

## **UNDERSTANDING THE LOYALTY BEHAVIOR OF POSTGRADUATE GSM USERS THROUGH PERCEIVED VALUE-IN-USE**

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**Abstract:** Of recent, GSM value delivery, exploration and satisfaction has continued to be catalyst for customer behavior and also pivotal to business success. This study investigated value-in-use and how it influence customer loyalty of GSM. Adopted questionnaire method, 448 post graduate students were survey and analyzed, Pearson product moment correlation coefficient and multiple regression were used for analysis. The findings revealed that hedonic, emotional and social benefit/value were positive and significant in driving and customer loyalty (intention to use and referral). We therefore concluded that through customer enjoying hedonic, emotional and social values in use context, can influence customer loyalty. The study recommends that GSM operators should be proactive, to learn changing customer value, then position, segment and target the market based on their various values-in-use so as to get the best loyalty and satisfaction.

**Keywords:** value-in-use, customer loyalty, hedonic value, emotional value, social

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### **Introduction**

With more invention of sophisticated attributes of Mobile phone and mobile services, operators and consumers alike, are becoming more eager and conscious of the value and benefit derive in daily usage. Mobile innovative technology provide so many content and context values in Mobile phone services which has changed world culture from mere „Desk knowledge search“ to a handheld and roam knowledge search“. Though, the full value benefit of advent of mobile phone and mobile service is yet to be fully harness by users as more and more benefits are to be explored. With the help of these; the personal digital assistance (PDA), Cellular, Smartphone, Android phones, black Berry, as the devices that help in the retrieval of services from service operators and customers, service value has widely shifted from traditional /core communication value to a more situational, context and content base value, as different consumers now use mobile services for different value perception-entertainment, route, travels ,weather forecast, financial, e- payment and ticketing ordering (location / global positioning system (GPS), yellow pages and schedule. This has made telecom operators, mobile phone and consumer to be more concerned with value issues. In Nigeria, customers are in habit of frequently changing phone in quest for better value. The benefit reason for customers using /buying mobile phones/ mobile service is not well known as the understanding would help the firm and policy makers. The mobile market has attended matured market as such devising value to win and keep customers is a serious challenge since operators virtually offer undifferentiated services.

Customer loyalty is a desirable pursuit for all firms, because it accrues to firm less selling cost, higher profit, steady flow of customer life time value and better customer relationship management. Firms always are challenged to develop and maintain customer loyalty. But retaining customers require frantic effort to achieve, and understanding of what and how customer really perceive value benefit

and delight at very critical use situation of mobile service (Woodruff and Flint, 2006) and is a key success factor. At the introductory stage of the mobile industry most studies have focused on factors influencing choice and patronage (e.g. Ogwo and Igwe, 2012) with less on what customer perceive value/ benefit from GSM use situation. An answer to the question; (what do you value or benefit from using GSM? Or what will say your GSM helped you solved, or what problem you would have entered without your handy use GSM?) Will show an all-encompassing nature of value people get. The type of value experience of location, time, emotion and pleasure customer perceive is worth explanation (Heinonen, 2004), as there is still insufficient conceptual model to predict and analysis behavior use in mobile service (Dey *et al*, 2001). Traditionally in construct, few research relates value to predict behavior (Sweeney and Soutar, 2001; Woodruff, (1997). However, most of the researches could not account for the growing youth Nigerian market, or show a robust measure and carter for diversity of need and values of customer that exist in mobile services today. Thus, the purpose of this study is to analyze the influence of some value dimensions (conditional, emotional and social) of youth market on customer loyalty of mobile phones.

### **Hypotheses**

We undertake to state in null form since our study is more of exploratory perspective view in Nigeria market.

Ho<sub>1</sub>: Customer who enjoys hedonic value has no propensity to be loyal to their GSM.

Ho<sub>2</sub>: Customer who enjoys social value has no propensity to be loyal to their GSM.

Ho<sub>3</sub>: Customers who enjoy conditional value have no propensity to be loyal to their GSM.

### **Theoretical foundation**

To date several theories support this work and mobile phone use and e.g. innovation diffusion (Roger, 2003) perceive value and consumption theory (Sheth *et al.*, 1991) and the most widely used Technology Adoption Model (TAM) (Davis *et al* 1989). TAM has been severally expanded to even include emotion, social, perceived value and use (Nysveev *et al.*, 2005) as this carted for its earlier critics of few factors. TAM posits that to explain the adoption of technology is a function of multiple factors especially its usefulness and value. We support and concentrate on the theory of perceived value and consumption value (Sheth *et al.*, 1991) which seek evaluation context of usage experience of the various value, utility received and created in this case every mobile service use situation.

### **Perceived Value in use**

Every customer buys a product or service for a perceive value reason and this reason may be base on core, arguments, generic, context or content value situation. Customer value in- use measurement represents both single and multifaceted construct scale as it could be during buying,(acquisition), in the course of utilization(transaction /value in –use) and residue from use( redemption value) (Parasuraman and Grewal, 2000). Value in use has more relevance in mobile service and is our focus too as it dominated marketing literature. Though, there several definition of value -as trade off of input and output (Monroe 1990; Zamthaml, 1988), but we agree and zero down to our value as benefit and use situation as such this definition is most applicable; „Customer value is customer„s perceived preference for and evaluation of those product/service attributes, performance and consequences arising from use of that facilitates (or block achieving the customer goal and purpose in use situation“ (Woodruff, 1997 P.142). Also a more robust value framework of (Shelt *et al.*, al 1991; Rescher, 1969) is subscribed to which incorporate social, hedonic, emotional, conditional, functional and epistemic. However this work will limit to three of hedonic, conditional and social value.

### **Hedonic (emotional) Value**

The argument here is that man is not only an economic being seeking utilitarian value but also a sociable and emotional being seeking pleasurable values. Hedonic value exists in the inner mind though can be overtly observed in the form of fun, pleasure and experiential, emotional and psychological state. We introduce gregarious people who just get fun and joy talking on phone, especially when lonely. It often includes positive teasing, pleasant, nice, happiness, delightful, funny, enjoyable, when one uses or with his preferred mobile phone, aesthetic (Sheth et al., 1991), and psychology stability while using the service. Many Nigerian consumers are relieved from boredom by way of using their phone to get excitement and while away time with their phones. Hedonic aspect of value in use in mobile services is reflected on customer get pleasure, amusement and fun when some ring tone are played, teddy bear ,picture messages are communicated especially when one is depressed or is used to tease and share fun, and watch entertainment video in their Youtube. All these create some level of values which if the users hadn't mobile phone the customer would felt deprived the value. It means intrinsic value attached by using mobile services is expressed. It has also been documented (Childer *et al.*, 2001; leung and Wei, 2003) that hedonic values (fun seeking, emotion) have a high propensity to spur customer loyalty among mobile users. It is our contentions that consumer youth are likely to remain loyal in a mobile phone as long as they get hedonic value from the phone.

### **Conditional Value**

Self-service technologies (handheld mobile phone) enable users appreciate the exigencies of time, distance and location disparity, multi -task definition, and temporal perspective, urgency and situational task. These have amplified the values and satisfaction customer gets (Meuter *et al.* 2000; Sheth *et al.* 1991) and also external environment factors induce conditional value. Since mobile phone is always carried along and it has the ability to provide unique situational needs, for example Nigerian consumers can top up credit, book for services and e-payment, connect people on emergency situation especially when alternate media is not reachable. Consumer appreciate their mobile phone when there is lack of time or one has multi task to do at the same time, when one is lost in a geographic area then he uses his (GPS), or desire to know the specific location one stands. Conditional values is linked to customer commitment and loyalty ( Pura and Gummerus, 2007; Heinonen, 2004) and this seems to be real value people prefer apart from functional/ core value.

### **Social Value**

Nigerian consumer value their social setting from family to club, work and religious and even peer group. This is another aspect that is making wave in our mobile services, since every users what to be seen, heard, respected, share norm, and pressure from others. Similarly, people gain social approval, social image and impression, identification, self-concept and social class membership (sheth et al, 1991; Minna, 2008). Another dimension is that most customer value when they avoid embarrassment (from either service provider or other customer by using their phones to pay services. Another area is the self-gratification of other. The value gotten here is when customer get relieve or satisfaction by contacting, talking and get connected to web of his lost friends, may be through the social media like Facebook (Kleijnen, 2004). The concept of social value is sacrosanct in the midst of globalization and adoption of social media and especially in mobile entertainment and recreational services.

### **Customer Loyalty**

Only customers who get value can consider continuing use and patronage of a product service. Mobile service operators cannot survive without retained and commitment to buy by customers. Customer

loyalty has both attitudinal and quantitative measures of customer repeat purchase and commitment, intention to use specific products or services (Adeleke and Aminu ,2012; Dick, & Basu 1994), when the benefits and value are meaningful to them, they will stay on. Adeleke and Aminu (2012) posit that social loyalty is voluntarily recommending the firm's products to friends and associates. We say that loyalty in GSM market is concerned with the length of time, amount of money spent and the frequency with which customers stay and remain on a network and is willing to influence associates to favor his preferred mobile phone.

### **Prior research**

Value has been an old concept of research, and can be used to relate to several variables. Sheth *et al.*, (1991) in their empirical study of the theory of consumption values through questionnaire survey unveiled that an array consumption values - hedonic, emotional, social, epistemic, conditional and functional exist. And that each consumption value makes differential contribution and is independent in given choice and use situation. Pura and Gummerus (2007) studied discovering perceived value of mobile services in Finland with multi stage exploratory sample and revealed that they really value multi values mobile phones, especially conditional, social episteme, convenience, monetary and emotional which were sub grouped into context and content. Similarly Pura, (2005) carried a work on linking perceived value and loyalty in location-based mobile service with a 276 sample using structural equation modeling, found that conditional value has strong and positive influence on commitment and repurchase intention and that behavioral intention was influenced by commitment, convenience and monetary values, while episteme was negative on intention . Further, Pihlström and Brush (2008) on comparing the perceived value of information and entertainment mobile services of 579 respondents found that different value perception emotional, social, episteme, conditional, convenience, positively influence willingness to pay more, word of mouth, and repurchase intention. Though most of these studies were done in a foreign matured market situation contrast to growing Nigerian market .

### **Methodology**

This study examined the relationship between value-in-use and customer loyalty of GSM. A perceived positive critical incident technique was explored which considered benefit/ value one has enjoyed during use situation or who would have lost if one was not with his/her mobile phone. With the use of questionnaire, sample of 448 respondent of Post Graduate students of University of Port Harcourt, Rivers State University of Science and Technology and IgnatusAjuru University of Education all in Rivers State were -cross sectional surveyed among uses of MTN, Glo, Mtel, Etisalat and Airtel,. Since the aim of the study sought perception, the opinion and attitude of the consumer were scaled on a 5-point Likert scale ranging from, 5 for strongly agree or strongly, 3 for neutral or indifferent, 2 to 1 for strongly disagree.

Measure construct was adopted on a multi scale approached by (sheth et al., 1991; Pihlström and Brush (2008) with little adjustment to suit mobile services reality in Nigeria.

**Customer Loyalty:** it measures intention to use, referral to friend, repeat purchase.

**Emotional value** measures aesthetic, funniest, good feelings, pleasure, gregarious, feel relaxed,

**Social value measures** social approval and image, gratification, social self-concept and good impression.

**Conditional value:** value relates to the independence of place, task situation and time offered the use of the mobile service.

And the analysis was done by Pearson product moment correlation co-efficient and multiple regressions using SPSS.

**Table 3.0: Reliability Statistics**

S/N	Construct	No of items	No. of cases	Cronbach alpha
1	Hedonic	4	448	0.78
2	Social	3	448	0.701
3	Conditional	4	448	0.727
4	Customer loyalty	4	448	0.824

**Source: SPSS Result, 2015**

A coefficient of 0.7 or above showed that they are internally consistent construct and are desirable (Hair et al, 2001).

**Data analysis and Presentation****Table 4.1 General Respondent Rate**

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Male	220	49.2	49.2	49.2
Female	228	50.8	50.8	100
Total	448	100.0	100.0	
<b>Network</b>				
Mtn	220	49	49	49
Glo	112	25	25	74
Aritel	17	4	4	78
Etisalat	99	22	22	100
Total	448	100	100	
<b>years of respondent Experience</b>				
25-30yrs	68	15.2	15.2	15.2
37-35yrs	125	27.8	27.8	43.0
44-40yrs	103	23.0	23.0	66.0
51- above	152	34.0	34.0	100.0
Total	448	100.0	100.0	
<b>Level of value Satisfaction</b>				
Very satisfied	211	47.1	47.1	47.1



Satisfied	188	41.9	41.9	88.0
Dissatisfied	23	5.2	5.2	94.2
Very dissatisfied	19	4.2	4.2	98.4
No opinion	7	1.6	1.6	100.0
Total	448	100.0	100.0	

**Source: Field Survey, 2015.**

Table 4.1 showed that out of 448, (220) 49.2% are male while (228) t 50.8% were female. This means an equal representation.

In terms of GSM network, (220) 49.2% used MTN, (112) 25% used Glo, (17) 4% are for Airtel, while Etisalat had (99) 22% . This shows that MTN is widely used

On age categories, age range of 18-25 years had (68) 15.2%, age bracket of 26-30 were (125) 27.8% , age category of 31-35 years were (103) 23%, while 36 years and above were (152) which 34%. It suggests that the age spread is within the active youth users of GSM.

On value satisfaction, the greatest numbers of the post graduate students are very satisfied with the value, 2114.7% followed by those who are satisfied 188(41.9%) dissatisfied, very dissatisfied and those who have no opinion respectively.

**Table 4.3 Pearson Correlation coefficient**

**Correlation**

		conditional value	Customer loyalty
conditional value	Pearson	1	.771
		448	.046
			448
Correlation	Sig.		
(2tailed) N	Pearson	.771	1
		.046	
		448	448
Customer loyalty	Sig.		
social value	Pearson	1	.833
		448	.005
			448
Correlation	Sig.		
(2tailed) N	Pearson	.833	1
		.005	
		448	448
Customer loyalty	Sig.		
correlation	Sig.		
(2tailed) N	Pearson	.833	1
		.005	
		448	448
Customer loyalty	Sig.		
social value	Pearson	1	.833
		448	.005
			448
Correlation	Sig.		
(2tailed) N	Pearson	.833	1
		.005	
		448	448
Customer loyalty	Sig.		
correlation	Sig.		
(2tailed) N	Pearson	.833	1
		.005	
		448	448
Customer loyalty	Sig.		

Hedonic value	Pearson	1	.766
Correlation		448	.002
(2tailed) N	Sig.		448
Customer loyalty	Pearson	.766	1
Correlation		.002	448
(2tailed) N	Sig.		

Table 4.3b

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square change	F Change	Sig.
1	.718	.515	.711	.308167	.650	23.640	.002

a. Predictors: (Constant), emotional, social, conditional

Table 4.3c

### Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	30.291	3.863		7.842	.000
Emotional	-.37	.120	.655	.640	.005
Social	.029	.169	.858	.770	.045
Conditional	-.187	.112	.379	1.668	.016

1. Dependent Variable: Customer loyalty

In table 4.3a revealed a positive correlation among emotional, social, and conditional values (0.966, 0.833, 0.771 respectively) tested against customer loyalty at 0.05 level of significant. It also shows that the correlation levels were all strong and significant at 2- tailed test. This implies that customer value, emotional, social and conditional services enhance loyalty to mobile services.

Again Table 4.3b and, 4.3c revealed the result of the regression analysis between the three study variables and customer loyalty. The table 4.3b is the model summary table showed a coefficient determination of  $R^2$  change of .615 which means that all the predictors (actually those that contribute significantly to the prediction) accounts/ explain for 62% of the variance in customer loyalty (the criterion) and this is statistically significant ( $p < .05$ ). While (100-62%) =38% showed unexplained

variable not covered in this study (error term). The value (R) of .716,  $P < 0.05$  showed how strong the relationship is in predicting customer loyalty. Further analysis in Table 4.3c above revealed that the calculated t- statistics for the parameter hedonic, social and conditional had ( $t = 7.842, 640, \text{ and } 1.668$ ) were all positive, significant at 0.05 tabulated t- statistic (1.645). Thus, it can be adduced that:

1) Hedonic value when positive and significant perceived will induce customer loyalty 2) Social value when positive and significant perceived will induce customer loyalty 3) Conditional value has positive and significant perceived will induce customer loyalty. Also the overall regression goodness of fit and model highly statistically significant as showed in ( $F = 23.640, p < 0.05$ ) thus all the null hypotheses were rejected and accepted the alternative that: Hedonic value has a significant relationship with customer loyalty of GSM users. Social value has a significant relationship with customer loyalty of GSM users and Conditional value has a significant relationship with customer loyalty of GSM users.

### **Conclusion**

Our finding implied that customers' perception of conditional, emotional and social values are critical to inducing intention to use, repeat purchase and referral with a particular mobile phone and mobile service provider. It was revealed that positive and significant relationship exists between emotional value and customer intention to use. Thus, sustaining and driving loyalty relies to a large extent on ensuring that the mobile service providers create and position service that provide real fun and emotion like, pleasurable, aesthetic, ring tone that are youths, middle- age market friendly, culturally and emotional involving as identified in the study constructs

Emotional values delivery is a strong tool to explain sustainable customer loyalty. Thus, firms desiring to build loyalty should primarily focus target on emotional values for large youth market as this is what they value.

It was discovered that a positive and significant relationship between customers perceived social value and loyalty of Mobile phone in Nigerian market. This means that customer consider and regard social value in use situation as represented in self-impression, social gratification, social approval as values for being faithful to mobile service or phone. For instance, youths value and use sophisticated Black Berry, iphone, tablets, Samsung smart and android phones for social impression. This creates the possibility to target, segment and positioning the youth or different market using various service, promotional appeals and theme. Mobile service providers should think of social value when they want to drive loyalty

Customer conditional value is positive and significant in influencing loyalty. Mobile service that provide all round, location quality services to help perform task situation, and install and partner with other service agencies would likely delivery this perceived values like e – transaction, route, GPS guidance in and uncertain task, situation, yellow pages may drive great customer intention to use. So mobile operators should attempt the possibility of developing customer varied perception of usefulness and segmenting in areas of health, education, and Service/value packages segments.

Therefore, to remain viably strong and guarantee competitive loyalty, mobile service and mobile phone providers should be proactively value driven and be concerned with continuous in-depth understanding, discovering and delivery of customer perceived values, and more so as to gain sustainable loyalty. Also it provides policy makers (NCC, legislators, security agencies and school administrators) of the opportunity to know and delineate the market on mobile uses pattern so as to direct a policy framework and guide.



### **Limitation and Suggestion for Further Study**

This study was limited by the fact that it was not based on longitudinal data and the sample frame is restrained to only post graduate (youth market) which is not large enough for wider generalization of Rivers state market. Again there are so many value construct not covered in this study which may portend strong drive like episteme, functional, convenience which call for further study. It only employed questionnaire and this did not give for clarity if critical incident (CI) were to be used.

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