Antecedents of consumers’ brand loyalty for high-technology products

By
Ng, Ching Yee
M.B.A.

Submitted to The University of Newcastle for the Degree
Doctor of Business Administration

July 2015
The thesis contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. I give consent to the final version of my thesis being made available worldwide when deposited in the University’s Digital Repository**, subject to the provisions of the Copyright Act 1968.

**Unless an Embargo has been approved for a determined period.

____________________
Ng, Ching Yee
Abstract

This study explores the impact of antecedents of brand loyalty in the Hong Kong high-technology product market. Building strong brand loyalty in today's competitive marketplace has been a core and challenging objective for many high-technology companies. Herein, a novel relationship between brand loyalty for high-technology products and its antecedents is advanced. Data was collected using an online survey and a sample of 200 Hong Kong smartphone users aged 18 years old or above. Findings confirm that customer satisfaction mediates the relationship between service quality and attitudinal loyalty, and at the same time affects attitudinal loyalty directly. In addition, results show that repurchase intention is affected by attitudinal loyalty and that brand trust plays a critical role in building attitudinal loyalty and repurchase intentions. Consequently, important theoretical and managerial implications are provided for researchers and practitioners in the field.
# Contents

Abstract .......................................................................................................................... v

Contents .......................................................................................................................... vii

List of Figures ................................................................................................................... x

List of Tables .................................................................................................................... xi

Acknowledgements ........................................................................................................ xiii

CHAPTER 1 INTRODUCTION ......................................................................................... 15
  1.1 Research Background ............................................................................................... 17
  1.2 Research Problem ..................................................................................................... 20
    1.2.1 Study of Loyalty ................................................................................................ 22
    1.2.2 Service Quality, Customer Satisfaction and Attitudinal Loyalty ................. 24
    1.2.3 Customer Satisfaction, Attitudinal Loyalty and Repurchase Intention ....... 26
    1.2.4 Service Quality, Brand Trust and Attitudinal Loyalty ............................... 28
    1.2.5 Brand Trust and Repurchase Intention ......................................................... 31
    1.2.6 Summary .......................................................................................................... 31
  1.3 Aim of Study and Research Question ...................................................................... 32
  1.4 Contributions .......................................................................................................... 34
    1.4.1 Theoretical Contributions .............................................................................. 35
    1.4.2 Managerial Contributions ............................................................................. 37
  1.5 Research Methodology ............................................................................................ 38
    1.5.1 Sample and Sampling Method ...................................................................... 38
    1.5.2 Instrument ...................................................................................................... 39
    1.5.3 Data Analysis .................................................................................................. 41
  1.6 Limitations ................................................................................................................ 42
  1.7 Outline of the Report ............................................................................................... 43

CHAPTER 2 LITERATURE REVIEW .............................................................................. 45
  2.1 Service Quality, Customer Satisfaction and Attitudinal Loyalty ...................... 46
  2.2 Customer Satisfaction and Attitudinal Loyalty ................................................. 51
  2.3 Attitudinal Loyalty and Repurchase Intention ..................................................... 56
    2.3.1. Two Aspects of Loyalty .............................................................................. 57
    2.3.2 Why Attitudinal Loyalty was Chosen in the Study ................................... 60
    2.3.3 Repurchase Intention and Its Relationship with Attitudinal Loyalty ... 63
List of Figures

Figure 1.1 Proposed conceptual model .................................................34
Figure 2.1 Proposed conceptual model ..................................................46
Figure 2.2 The proposed conceptual model with hypotheses ....................76
Figure 3.1 Path diagram of confirmatory factor analysis .........................99
Figure 3.2 Path diagram of confirmatory factor analysis for the study ........100
Figure 3.3 Statistical diagram of the first mediation analysis ..................104
Figure 3.4 Statistical diagram of the second mediation analysis ...............105
Figure 4.1 Scatterplot for repurchase intention as dependent variable ......124
Figure 4.2 Normal plot of regression standardised residual for repurchase
intention as dependent variable .........................................................125
Figure 4.3 Scatterplot for repurchase intention as dependent variable ......126
Figure 4.4 Normal plot of regression standardised residual for repurchase
intention as dependent variable .........................................................127
Figure 4.5 Statistical diagram of the mediation model A .......................130
Figure 4.6 Statistical diagram of the mediation model B .......................132
List of Tables

Table 4.1 Description of the respondents ................................................................. 109
Table 4.2 Current smartphone brand in use ............................................................... 110
Table 4.3 Reliability test results .................................................................................. 112
Table 4.4 List of items for service quality ................................................................. 112
Table 4.5 Mean, standard deviation and Cronbach’s coefficient alpha for
   service quality ......................................................................................................... 113
Table 4.6 List of items for brand trust ...................................................................... 113
Table 4.7 Mean, standard deviation and Cronbach’s coefficient alpha for
   brand trust ............................................................................................................ 114
Table 4.8 List of item for customer satisfaction ....................................................... 114
Table 4.9 Mean, standard deviation, and coefficient alpha for customer
   satisfaction ............................................................................................................. 115
Table 4.10 List of item for attitudinal loyalty ............................................................ 116
Table 4.11 Mean, standard deviation and coefficient alpha for attitudinal
   loyalty .................................................................................................................... 116
Table 4.12 List of items for repurchase intention .................................................... 117
Table 4.13 Mean, standard deviation and coefficient alpha for repurchase
   intention ................................................................................................................ 117
Table 4.14 Factor analysis results ............................................................................. 119
Table 4.15 Regression analysis results with attitudinal loyalty as dependent
   variable .................................................................................................................. 122
Table 4.16 Regression analysis results with attitudinal loyalty as dependent
   variable .................................................................................................................. 123
Table 4.17 Regression analysis results with repurchase intention as dependent variable .................................................................124

Table 4.18 Regression analysis results with repurchase intention as dependent variable .................................................................126

Table 4.19 Regression analyses results for Model A .................................................................129

Table 4.20 Regression analyses results for Model B .................................................................131

Table 4.21 Summary of analysis results for reliability test and regression analysis .................................................................133

Table 4.22 Summary of hypothesised findings .................................................................133
Acknowledgements

I would like to express my deepest gratitude to my supervisors, Dr Ameet Pandit and Dr Sonia Vilches-Montero, for their excellent guidance and patience throughout my dissertation preparation at the University of Newcastle. Their advice on my dissertation and the support they granted to me have helped me a lot in getting through the process. In addition, I am heartily thankful to my husband, John, who has given me a lot of support for my study. This dissertation would have simply been impossible without them.