand fit	0.135 (1.46)	0.00	0.121 (1.17)	0.01
Attitudes$_A$ * Familiarity$_A$	-0.102 (0.89)	0.01	-0.013 (0.14)	0.00
Attitudes$_B$ * Familiarity$_B$	0.035 (0.41)	0.00	-0.024 (0.17)	0.00
Brand fit * Familiarity$_A$	0.053 (0.46)	0.00	-0.106 (0.79)	0.01
Brand fit * Familiarity$_B$	-0.001 (0.05)	0.00	0.236 (1.76)*	0.07
R^2, Adj R^2	0.575; 0.536		0.754; 0.732	
Q^2	0.458		0.675	

5. Discussion and Conclusions

5.1. Theoretical Contributions

The results suggest that culture influences the relative impact of pre-existing brand attitudes and fit measures on alliance perceptions. For Italian respondents, the parent brands have similar levels of influence on alliance perceptions, and fit between the product categories is also a significant factor. For the UK sample, the partners' impact on the brand alliance is lop-sided, and fit was not significant. Considering these results, Hofstede's model of culture provides some insight into differences in branding perceptions and categorization for the two samples. Using Hofstede's framework, Italy and the UK are substantively different on the dimensions of uncertainty avoidance (Italy high/UK low) and indulgence (Italy low/UK high). Cultures of strong uncertainty avoidance (such as Italy), are less comfortable with uncertainty and ambiguity, and rely on rules and formality to guide them. The findings suggest the Italian respondents apply equal consideration to brands, and that categorization of the products (complementarity, consistency) is a clear heuristic. As the fit between brands is a more ambiguous and intangible assessment, its lack of significance may reflect Italian respondents discomfort with the metric. However, the significant interaction between brand fit and familiarity for the partner brand indicates that where familiarity with the partner brand is high, the Italian cohort did consider brand fit as important to co-brand perceptions. In contrast, UK respondents gave substantively more weight to the partner brand perceptions over the host in determining their view of the brand alliance; surprisingly, neither brand nor product fit influenced perceptions. These results suggest that if a respondent had a positive view of partner brands Lindt, Mentos, Mueller and Red Bull, and somewhat a positive view of the parent brands, the alliance would be viewed positively, regardless of whether the products and brands were considered a good match. These findings are substantively different from the results of Simonin and Ruth (1998) and Baumgarth (2004). One possible rationale for this is the ubiquity of new product introductions and brand alliance activity in the UK. In 2014, 3000 branded FMCG product ranges were launched in the UK. As a "high" indulgent society (see www.geert-hofstede.com), UK respondents are more likely to be optimistic, impulsive and possess a "give it a go" attitude. These characteristics may translate into a more positive attitude toward brand alliances, regardless of fit.

5.2. Limitations and Future Research Directions

In summary, this study highlights interesting differences between countries in terms of brand alliance perceptions, and we believe is the first paper to consider the same brand alliance perceptions across two countries simultaneously. However, a number of limitations exist. Both surveys were conducted under conditions of high involvement so validity under low involvement is questionable. The brands selected were all well-known fast-moving consumer goods; future studies should explore less established brands and other product categories; The operationalization of fit was broad and does not take into account recent extensions to the fit construct (e.g. Bouten, Snelders and Hultink, 2011); The countries studied (UK, Italy) shared some

similar cultural characteristics (individualism, masculinity, long-term orientation), future research should explore differences in brand alliance perceptions across countries with broader range of cultural characteristics. The difference in findings between the two samples highlights the need for more cross-cultural replication research on co-branding.

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Customer Satisfaction and Brand Switching Intention: A Study of Mobile Services in Saudi Arabia

Dr. Mahmoud ABDEL HAMID SALEH[*],
Abdulrahman ALTHONAYAN, Ayman ALHABIB, Essa ALRASHEEDI and Ghafar ALQAHTANI

King Saud University, College of Business Administration

The purpose of the study is to investigate first, the relationship between the customer satisfaction and brand switching intention into the Saudi Arabian mobile-service market, and second, the association of service quality, customer service, service pricing, and value-added services with the customer satisfaction. Because of the difficulty of having a frame for the mobile-service customers from their providers, a convenience sample of 350 online respondents with the proper surveying techniques was used in data analysis and testing of the research hypotheses. The findings of the study confirm a significant negative relationship between customer satisfaction and brand switching intention. A 4% percent of the change in brand switching intention could be explained by the change in the customer satisfaction. Only three variables; customer service, service pricing, and service quality are critical determinants for mobile-service customer satisfaction. Customer service explained about 22%, whereas service pricing and service quality explained about 5% and 1% of the change in customer satisfaction respectively. The practical value of this study could be enabling the mobile-service providers in Saudi Arabia to well understand the determinants of the customer satisfaction and its negative relationship with brand switching intention. They may take these findings into account when setting marketing strategies to differentiate their brands to satisfy the customer needs and wants, to retain the existing customers and to attract new customers. These strategies have a positive effect on the company's customer satisfaction that deter brand switching intention, hence increase the company's competitiveness, market share and profitability.

Keywords: *brand, satisfaction, brand switching, service quality, customer service, service price, value-added services*

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[*] Corresponding Author:
Dr. Mahmoud Abdel Hamid Saleh, Associate Professor, College of Business Administration, King Saud University

1. Introduction

Competition in the mobile telecommunication industry has grown dramatically in the recent years. The growth and competition are not only driven by the number of subscribers but also by the variety of service providers on both global and local levels (Awwad and Neimat, 2010). With respect to the local market of Saudi Arabia, competition can be considered high and intense based on some studies conducted by the Communications and Information Technology Commission in 2010, stating that three mobile-service providers are more than enough to have a continuous effective competition in most cases (CITC, 2010).

Namely, the three mobile-service providers in the Saudi Market are: Saudi Telecommunication Company (STC), Mobily from Etisalat United Arab Emirates, and Zain of Kuwait. Despite the fact that each service provider has a different market share, it is possible to say that all service providers have a considerable influence on the market when it comes to retaining existing customers and attracting new ones. In 2008, when all operators went face to face in the market, the number of subscribers was 36 million, and by the end of 2012 they grew to 53 million, an increase of about 50% in less than five years, increasing the revenues of the communication and information technology in Saudi Arabia by 50% (CITC, 2012).

Taking into account the number of mobile-service providers, it is supposed that customer's brand switching is a bigger challenge for all of the three providers. Brand switching is a result of lacking customer retention (Chadha and Kapoor, 2009). There are many different factors causing brand switching as described by some researchers in different fields. A study conducted in Bahrain revealed that the relationship between customer loyalty and band switching was poor, whereas the relationship between customer satisfaction and brand switching was strong (Almossawi, 2012).

Wahab et al. (2010) focused on the study of service quality from different dimensions of all services provided by the mobile companies based on an empirical investigation made in Jordan and indicated a strong negative correlation when service quality is related to brand switching. In advanced countries which are more oriented towards customer satisfaction and service quality like Germany, lacking customer service is a considerable factor affecting mobile subscribers switching to another brand (Martins, et al., 2011).

What is really important to note is that the majority of studies found that service prices and call rates are the major determinant of brand switching in almost all cases. Narayan and Jain (2011) found that pricing and call rates are always among the factors determining brand switching based on studies conducted in Korea, Finland and India. However, it has been found that these two factors are the most important determinant in Saudi Arabia According to surveys made by the CITC (2010). The study found that pricing and call rate factors are the major reasons for switching to another operator. Value Added Services was considered in a number of research as a determinant of switching, but may not be a major one (Singla and Bansal, 2010).

Basically, this research will mainly focus on investigating the relationship between customer satisfaction and brand switching intention. The study also investigates the association of customer service, service pricing, service quality, and value added services to customer satisfaction. The main objective is to investigate if these factors have a considerable impact on mobile-service customer satisfaction so that the management of the companies can better understand the market and know how to differentiate their brands and at the same time satisfy the needs and wants of mobile-service customers in Saudi Arabia.

2. Literature Review and Research Hypotheses

2.1. Customer Satisfaction and Brand Switching

Customer satisfaction has the largest attention when it comes to customer retention and loyalty. Customer satisfaction is a subjective concept, therefore, it is subject to different interpretations. Customer satisfaction is mainly a mental comparison between expectations and the perceived performance after a specific purchase (Qi, et al., 2012). A study conducted in Korea concluded that customer satisfaction can be considered as an attitude and judgment, meaning that the customer will compare the encounter with the expectations and can have different encounters in different areas of the service leading to dissatisfaction (Lee, 2010).

Therefore, customer satisfaction is considered a positive determinant of how strong is the relationship between the customer and the product provider. Several authors have linked customer satisfaction and customer loyalty together because of the very close relationship between the two variables and dealt with the two concepts as one in some studies (Santouridis and Trivellas, 2010). Actually, one of the models showed that satisfaction leads to loyalty (Santouridis and Trivellas, 2010). Therefore, satisfaction can be considered a more root factor in a considerable number of occasions. Furthermore, dissatisfied customers are more likely to search for what satisfies them in services provided by other competitors and can influence company's revenues more than satisfied customer (Andreson and Sullivan, 1993). In the same line, Chi, et al., 2008

concluded that customer satisfaction is vitally important to the success and profitability for any company. It is considered a part of the company assets and heavily involved in determining the revenue and profits.

Customer satisfaction in the product sector can be measured by the performance of the product and more related to the tangible aspects. However, it is more complicated in the service sector and can be considered a continuous process (Woo and Fock, 1999). The mobile-service is a continuous service which means customers are always in a continuous process of comparing expectations and actual and since it is personal and subjective, it is all about the consumer satisfaction of needs and wants. Min and Wan (2009) identified customer satisfaction as one of the major factors of switching brands and described it as a multidimensional. To be more precise, it is within all services provided by the service firms, therefore, lacking satisfaction in an area of the business could lead to dissatisfaction with the whole service, hence, brand switching.

Based on the previous literature reviews, it is a common saying that customers compare their expectations with the actual product performance. The customers will not be satisfied. They will look for other alternatives, including switching to the competitive brands. The impact of different variables on customer satisfaction has been researched and became an important subject when related to marketing techniques and strategy. In different countries around the world, lacking customer satisfaction induce the customer to change the brand. Therefore, investigating the relationship between customer satisfaction and brand switching has a special concern. Accordingly, the first hypothesis of the study is developed as follows:

H1. Customer satisfaction has a significant negative association with brand switching intention.

2.2. Service Quality

The service quality SERVQUAL instrument has been developed specifically for the service industry as it is very difficult to judge and measure the quality in the service sector (Liao, 2012). Furthermore, service quality is a critical factor in establishing business competitiveness and growth in fierce markets. Saunders and Petzer, 2010 emphasized that service quality is a multi-dimensional concepts and the time dimension has almost the highest weight. In addition, service quality is considered a positive driver for behavioral intentions of leaving, switching or remaining (Saunders and Petzer, 2010). However, other authors such as Rust et al., 1999 and Mittal et al., 1999 consider service quality as a dynamic concept and a service perception so that the encounter may change from one occasion to another, having different effects on customer intention.

Different scales have been used to measure service quality and some of these scales have been criticized, but in general these scales cannot be applied to a specific business (Saunders and Petzer, 2010). What is really important is that customers' scale of service quality differs from one stage to another. A good example of this can be in the telecom industry. When applying for a mobile-service, a customer may focus on tangible aspects such as furniture and physical surroundings, but at a later stage they are more interested in the intangible aspects such as signal coverage and technical support, hence using another scale of service quality.

Service quality a heavily dependent on the quality of functional and technical measures and it has a direct impact on customer satisfaction and behavioral intentions (Khan and Manthiri, 2012). Moreover, quality in the service sector is an overall assessment. It is possible to say that in most of the studies, the most critical factors in service quality are: tangibility, responsiveness, assurance and empathy. These aspects have a significant effect on customers' perception of service quality in the telecommunication sector (Khan and Manthiri, 2012).

Kothari, et al. (2011) see service quality as "differentiation in services" which can be seen as a valid point because if all firms are having the same service quality, customers will not have an intention to switch to other service providers. That is why, quality has a direct relationship in contributing to gain a substantial market share. Crosby, 1979 states that quality is conformance to standards, but this can be quite difficult in the service sector because of the intangibility, heterogeneity and inseparability aspects of the service (Kothari, et al., 2011).

Service quality is not just to attract new customers to the firm's services, but also to retain and maintain existing customers and induce them for further repurchase intentions (Lee, 2010). Koivisto and Urbaczewski, 2004 says that service quality is a broader scope than usability and network performance, it includes various aspects of customer requirements and perceptions, and service providers' offers and deliveries. It has been summarized by Chi, et al. (2008) that the most important characteristic of service quality is to fulfill customers' needs and wants.

When examining previous research and studies; service quality was a major focus to attract and maintain a bigger customer base. If firms can guarantee service quality for customers, then firms are likely to retain and acquire more customers as it is the best way to eliminate uncertainty and gain satisfaction. Accordingly, the second hypothesis of the study is developed as follows:

H2. Service quality has a significant positive association with customer satisfaction

2.3. Service Pricing

The relationship between the price and brand switching is not only related to the objective cost that is the actual cost of the service, but also to the perceived value as judged by the customers (Salvador, et al., 2006). Therefore, the customer is not only judging the price of the service, but also on continuous evaluation of the value of the received service. According to studies conducted in Pakistan, it has been established that brand switching in the mobile-service sector is impacted directly by price reasonability (Malik, et al., 2012). It is possible to say that customers are looking for reasonable and reliable price, of course they expect good quality with reasonable pricing otherwise they will look elsewhere.

Modern studies stress that monetary cost does not always have to be the most important for the customers because the perception of high quality that comes with high prices is still in existence (Salvador, et al., 2006). This means that customers may pay more at a later stage to avoid inconvenience. The type of payment does not have to be money, but it could be time, sacrifice or effort. Price can be considered a product or service attribute and can have direct and indirect effect on behavioral intentions. Researchers have found that there is a positive correlation between price and switching behaviors and that service providers have an important role in managing customer perception of the price fairness (Herrmann, et al., 2007).

The majority of studies was focusing on price decrease and its effect on customer reaction as part of the marketing strategy and the result was obvious. In most of the cases, there was an increase in customer demand and repurchase from existing customers (Homburg, et al., 2005). It is true that a satisfied customer may tolerate some level of price increase, however, the price increase is most likely to reduce retention rate and detract potential customers. Since the price still has the most important influence on customer intentions, most firms focus their strategies on price to compete with each other. In Thailand, all mobile-service providers adopt this strategy because of its effectiveness in acquiring and maintaining customers (Srinuan, et al., 2011).

It is obvious that customers may always compare prices with the level or superiority of services received. To be more precise, customers are judging the value of the service through the price and price decrease or increase can have a huge impact on customer satisfaction and brand switching in the initial stages in particular (Faryabi, et al., 2012). Accordingly, the third hypothesis of the study is developed as follows:

H3. Service pricing has a significant positive association with customer satisfaction

2.4. Customer Service

Based on Woo and Fock, 1999 reviews, customer service is ranked fourth among the factors that cause brand switching. However, that does not mean that customer service has to be given the least attention, inversely, it could be seen as the pivot point in brand switching factors. In other words, if the customer is satisfied and the quality of service is very high, the customers may never need to interact with the company's front office employees. Based on studies from various industries, the human factor is crucial when related to the customer service as the employee has a major impact on the customer experience (Omotayo and Joachim, 2008). Therefore, customer service can be seen as more of a transformation process managed by the front office employee and, and if not managed well, it might lead to dissatisfied customers and brand switching.

The level of customer service does not only affect the customer base of the firm and define its profitability, but also can be a competitive advantage if customer service is superior (Carrick, 2010). Having this competitive advantage is a substantial mean in acquiring and maintaining customers for a longer period of time. On the other hand, some authors have classified customer service among the highest factors affecting switching behavior (Narayan and Jain, 2011). Furthermore, customer service is even considered in the initial stages before selecting a particular mobile-service provider in a lot of occasions.

Most of the authors have reached the consensus that customer service is heavily dependent on service employee actions in dealing with customer encounters. That means, basically, the customers will judge the firms' customer service through dealings with the employees and behavioral intentions can be formulated from this stage (Khan and Manthiri, 2012). It has to be made very clear that customer service is not only concerned with support and solving complaints, but it is also a root factor to cope with customers' requirements directly or indirectly to attract them more to the firm and avoid unnecessary switching while it can be manageable (Al-Zoubi, 2013).

Customer service was seen as a major factor in customer satisfaction which deter switching to another brand. However, in other research it was ranked third or fourth, but it is still a considerable factor. Customer satisfaction, especially in mobile-service sector can be defined by the level of customer service. Accordingly, the fourth hypothesis of the study is developed as follows:

H4. Customer service has a significant positive association with customer satisfaction

2.5. Value-added Services

Value-added services can extend to include the intangible objects like SMS, MMS, WAP, GPRS, music, news, games, video calls, etc. (Santouridis and Trivellas, 2010). However, the variety of these services, the level interface quality, the user's friendly applications, and the regular updates and upgrades are critical measures of the quality of the value added services. Furthermore, the way the firm manages support the value-added services is very important in how these services are perceived by the customers (Wu and Frantz, 2012). A good example of this can be segmented or bundling the service even if one particular service serves the same concept. However, in today's business, it is possible to say that companies without proper value-added services can never survive if mainly relying on the core business.

Some studies have emphasized that value-added services are almost as important as the core business and pricing, and rates of these services should be carefully managed, and customers should have a variety of options (Woo and Fock, 1999). Actually, globalization and high levels of standardization in many industries have forced a lot of companies to compete on different grounds such as value-added services or sometimes called supplementary services. From this point of view, Woo and Fock, 1999 have pointed out that the value-added services might induce customers to switch from one brand to another.

Some researchers may have not given too much concern to the value-added services (VAS), and some others may have not taken VAS at all into account when investigating the switching predictors. However, according to Narayan and Jain, 2011, VAS has been found to be among the highest switching determinants and in some cases it was the second based on studies conducted in advanced countries like Korea. Everywhere, mobile-service is not a unique or distinguishable service, but the collateral benefits and services of VAS are the predictors of which mobile-service provider is the most favorable. That is why, according to statistics, the average number of mobile lines is estimated at 4.6 lines per household in Saudi Arabia. This could mean that customers want to get the most of all mobile-service providers (CITC, 2010).

Overall, almost all of the studies that studied VAS in depth have recommended that mobile-service companies must focus and invest more in VAS as it is a major switching determinant (Chadha and Kapoor, 2009). Moreover, the VAS does not always have to be the same among different regions of the country as customers' needs can differ substantially in some cases.

VAS has been found to be significant to almost all customers and companies with the appropriate VAS materials can attract more customers and retain others. A study made in Korea revealed that customers did not only focus on the reliability of the VAS but also the contents and its relevance to their preferences in general (Choi, et al., 2008). From these studies, it can be established that VAS is considered one of the key factors in customer satisfaction and switching. Accordingly, the fifth hypothesis of the study is developed as follows:

H5. Value-added service has a significant positive association with customer satisfaction

3. Research Method

Based on all of the previously mentioned studies, the researchers are investigating the relationship between the customer satisfaction and brand switching intentions as well as the association of service quality, customer service, service pricing, and value-added services with customer satisfaction. The logic of this is that each of service quality, customer service, service pricing, and value added services affect the customer's overall customer satisfaction. Hence, the customer's overall customer satisfaction is the direct variable affecting brand switching. Therefore, the researchers can build the study model depicting five relationships as shown in figure 1.
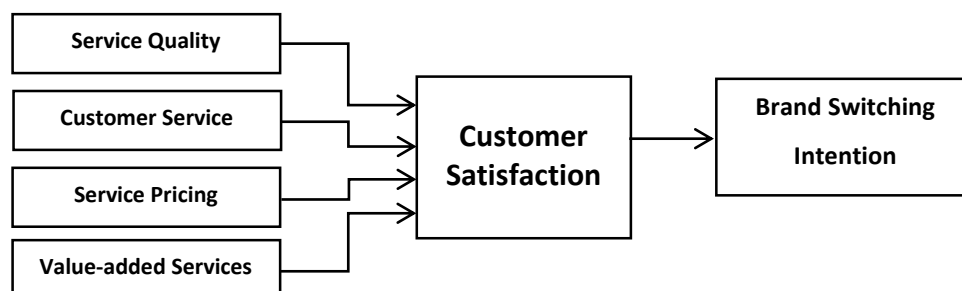
Figure 1. The proposed research model

4. Data Collection Instrument and Process

To measure the study variables: customer satisfaction, service quality, customer service, service pricing, value added services, and brand switching, a five-point Likert scale was used. The questionnaire was mainly adapted from the study of Wahab, et al. (2010). This study has identified more than seven determinant variables affecting switching. The most previous deeply studied variables were only selected to be studied in the current research. A scale ranging from "5" strongly agree to "1" strongly disagree was used in all of the questions as a step toward hypotheses testing.

In this study, a convenience sampling method has been used. Basically, the population or sampling unit was customers who are currently using the mobile services in Saudi Arabia from all of the three mobile-service providers. The questionnaire that prepared for measuring the data variables was distributed by emails and other social media networks. Google drive was used for that purpose son that no hard copies were distributed. The respondents were not selected since almost everyone has a mobile phone operated by one of the three mobile-service providers. The questionnaire was written in Arabic and English to ensure clarity and to encourage participation of those who do not speak Arabic.

350 questionnaires were completed and the sample characteristics show that 60% are STC customers, 34% Mobily customers and the remaining 6% of customers are for Zain. Also the female respondents represent almost 30% of the sample taken. When looking at the other demographics, it is possible to establish that about 60% of the respondents is aged between 25–35 years old.

In general the sample taken was very realistic and reasonable and has credibility and very low level of survey errors. A good example of this credibility in completing the questionnaire can be seen in the demographics when looking at respondents who are aged less than 25 years, student and with a monthly income of less than 5,000 Riyals, it is clear that the percentage of all of them are about 20% meaning that questionnaires were completed as appropriate and up to the required standards to have a well-balanced accurate sample. This rule can also be applied to respondents aged 46 and above and the monthly income of 35,000 riyals and above.

5. Validity and Reliability of the Survey

SPSS version 21 was used to test the validity and reliability of the survey as follows:

5.1. Validity Testing

To test the validity, factor analysis has been used to identify suitable variables' related items as shown in table 1. The loading coefficient for every individual item should have a factor loading benchmark of 0.50 or more to be accepted (Churchill, 1979). Table 1. shows all of the items have coefficients of 0.50 and more with the exception of four items "highlighted in gray". All of these four items which do not meet the criteria of 0.50 benchmark have been excluded from statistical reliability and analytical analysis of the hypotheses testing. Based on our findings in table 2., and usage of principal extraction and Varimax rotation methods, validity testing findings for the study instrument established high loading coefficients.

Table 1. Factor loading of measured items

#	Items	Component					
		Service pricing	Service quality	Customer service	Value-added services	Customer satisfaction	Brand switching
1	Local call rate inside the network of your Mobile- service provider is high.	.749	-	-	-	-	-
2	Local call rate outside the network of your Mobile-service provider is high.	.833	-	-	-	-	-
3	International call rates are high.	.743	-	-	-	-	-
4	The calls often get dropped off.	-	.752	-	-	-	-
5	The coverage of the Mobile Operator Network is weak compared to other Mobile Operators Networks.	-	.806	-	-	-	-
6	The weak coverage of the mobile network operator in the highways between KSA cities.	-	.766	-	-	-	-
7	When you visit the company's offices, you wait for a long time.	-	-	.692	-	-	-

8	When you visit the company's offices, the employee in charge will not welcome you in an appropriate manner.	-	-	.672	-	-	-
9	When you contact the customer service, rarely the employee in charge will answer you.	-	-	.686	-	-	-
10	When you contact the customer service, your problem will not be solved.	-	-	.687	-	-	-
11	The Value Added Services are weaker than the services provided by other Mobile Operators in KSA.	-	-	.609	-	-	-
12	I cannot easily identify the value added services provided by my Mobile Operator Company.	-	-	-	-	-	-
13	The services are fluctuating in prices and performance.	-	-	-	.614	-	-
14	The value added services provided by my Mobile operator do not satisfy my ambition.	-	-	-	-	-	-
15	Your current service provider meets all your pre-purchase expectations.	-	-	-	-	.574	-
16	You are overall satisfied with your service provider.	-	-	-	-	.684	-
17	You want to continue with the current service provider.	-	-	-	-	.687	-
18	If you wish to have one more connection, you would prefer your current service provider.	-	-	-	-	.613	-
19	You would continue with the current operator even if other cellular companies provide cheaper connections.	-	-	-	-	.636	-
20	You would recommend this service provider to your friends/relatives.	-	-	-	-	.758	-
21	In case you decide to switch from one Mobile Operating Company to another because the former lack a special service (For example, Internet service), did you experience that the former Mobile Operating Company approached you and tried acquire you through.	-	-	-	-	-	-
22	After discussing the previous points, do you have an intention, within one year from now, to switch from your mobile operator company to another one?	-	-	-	-	-	.882
23	I will order more services from current service provider in the future.	-	-	-	-	-	-
24	I will never ever switch my service provider under any situation.	-	-	-	-	-	.757

5.2. Reliability Testing

To test reliability, internal consistency method "Cronbach's Alpha Coefficient" was used as shown in table 2. According to Malhotra, 2007 all Alpha coefficients must exceed the minimum accepted value of 0.60 and as shown in table 2, all variables have shown Alpha coefficient of more than 0.6. In general, it has been established that reliability testing for all of the five variables is at an acceptable level.

***Table 2.** Reliability of study variables*

Variables	No. of items	Reliability (Cronbach's Alpha)
Service pricing	3	.779
Service quality	3	.763
Customer Service	4	.774

Value-added Services	2	.610
Customer satisfaction	6	.798
Brand switching	2	.794

6. Findings and Hypotheses Testing

6.1. Descriptive Findings: Distribution of Times of Brand Switching

Based on the survey, table 3 shows that 129 customers (37%) have switched their mobile-service brand once and 53 customers (15%) have switched twice or more. On the other hand, 168 customers never switched from their brands representing about 48% of the research sample.

Table 3. Times of mobile-service brand switching

Description	Frequency n=350	Percentage
Times of switching		
Not once	168	48%
Once	129	37%
Twice or more	53	15%

6.2. Hypotheses Testing
6.2.1. Testing of H1

H1 states that customer satisfaction has a significant negative association with brand switching intention. To test this hypothesis a simple linear regression has been used as shown in table 4. The table shows a weak R^2 with a value of 0.04 which implies that switching intention is explained by 4% of the customer satisfaction. The table also shows that F value equals 13.073 with significance level of 0.00. As the significance level is less than 0.05, this indicates the significance of the association between customer satisfaction and brand switching intention. Since B (the slope coefficient of customer satisfaction) equals -0.109, this indicates a negative association between customer satisfaction and brand switching intention. As the customer satisfaction increases, the brand switching intention decreases. This result matches the results of Almossawi (2012).

Table 4. H1 Testing (Simple regression)

Model	**R**	**R^2**	**B**	**F**
Customer satisfaction	.196	.038	-.109**	13.073**

Note: ** Marginally significant at the $p \leq 0.05$ levels.

6.2.2. Testing of H2, H3, H4, and H5

H2 states that service quality has a significant positive association with customer satisfaction. H3 states that customer service has a significant association with customer satisfaction. H4 states that service pricing has a positive association with customer satisfaction. H5 states that value added service has a positive association with customer satisfaction. To test these hypotheses a stepwise multiple regression has been used as shown in table 5. The table shows that three factors out of four cumulatively explain the change in the customer satisfaction by 28.4%. Customer service contributes to 22% versus 5% for the service pricing, and only 1% for the service quality. Value-added services show no significant association with the customer satisfaction. In this case, H5 should be rejected. One reason might be explaining our findings are that all three mobile service providers in the Saudi market are offering the same package of value added services. In such a case, the customer evaluation of value-added services will not significantly affect the customer's customer satisfaction. Table 5. Also, shows the slope of coefficients for the three accepted hypothesis, indicating a positive association between each of customer service, service pricing, and service quality on one hand and customer's customer satisfaction on the other hand. As any of the three factors increase the customer satisfaction will increase, therefore, the brand switching intention will decrease as proved in H1. Accordingly, H2, H3, H4 are accepted and H5 is rejected.

Table 5. H2, H3, H4, and H5 Testing (Stepwise multiple regression)

Model	R	R^2	B	F
Customer service	.472	.223	.275**	93.945**
Service pricing	.523	.274	.200**	61.645**
Service quality	.532	.284	.083**	43.006**

Note: ** Marginally significant at the $p \leq 0.05$ levels

7. Discussion and Managerial Implications

The purpose of the study is to investigate the relationship between the customer satisfaction and brand switching intention into the Saudi Arabian mobile-service market as well as the association of service quality, customer service, service pricing, and value-added services with the customer satisfaction. The results demonstrated a negative relationship between the customer's customer satisfaction and brand switching intention. This result matches the study result of Chi, et al., 2008 that when one company provides something that others cannot provide then customers might be induced to switch.

Accordingly, the more the consumer is satisfied with the brand, the less he will have the intention to switch to another brand. The customer satisfaction explains only about 4% of the chance in brand switching intention. The trivial effect of customer satisfaction on brand switching intention can be attributed to the similarity of services and prices presented by the three mobile service providers in the Saudi market. However, this inverse relationship demonstrates that marketers should work on the customer satisfaction to retain their customers and attract more consumers to deal with them.

Three factors affect positively on customer satisfaction. These factors are: customer services, service pricing, and service quality. Service quality is the most important factor that affects customer's customer satisfaction. It accounts for about 22% of change in customer satisfaction. Marketers have to consider the importance of this variable in affecting the customer satisfaction and retention in setting marketing strategies. Each of service pricing and service quality accounts for about 5% and 1%, respectively, meaning that those two variables are less important compared to customer service in influencing the customer's customer satisfaction.

As a result, managers need to restructure their differentiation and positioning in a competitive way, focusing on innovation and creativity in terms of customer's customer satisfaction. They must invest more in RandD to improve the customer satisfaction by doing marketing research to discover the determining factors of customer satisfaction. They must invest heavily in customer service starting by hiring competent staff and training them and also creating customer service programs. Mobile companies in Saudi Arabia can benefit from ideas from other sectors to better retain customers. A good example of this is to adopt the loyalty programs provided by reputable leaders in the hotel industry by benchmarking because benchmarking does not necessarily have to be from the same industry (Heizer and Render, 2008). Furthermore, mobile service providers need to understand and fulfill customers' needs. With the current substantial advancement in technology and globalization, customers' expectations and demands grew fast, new and different. That is why these days mobile phones are not only to make phone calls but also for many other uses and these uses have to be supported by good networks and attractive prices.

Pricing and service quality are weak factors in this study. What really aggravate and frustrate customers is when the call rate (service pricing) is high, service quality is low. Based on the findings of this study, 60% of the respondents were STC customers, but when it comes to satisfaction, the biggest share is unsatisfied. That could mean customers are not happy about the service, but they have to sacrifice and expecting something in return such as coverage or convenience. Therefore, it is recommended that mobile companies invest further in service quality and reduce service prices to attract and retain customers.

Based on data findings, there is a potential switching behavior about 52%, which is a relatively high percentage and keen managers can benefit from this point by providing suitable grounds for this portion by different means around the discussed hypotheses. Brand switching is at a static status at the moment, but when the incentives are there, brand switching will be volatile. In this regards, mobile companies must not neglect awareness campaigns and advertisements to educate customers and inform them of the existing and expected services, prices, technical issues, rights, and obligations as a critical step in customer's overall customer satisfaction. They might also build a strong relationship between customers and service providers.

8. Limitations and Future Research

This research examined the customer satisfaction and brand switching behavior from the perspective of mobile service customers. However, the study did not explore nor examine the perspective of mobile service providers. Therefore, the finding of the study should be read and understood this way. Future research may compare between the perspectives of both the customers and service providers or look for the other 96% determinants of brand switching. Besides, depending on a convenience sample and collecting data online may affect the sample's representation of the research to the Saudi market of mobile service customers' universe and hence the data accuracy and the results of this research.

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Loyal Employees.
A Key Factor in the Success of a Company

Alexandra VINEREAN[*]

Lucian Blaga University of Sibiu

The most important asset of any business is its employees. Given this fact, normally, every business should have a solid plan to make sure that its employees are satisfied professionally and are loyal to the company. Unfortunately, this is usually not the case. Many companies believe that if they have an excellent product or service that generates high incomes and employees should be content. Generally, employers try to guarantee that its employees will not leave by offering them different benefits, trainings and great compensation. But is that enough to ensure loyalty among staff members? According to different statistics: each year the average company loses 20-50% of its employee base, replacing a lost employee costs 150% of that person's annual salary. These numbers highlight how important the retention and engagement of the employees are for the profitability of a company.

Keywords*: employee loyalty, employee satisfaction, business development, employee engagement.*

JEL Classification*: M31, M21*

1. Introduction

Usually, the majority of business leaders are unconscious of the crucial part of the organizational loyalty because they believe that if they have a good product, they can achieve the expected result in the old manner. However, they are wrong. The lifetime contract expired a long time ago, and people are becoming more and more loyal to their careers, not their employer. This is not an unusual thing: people change, their needs expand, and the market is in a continuous development.

Thus, in this situation, there are two parts: (i) the employee whose loyalty is hard to earn, but who does not want to change jobs every two or three years for his/her entire career, and (ii) the companies that focus on the cost regarding the recruitment process and try, in a way or another, to constrain the employees with different contractual clauses. Because the cost of replacing employees is so high, and many of them do not stay with the same company for long time, employers can find a way to turn these facts around, making these difficulties a strength. They have to realize that a happy employee means greater profits and positive business outcomes. The solution to these problems is to connect the employee emotionally to the business (and usually this means more than a great salary, trainings or different other forms of compensation) and to make

him/her feel appreciated and valuable to the company. It is clear that generally, employees are motivated by the financial part, but in the long term, this aspect seems to become secondary. So, companies should threat the engagement of employees more seriously, just like they manage other areas of their business because this can influence the company only in a positive sense.

The principal objective of a company can only be achieved when employee loyalty can be established. It often happens that the employer expects or demands from its employees to be faithful, but fails to provide an adequate atmosphere at work; such efforts to achieve loyalty do not always succeed. The principal aim of creating the right environment of employee loyalty is to create a situation in which the personnel will become committed, accept all the responsibilities and pursue them. In order to achieve that wanted employee loyalty in the enterprise; managers must take good care of employee by using different tactics which will make them feel that they have a special role in the company. A sense of belonging is associated with tenacity and accepting the objectives and values of the organization and it is accompanied by the employees' enthusiasm and engagement to the efforts.

It is clear that employee loyalty can contribute to a better efficiency, better outcomes, company growth, reduced employee turnover, etc. (Meyer and Allen 1997; Antoncic and Hisrich 2004). Loyal employees also have a big role in the creation of the image that the company promotes (to his customers, stakeholders) (Meyer and Allen, 1997). The faith of staff members in the organization defines the employee welfare at work and satisfaction with work (Mayer, 1999). Internal service quality can influence employee satisfaction, employee loyalty and productivity (Heskett et al., 1994). Employees have a key role in achieving the internal quality of service in the enterprise and therefore for the business outcomes of the enterprise.

2. Employee Loyalty in Organizations

The first step in resolving a problem is to identify it first. Therefore, it is crucial for a company to know what problems it has in order to solve them.

Organizations can lose good employees for a variety of different reasons: people may feel unvalued, poorly managed or tired. Managers who want to preserve their experienced and motivated staff members need to do and be aware of what it requires. First, they should let people know they are valued. Then, they have to be able to present the advantages offered by the company, different opportunities, benefits, which involves knowing what matters for each employee. Finally, employers have to understand or find out the real reason why people usually resign in order to prevent this sort of situation (Bottger and Barsoux, 2013).

When trying to find out how loyal certain employees are, a company's management must take into account two aspects: how they feel working for the company and what expectations they have (salary, career development). Staff members whose performance is important for the enterprise should know just how strongly they are valued. In order for this to happen, they need to be informed of their crucial part in their department. Companies usually want to retain great personnel, but in order for this to happen it is necessary to know the employees' desires, respectively, they need to feel that their capabilities are fully utilized (they need to feel they are appreciated for what they are and do in the enterprise) and they need to have superiors who are eager to help them improve and grow in the enterprise (Bottger and Barsoux, 2013).

A situation when the company needs to get involved is in the phase of burnout, respectively, the employee loses interest and enthusiasm for the job and stops being motivated to improve his/hers work. Any staff member can experience job burnout. Thus, research has shown that having a job with high demands and few support from superiors can increase the appearance of this difficult situation. So, in order for this not to happen, managers should assure the employee a competitive environment, but without so much stress.

The American Institute of Stress (2015) defines burnout as "a disabling reaction to stress on the job". Aside from being painful for employees, burnout is very expensive for the nation and extremely common among employees. Since burnout has such a big impact for the company and the staff, many employers make it a priority not to overwork their employees. They consider that these over-hours are the principal cause in employee burnout, but this is not always the case. There are a few exceptions when the employee gets depressed or simply does not want to do the same thing every day and needs a break; also another aspect that generates the appearance of the burnout is the lack of recognition from the superiors.

Confronting such situations demands two approaches from the managers: intervention and prevention. It is clear that is better to prevent a problem, than to fix it. So, a manager should know when to interfere in order to prevent this situation by paying attention to the personnel's needs and expectations, and also to pay attention and offer them the chance to new professional opportunities.

The loyalty of employees is harder to achieve than employee satisfaction. One major reason for this aspect is the fact that employee satisfaction is important for both a company's management and the personal, whereas the interest for employee loyalty is usually expressed or demanded unilaterally by the employer. Nonetheless, employee loyalty can be developed independently, mostly on the basis of job satisfaction. Therefore it is unreasonable to encourage employees directly to be loyal, as this may cause the opposite effect. For this reason, we develop in the following sections, two additional concepts related to employee loyalty, namely employee engagement and employee satisfaction.

3. Employee Engagement

It is not clearly specified when the term "engagement" was first used in combination to work, but generally the Gallup Organization is credited for coining the term in the 1990s. In their book "First, break all the rules", Buckingham and Coffman (1999) summarized the survey results that Gallup had obtained since 1988 on "strong work places" of over 100,000 employees. Employees' perceptions were evaluated with a "measuring stick" consisting of 12 questions. This instrument became known as the Q12, Gallup's engagement questionnaire. Also, the concept engagement is frequently used in the works of Buckingham and Coffman (1999) who highlight aspects related to leadership and the world's greatest managers who did things differently and focused more on their intern customers (Schaufel, 2013).

Moreover, people are more eager to make special efforts if they feel they will be protected and rewarded in a way that is significant for them. Staff members need do feel part of the company because they are emotionally engaged when they think that their work helps the development of the enterprise and that they have the chance to learn and evolve in that particular organization. Work engagement is an affective-motivational, work-related state of accomplishment in employees that is represented by dynamism and dedication (Schaufeli and Bakker, 2004; Xanthopoulou et al., 2009). The good part about engaged staff is that they have high levels of energy, are excited about their work, and they are deeply involved in their job in a manner that their eight hours at work flies (Xanthopoulou et al., 2009).

Harter et al. (2002) concluded in their study that employee satisfaction and engagement are strictly related to meaningful business outcomes at a magnitude that is important to any organization and that these correlations generalize across companies. Other studies suggest that employee engagement could be a powerful factor of organizational performance and success, as it seems to have a relevant potential to affect employee retention, their loyalty and productivity (Andre and Sofian, 2012). Also, engaged employees are the most productive, the best team players, and the most dedicated and devoted to organizational goals (Lee, et al., 2012).

In business, employee engagement is defined as a blend of three existing concepts (1) job satisfaction; (2) commitment to the organization; and (3) extra-role behavior, i.e. discretionary effort to go beyond the job description (Schaufeli, 2013). On the other hand, Kahn (1990, p.694) defined personal engagement as the "harnessing of organization members' selves to their work roles: in engagement, people employ and express themselves physically, cognitively, emotionally, and mentally during role performances".

In terms of a multidimensional approach, Saks (2006, p.602.) stated that employee engagement is "a distinct and unique construct consisting of cognitive, emotional, and behavioral components that are associated with individual role performance". Moreover, Saks (2006) distinguishes between "job engagement" (performing the work role) and "organizational engagement" (performing the role as a member of the organization).
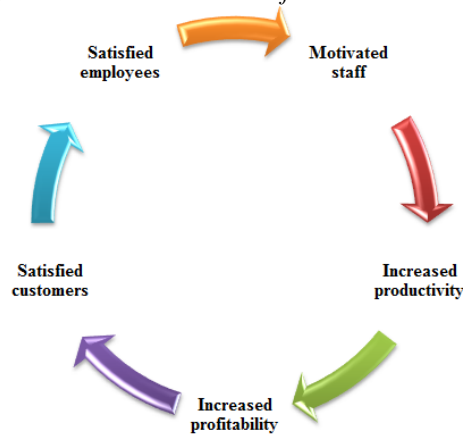
4. Employee Satisfaction

Enterprises are frequently looking for new possibilities to make their employees happy and faithful, while sustaining a low turnover rate. Employee satisfaction can be improved when the focus is on value co-creation of social and sustainable practices (Bhattacharya et al., 2007).

When talking about employee satisfaction, it is crucial for a company to create a work environment where staff members have a word to say in the decision making process in order for them to feel a sense of satisfaction, in general and for achieving their daily activities, in particular (Vinerean et al., 2013).

The need for internal satisfaction of employees, as well as for their retention and loyalty, encourages organizations to treat employees as customers and therefore to treat jobs as an important tool in increasing employee satisfaction (Berry, 1981). Also, enterprises need to look for different practices to motivate the personal to remain in the company for a long time.

The focus upon employee satisfaction within these new approaches to employee management can largely be attributed to the fact that in internal marketing and particularly in marketing of services much of what customers buy is labor, or human acts of performance (Ahmed and Rafiq, 2002). Consequently, attraction of the best personnel, their retention and motivation becomes of critical importance. Hence the importance of employee satisfaction particularly in terms of services company. To illustrate the links between customer satisfaction and employee satisfaction in internal marketing, figure 1 adapts the knowledge proposed by Ahmed and Rafiq (2002).

Figure 1. The vicious circle of internal marketing

Source: Adapted from Ahmed and Rafiq, 2002, p. 110

Internal service quality can influence employee satisfaction, employee loyalty and productivity (Heskett et al. 1994). Employees are key to achieving the internal quality of service in the company and hence for the business results of enterprises. Moreover, employee satisfaction tends to affect employee loyalty and productivity (Heskett et al., 1994).

5. Conclusions

Business growth is an important element of business performance and is based on the performance of employees. Employee loyalty can be important for growth of the company. Employees are critical for the obtaining the targeted internal quality and consequently for business performance of organizations. Business performance achievement is strictly related to the quality of employees, their competencies, loyalty and engagement. For increasing employee loyalty, it is important that employees find in their daily work different challenges, interests and accomplishments. The way managers treat their staff member is conclusive in determining if employees will become an integral part of the company, or not.

In this line of ideas, internal marketing is a great solution for organizations. The internal marketing concept specifies that an organization's employees are its first market. 1991). In fact, Kotler (1994) defines internal marketing as 'the task of successfully hiring, training and motivating able employees to serve the customer well'. The aim of internal marketing, which was first proposed in the middle of the 1970, is to achieve consistent service quality – a major problem in the services area. Its fundamental premise was "to have satisfied customers, the firm needs also to have satisfied employees", and this could only be achieved by treating your employees as associates or customers.

Any organization that uses internal marketing can facilitate the implementation of its external marketing strategy or any other organizational strategies. Nevertheless, despite nearly 25 years of development, the concept still does not that get the necessary attention from managers. The reason for this is that the concept is not clearly understood by the employers (Ahmed and Rafiq, 2011).

Contrary, various studies emphasize that satisfied employees are extremely motivated, have good morale and tend to work more effectively and efficiently (Eskildsen and Dahlgaard, 2000). They are also more likely to try to improve themselves and the quality of their job. Therefore, employee satisfaction influences the process of quality. The quality of the process, in turn, determines the cost savings and customer satisfaction.

Thus, from a theoretical and managerial perspective, it is crucial to identify the drivers of employee satisfaction, to monitor satisfaction continuously and to take the right measures to foster satisfaction and

loyalty (Matzler and Renzl, 2006). It is important that a staff member trusts his superiors (because trust is a strong driver for employee satisfaction, as in consequence for employee loyalty), but have focused principally on trust in management (Rich, 1997) or faith in leadership.

In conclusion, any manager should understand that employee engagement is critical for the success of a business because staff members contribute to the bottom line, while doing work tasks and having a direct impact on consumers (whether they are back-office or front-office) (Vinerean et al., 2013). So, the solution is to invest in the development of the employees by offering them different benefits, opportunities, support and a pleasant environment. Based on Ahmed and Rafiq's (2002) internal marketing assumptions, employee satisfaction can be increased by using marketing tactics for the internal customers and discovering ways in which they can feel engaged in their workplace and how they co-create sustainable value.

Notwithstanding, the loyalty of employees exists for a particular company when employees believe in the objectives of the company, accept a company's objectives as their own, and want to stay in the company. Managers should be aware of the importance of the role of employees for the development of the company. The way of managing employees can be crucial for the way employees talk about the company to their friends and to the organizational external environment. Most importantly, employee loyalty is a key element for the overall performance of the company and its relationship to overall satisfaction of employees, because employee loyalty cannot be directly affected by management, but more through building of satisfaction elements.

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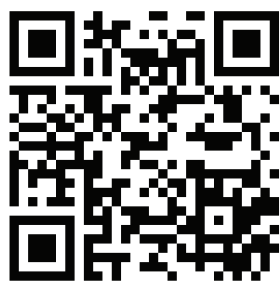
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