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#### BRAND LOYALTY AND RE-PURCHASE INTENTION IN SMARTPHONE MARKETING: THE PERSPECTIVE OF HABIT

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#### *Abstract*

Recently, there has been a rapid increase in the use of smartphone. Especially, use of smartphone is prevalent among young people. One of the significant factor concerning to use smartphone is habit. Therefore, the purpose of this research is to investigate the effect of habit and brand loyalty on re-purchase intention in the smartphone market. With this aim, we conducted a research on 273 university students who are at different levels of education. Analysis results show that there is a positive relationship between habit and brand loyalty, whereas there is not a significant relationship between habit and re-purchase intention. Another finding indicates that there is also a strong relationship between brand loyalty and re-purchase intention. This research reveal that in order to gain brand loyalty of consumers, constitute habit is very important. For marketing management it can be suggested that they should add some feature which create habit for consumers.

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**Keywords:** Brand Loyalty, Re-Purchase Intention, Habit, Smartphone, Marketing.

#### 1. Introduction

Along Along with the development of smartphones, consumers have been used as a focal point to reveal the hidden need of them. In the recent past, consumers needed using phones that would facilitate their daily activities in all aspects, but they did not realize it properly. With the smartphone, consumers meet both utilitarian (such as making a call) and hedonic needs (such as playing a game) (Melewar, Lim, & Petruzzellis, 2010). Besides the activities that can be performed with routine phones, consumers have started to do computer activities with their smartphones such as internet access, sending and receiving



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emails (Pitt et al., 2011). Moreover, smartphones have become a part of everyday life for individuals (Anshari, 2016).

In the end, the success of a brand does not only depend on the number of consumers receiving a one-time product, but it is also based on customers who constantly buy the product (Jacoby and Chestnut, 1978). It is understood by brands that establishing brand loyalty is very important. Brands are based on consumer desires and needs as a focal point in marketing (Kotler and Levy, 1969). Satisfying desires and needs of the consumers leads to maintaining strong relationship between the brand and consumers. (Keller, 2013). Therefore, it can be concluded that satisfaction is directly affects brand loyalty.

The high-involvement products can be defined as superior major valuation products that are purchased solely later mindful evaluation, such as a home, car, or device. Product involvement implies to a consumer's interest in a product and perceived value. Consumers don't always purchase high-involvement products (Jiang et al., 2015: 195). On the other hand, low-involvement products are incentive goods and they are products, which are purchased simultaneously without any past considerations such as coffee (Gbadamosi, 2009).

Smartphone is a high-involvement product that consumers decide which smartphone purchase with evaluate some criteria and thinking on. Therefore, competitiveness in the smartphone market has rapidly increased in order to gain consumers for brands. In this competitive global world, it has become important to establish brand loyalty for companies. Brands have gained strategic advantage within this competitive market by branding their products and establishing a relationship with consumers (Jørgensen, et al., 2016). Smartphone brands have already understood the importance of this widespread use of these devices and engaged in a race with each other to produce better smartphones for consumers with an aim to gain more consumers. Only in this manner, they could be the pioneers of the field in global smartphone market (Anshari et al., 2015).

Turkey is one of those countries where smartphones are highly used. According to the research studies conducted in 2015, use of smartphones in Turkey was evaluated among forty countries and it ranked within the first fifteen of the list (Pew Research Center). The reason for this high rate of smartphone usage may be due to the large number of younger population in Turkey (Bayraktar et al., 2012). Despite widespread use of smartphones in Turkey, the number of studies on this field remains limited.

Habit is learned behaviours without conscious intention (Amoroso and Lim, 2017). Furthermore, it is nonreflective and repetitive behaviour (Lindbladh and Lyttkens, 2002). Habit is an important factor in technological product usage and (Davis and Venkatesh 2004; Limayem et al. 2007). However, there is a scarce research on habit in smartphone market. On the other hand, brand loyalty is important for brands to predict the customer's purchasing behaviour (Dick and Basu, 1994). Therefore, the purpose of this research is to examine the relationship between habit, brand loyalty and re-purchase intention in smartphone market.

## 2. Literature Review and Theoretical Framework

### 2.1. Brand loyalty

Brand loyalty has been defined in many different ways within the literature. Loyalty comprises all attitudes and behaviours of consumers (Rowley, 2003) and can be described in different ways based on product or service and re-purchasing (Roostika, 2011). Traditionally, brand loyalty is perceived as a behavioural structure which leads consumers to repeat purchase (Nam et al., 2011). From consumers'

perspective, brand loyalty is represented by the intention to purchase the brand as a priority selection (Pappu, and Quester, 2016).

Brand loyalty has been defined in two approaches: behavioural and attitudinal (Russell-Bennett, et al., 2013:44). Behavioural loyalty is characterized as the visible behaviour of the customer toward brand in terms of re-purchase. Re-purchase can be identified as purchase frequency. On the other hand, attitudinal brand loyalty is a outcome of re-purchase behaviour and versatile attitudes toward a brand (Back and Parks, 2003). Therefore, attitudinal approach refers to consumer's general satisfaction while behavioural approach describes the inclination of a consumer to purchase a specific brand repeatedly in a given period (Liu et al., 2012).

To predict the customer's purchasing behaviour, a vast majority of research have used behavioural approach. However, measuring behavioural brand loyalty solely might cause problems as this method disregards the significant of the customer's decision-making process (Dick and Basu, 1994). To comprehend underlying and leading factors of brand loyalty is important. It is necessary to combine attitudinal and behavioural loyalty so that the brand loyalty term could be comprehensive (Bowen and Chen, 2001). Brand loyalty is a consumer' reaction to providing a long-term relationship with a specific brand (So et al., 2013).

A vast majority of academics and practitioners in a wide range of sectors have studied on efficacy for constituting and protecting brand loyalty, since customers who are brand loyal decrease marketing costs in comparison with gaining new customers (Kotler et al., 1998). On account of building strong brand and brand loyalty first, firms should provide consumers with brand experience (Cai and Hobson, 2004). Moreover, consumers' brand experiences should be positive for maintaining loyalty.

## **2.2. Habit, brand loyalty and re-purchase intention**

Habit is a concept which refers to continuous usage behaviour (Wang et al., 2015:41). It is an important factor in using technological products. In further stages, habit converts into addiction because of the effect of irrational behavioural system (Wang et al., 2015:41). It can be conceived to be a result of cognitive processes, but not irrational and out-of-control behaviour (LaRose et al., 2003). Habitual behaviour exhibits that re-purchase is motivated by habit or routines that are facilitated in decision-making process (Lin and Chang, 2003).

According to research, habit has a positive relationship with consumption behaviour. Gómez-Corona et al., (2016) found out that habit is an important factor in beer consumption. As mentioned in Albery et al. study (2015), habit has a leading influence on both behavioural intention and behavioural enactment in alcohol consumption.

Habit has an effect not only on consumption behaviour but also on technology usage behaviour. Limayem et al. (2007) investigated the role of habit on continued Information Systems usage. Their results indicate that Information Systems habit has a moderator of on the relationship between intention and Information Systems continuance behaviour. Venkatesh et al. (2012) consubstantiated Use of Technology and Theory of Acceptance Model with adding some variables which include habit, hedonic motivation and price value. As a result of their analysis, habit has been demonstrated to be an importance factor predicting technology usage. According to Liu et al (2015), habit is a significant factor on e-service

loyalty in the extremely competitive market. Anshari et al. (2016) have examined the effect of habit on smartphone usage. They found that there is a strong relationship between habit and smartphone usage. As there is a positive effect of habit on consumption behaviour and smartphone usage, we think that there may be a similar one between brand loyalty and re-purchase intention as well. Therefore, we have established the hypotheses as follows:

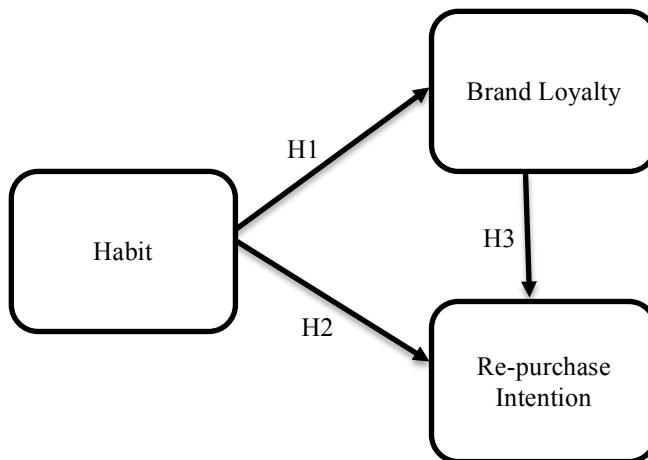
H1: Habit positively relates to brand loyalty.

H2: Habit positively relates to re-purchase intention.

### **2.3. Brand loyalty and Re-purchase intention**

Re-purchasing is a reflection of brand loyalty. If a consumer's attitude toward a specific brand is positive, a positive relationship will be established between the brand and him/her. At the end, this relationship leads to brand loyalty (Odin et al., 2001). Brand loyalty leads consumers to repeat purchase behaviour (Keller, 2013). In the light of past findings within the literature, the following hypothesis has been established:

H3: Brand loyalty positively relates to re-purchase intention.



**Figure 01.** Conceptual Model of the study

## **3. Research Method**

In this research we aim to search the relationship between habit, brand loyalty and re-purchase intention in smartphone market. To test the propositions, a survey was conducted.

### **3.1. Sample and Data Collection**

We conducted a survey to test the research model and hypotheses. All scales used in the research have been adapted from previous studies. All questions were measured with a five-point Likert scale. Scale items used in measuring habit have been adapted from the study of Wang, et al. (2015) with 3 items. Brand loyalty scale including four items has been adapted from the study of Yeh et al. (2016) and

measurement scale for re-purchase intention has been adapted from the study of Filieri and Lin (2016) with four items.

Within the scope of this study, a survey was conducted on 273 university students who have different educational backgrounds and use at least one smartphone. Data obtained from the application were analyzed with AMOS statistical packet program. Table 2 shows participants' demographic profiles. The majority of the respondents in the study uses iPhone (approximately %44) where Samsung ranks second (%30.4), followed by LG (10.3), Sony (%5.5) and the others (10.2).

**Table 2.** Demographics of respondents (n=273)

Attribute	Categories	#	%
<b>Gender</b>	Male	146	53.5
	Female	127	46.5
<b>Age</b>	18-25	132	48.4
	26-33	100	36.6
	34-41	33	12.1
	42-49	7	2.6
	>50	1	0.4
<b>Marital Status</b>	Single	197	72.2
	Married	76	27.8
<b>Education</b>	Bachelor	119	43.6
	Master	108	39.6
	Doctor	46	16.8
<b>Income</b>	<1.000 TL	106	38.8
	1.001-3.000 TL	56	20.5
	3.001-5.000 TL	67	24.5
	5.001-7.000 TL	21	7.7
	>7.001 TL	21	7.7
<b>Smartphone Brand</b>	Phone	119	43.6
	Samsung	83	30.4
	LG	28	10.3
	Sony	15	5.5
	Asus	8	2.9
	HTC	7	2.6
	Others	13	4.7

### 3.2. Analysis

To test the research model both exploratory factor analysis and confirmatory factor analysis were used in this study. Firstly, we evaluated if items are suitable for factor analysis through statistical test. It was found out that KMO value is 0.857 which is over than critical value of 0.70 and Bartlett test of Sphericity is 0.00 which indicates that is significant. Therefore, it was concluded that the items are suitable for exploratory factor analysis.

Then, we conducted confirmatory factor analysis. As a result of this analysis, we eliminated one factor from habit scale because the factor loading was less than 0.5 and then we re-analysed it to verify

factor loadings. Table 4 shows the factor loading, composite reliability (CR), average variance extracted (AVE), Cronbach's Alpha ( $\alpha$ ) values. It can be seen that all of the factor loadings are over 0.5, while average variance extracted (AVE) values is greater than 0.5 and composite reliability values (CR) are more than 0.6, which means they are at the thresholds recommended by Fornell and Larcker (1981).

**Table 03.** Measurement model

			Factor loading	AVE	C.R.	Cr.'s $\alpha$
Habit	H1 Use of this smartphone brand is part of my usual routine.		.923	0.58	0.72	0.65
	H2 Use of this smartphone brand is a habit that I have gotten into.		.560			
Brand Loyalty	BL1 I believe that the Smartphone which I use is the best for me.		.673	0.60	0.85	0.85
	BL2 I say positive things about my smartphone that I use to other people		.834			
	BL3 When someone asks me my advice, I suggest the Smartphone which I use.		.830			
	BL4 If I need a phone, the brand of smartphone I used first comes to my mind.		.768			
Repurchase Intention	RPI1 If I were to buy a smartphone again, I would buy this brand phone		.895	0.87	0.85	0.96
	RPI2 If I were shopping to buy a smartphone, the likelihood I would purchase the same smartphone brand is very high		.969			
	RPI3 If I need a smartphone, I would be thinking of buying this brand smartphone again.		.963			
	RPI4 It is very likely that I will buy this smartphone again in the future.		.918			

The proportion of chi-square value to degree of freedom is lower than two ( $\chi^2/df = 2,36$ ). The values of the model have been found to be compatible with those considered as limit values: ( $\chi^2(32) = 75.551$ , GFI = 0,94, NFI = 0.96, IFI = 0,98, CLI = 0,98 and RMSEA = 0,07 which was below the recommended thresholds (Fornell, and Larcker, 1981). Table 4 shows correlation, mean and standard deviation values.

**Table 4.** Some Statistic Values

Variables	1	2	3
Habit	1 (0.76)		
Brand Loyalty	2 0.18**	(0.77)	
Re-purchase Intention	3 0.04	0.52** (0.93)	
Mean	2.64	3.56	4.09
SD	0.87	0.83	1.34

#### 4. Findings

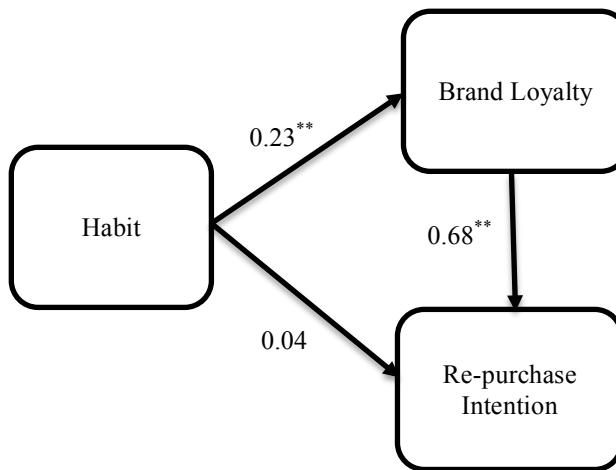
We tested the research hypotheses with the Structural Equation Model (YEM). Table 4 shows the relationships between habit, brand loyalty and re-purchase intention.

**Table 4.** Hypothesis Analysis Results

Path		Path Value	Result
H1	Habit → Brand Loyalty	0.23**	Supported
H2	Habit → Re-purchase Intention	0.04	Not supported
H3	Brand Loyalty → Re-purchase Intention	0.68**	Supported
CFI = 0,88, $\chi^2/df = 3,74$ , IFI = 0,92, RMSEA=0,08			

\*\*p<0,01, \*p<0,05

Table 4 shows that the conceptual model is in consistence with the data. The ratio of chi-square to degree of freedom is lower than five ( $\chi^2 / df = 2.82$ ) as suggested. Also, the RMSEA value of 0.07 is acceptable because it is lower than the threshold value of 0.08. When the relationship between habit and brand loyalty is examined ( $\beta = 0.23 p <0.01$ ), it is obvious that there is a positive relationship between them. Therefore, H1 hypothesis has been accepted. But no significant relationship between habit and re-purchase intention has been identified while there is a strong one between brand loyalty and re-purchase intention.



**Figure 02.** Path Analysis Results

Figure 2 shows path analysis results. It can be seen that H1 and H3 supported, whereas H2 not supported.

#### 5. Conclusion

This research based on hypothesized model endeavours to determine the key role of habit in brand loyalty and re-purchase intention. On the basis of the results, it was demonstrated that habit positively affects brand loyalty of Turkish smartphone users. If smartphone brands consider building brand loyalty, they should ensure that consumers get used to their brands. There are different methods that can be used to create habits. This may be possible through ease of use, favourable applications or attractive designs. And these are the features that shape consumers' habits.

Hsu et al (2015) found out that habit moderates the influence of perceived value and trust on online re-purchase intention. According to East et al. (1994), habit is an important factor repeatability of shopping acts. However, this research found that habit doesn't necessarily relates to re-purchase intention of smartphone users. This result may have arisen from the characteristic of the sample of consumer used in the survey. But there is a strong positive relationship between brand loyalty and re-purchase intention. Another finding is that habit has an indirect effect on re-purchase intention when the effect of habit on brand loyalty is considered. As stated in the literature, if brands aim to increase their sales, they must first create brand loyalty. Habit is a significant factor when it comes to brand loyalty especially in terms of smartphones.

Towler and Shepherd (1991 -1992) discuss that habit might exhibit a problem. Because people generally behave as they have done in the previous, interventions intended in changing beliefs might verify inefficient. Thus people don't equalize the anticipated advantages and disadvantages of performing specific actions. When viewed from the point of view of strategic marketing managers, the habit factor in consumer provides advantage. Because according to this research, habit has a positive direct effect on brand loyalty. Companies who want to create brand loyalty in the use of technological products should design products that consumers will gain habit.

Although this research contributes to the literature where a relatively small number of studies have been conducted, there are some limitations. One of the foremost important limitation is that this study has only been applied to the smartphone users in Turkey. The sample size would be larger and the survey could be applied to consumers at different age ranges. Different results can be obtained when it is applied to different cultures. Lastly, future research can examine this model with different perspective by adding brand value and other variables as another significant factor.

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