

**FACTORS INFLUENCING CUSTOMERS' LOYALTY  
OF MOBILE SERVICE PROVIDER AMONG  
GENERATION Y**

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SERVICE PROVIDER AMONG GENERATION Y**

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**Thesis Submitted to the  
Othman Yeop Abdullah Graduate School of Business,  
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## Abstrak

Telefon mudah alih sering di kenali sebagai medium ekspresi diri dan keperibadian dalam kalangan generasi muda. Generasi Y merupakan kumpulan sasaran yang penting bagi sesebuah syarikat pemberi perkhidmatan telefon mudah alih. Dalam pasaran di Jordan, industri telefon mudah alih sedang berdepan dengan persekitaran yang sangat kompetitif dan banyak kajian menunjukkan bahawa mengekalkan kesetiaan pelanggan merupakan satu tugas yang sangat mencabar bagi pemasar pada masa kini. Oleh itu, objektif kajian ini adalah untuk mengkaji faktor-faktor yang mempengaruhi kesetiaan pelanggan terhadap perkhidmatan telefon mudah alih dalam kalangan generasi Y di Jordan. Kajian ini mengkaji hubungan antara kualiti perkhidmatan, persepsi nilai, persepsi keseronokan dan persepsi teknologi dengan kesetiaan pelanggan. Kajian ini juga mengkaji peranan kepuasan pelanggan sebagai pemboleh ubah pengantara dan kepercayaan sebagai pemboleh ubah penyederhana diantara kepuasan dengan kesetiaan pelanggan. Satu tinjauan telah dijalankan di kalangan 541 orang responden yang dikategorikan sebagai generasi Y di Jordan. Data telah dianalisa menggunakan *partial least squares-structural equation modeling (PLS-SEM)*. Analisa yang dijalankan menunjukkan bahawa wujudnya hubungan signifikan di antara kualiti perkhidmatan, persepsi keseronokan, persepsi teknologi dan kepuasan pelanggan dengan kesetiaan pelanggan. Namun begitu, hubungan tidak signifikan wujud diantara persepsi nilai dan kesetiaan pelanggan. Kepuasan pelanggan menjadi pengantara antara kualiti perkhidmatan, persepsi nilai dan persepsi keseronokan dengan kesetiaan pelanggan. Sebaliknya, kepercayaan tidak menyederhanakan hubungan diantara persepsi teknologi dan kesetiaan pelanggan. Selain daripada itu, kepercayaan tidak menyederhanakan hubungan antara kepuasan dan kesetiaan pelanggan. Kajian ini mencadangkan beberapa implikasi tentang bagaimana pengurus syarikat pemberi perkhidmatan telefon mudah alih boleh mengeratkan hubungan yang baik dengan pelanggan mereka untuk jangka masa panjang, bagi memastikan kelebihan daya saing. Untuk kajian pada masa hadapan, dicadangkan untuk menguji lebih banyak pemboleh ubah yang menjurus kepada kesetiaan pelanggan dalam perkhidmatan telefon mudah alih di kalangan generasi Y.

**Kata kunci:** kesetiaan pelanggan, Generasi Y, kepuasan pelanggan, kepercayaan, pemberi perkhidmatan telefon mudah alih.

## **Abstract**

Mobile phones are often known as a medium of self-expression and individuality for the younger generation. Generation Y is an important target market for mobile phone service providers. In the Jordanian market, the mobile phone service providers are facing a very competitive environment and many studies have shown that maintaining customer loyalty is a very challenging task for marketers nowadays. Therefore, the objective of this study was to investigate the factors that influence customer loyalty towards mobile phone service provider among Generation Y in Jordan. The current study examined the relationships between service quality, perceived value, perceived enjoyment and technological perceptions, and customer loyalty. The study also examined the role of customer satisfaction as a mediating variable and trust as a moderating variable between satisfaction and customer loyalty. A survey was conducted among 541 respondents in the Generation Y category in Jordan. Data was analyzed using partial least squares-structural equation modeling (PLS-SEM). The analyses revealed significant relationships between service quality, perceived enjoyment, technological perceptions and customer satisfaction, and customer loyalty, but the relationship between perceived value and customer loyalty was not significant. In addition, customer satisfaction mediated the relationship between service quality, perceived value and perceived enjoyment, and customer loyalty. On the other hand, customer satisfaction did not mediate the relationship between technological perceptions and customer loyalty. Moreover, trust did not moderate the relationship between satisfaction and customer loyalty. This study offers several implications on how managers of mobile phone service providers can ensure the long-term success relationship of their customer in light of the strong competitive advantage. In future studies, it would be interesting to include more variables to represent the entire relationship on customer loyalty towards Generation Y in mobile phone operators.

**Keywords:** customer loyalty, Generation Y, customer satisfaction, trust, mobile phone service provider.

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## **List of Abbreviations**

CL	Customer Loyalty
CS	Customer Satisfaction
SQ	Service Quality
PV	Percived Value
PY	Percived Enjoyment
TP	Technological Perceptions
T	Trust
PLS	Partial Least Squares
SEM	Structural Equation Modeling
SPSS	Statistical Package for Social Science
CR	Composite Reliability
AVE	Average Variance Extracted
$R^2$	R Square
$f^2$	Effect Size
VIF	Variance Influence Factor

# CHAPTER ONE

## INTRODUCTION

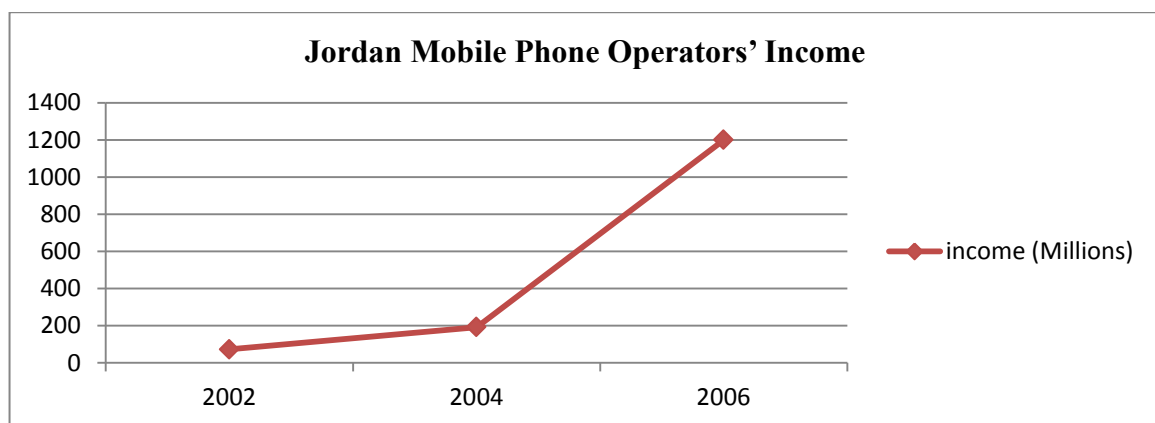
### 1.1 Background of the Study

Rapid and manifold changes in the service sector have been witnessed in recent years. These emerging service sectors are changing the economic structure of countries, and also revolutionizing the mobile phone provider market (Sur, 2012). The mobile phone operator has emerged as one of the fastest growing industries in the world (Gbadeyan & Akinyosoye–Gbonda, 2012). With innovative technologies and services, mobile communications continue to evolve ever more rapidly (Edward et al., 2010).

In addition, it has become clear that the mobile phone is not merely an innovative substitute for the traditional landline phone or the cordless phone, but a necessity for both personal and corporate life to ensure smooth operations (Edward *et al.*, 2010). Globally, the mobile phone operators serve more than three billion subscribers and this figure continues to increase at a faster rate in the markets of developing countries than the developed markets (Kalba, 2008). In the Asian context, the mobile phone operator has witnessed a very rapid expansion over the past decade. According to the Malaysian Communications and Multimedia Commission, this expansion is aided by convenience, affordability and easy adaptation with changing lifestyles in various countries (Chang & Chong, 2011).

In Jordanian market where this study focused on, a lot of processes of regulation, privatization and modernization have taken place over the past decade particularly in the mobile phone operator. The Jordanian market hence became internationalized. The

internationalization of the mobile phone operator has had great influence on many other sectors of the economy (Arab Advisors, 2010). In terms of company enrollment in this industry, including the number of subscribers, the mobile phone provider has witnessed a rapid growth in Jordan. The Jordanian mobile operator occupies the top position in terms of competitiveness among mobile phone providers in the Arab World (Arab Advisors, 2010). The last few years have seen a remarkable boom in the total market size for mobile phone operators. The market value jumped from USD 73 million in 2002 to USD109 million in 2003, representing a growth rate of around 50%. In addition, the total market size was estimated at USD192 million in 2004, representing a growth rate of 75% compared to 2003 (Abu-Ghazaleh & Co.Consulting, 2005). Income from the mobile phone operators is extremely high; in 2006, this sector's sales size was estimated at USD1.200 billion which accounted for 12% of the gross national product in Jordan as shown in Figures 1.2. This is deemed as one of the highest revenue contributors of all sectors (Addustour, 2008).



Figures 1.1

*Jordan Mobile Phone Operators' Income*

Source: Addustour (2008) and, Abu-Ghazaleh and Co.Consulting (2005).



As mentioned above, in Jordan, the mobile phone provider has seen a tremendous growth since 2001 in terms of the number of subscribers. This rapid growth of the mobile phone operator market is due to the innovative services offered. By the end of 2013, the total market size of the Jordanian cellular phone companies was around 10.3 million subscribers compared to less than 4.7 million in 2007 as shown in Table 3.9. This number represents a compounded annual growth rate of 27.4%. Additionally, penetration rate also increased rapidly, surpassing 156% in 2013 (Jordan Telecommunications Regulatory Commission, 2013). Compared to land phone, mobile phone providers have gained high popularity because of its mobility, safety, price and privacy issues (DeBaillon & Rockwell, 2005).

As the number of subscribers for mobile operators and the number of service providers are increasing rapidly, providing better quality services to customers has become a concern for the mobile phone operators. This struggle among companies prevails in an attempt to retain existing customers and to persuade new/would-be customers with various value added services, like reduction in tariff rates, prepaid starter kits, short message service, strong internet connectivity services, expanded coverage, etc. Focusing on these issues, the study of Akroush *et al.* (2011) states that at present, high competitive mobile services are vital for the companies to deliver their services in strategic ways which must be superior to attract new and retain existing customers.

The study of Ball *et al.* (2004) reveals that around the world, one of the most critical challenges faced by chief executives is the struggle to retain customers and make them

loyal. In this regard, marketers should introduce such mechanisms that can fulfill customers' immediate and future needs, and earn their loyalty. In this vein, the study of Ndubisi (2004) suggests an efficient marketing strategy which can help the organization to recognize customer needs, and provide better services in a competitive manner, which eventually can lead to cost reduction and customer loyalty.

For many mobile phone operators, customer loyalty is treated as a vital determinant of competitive advantage (Woodruff, 1997), because superior customer loyalty for service firms leads to better profitability (Wang, 2010). Additionally, with a loyal customer-base, companies can decrease their operating and acquisition costs (Mishra & Li, 2008; Reichheld, 2001). The study of Reichheld and Sasser (1990) indicates that a 5% increase in customer retention (customer loyalty) leads to an increase of 25-75% profit margin. In a similar vein, Wills (2009) reported that obtaining a new customer is five times more costly compared to keeping an existing one. On the other hand, Aydin and Ozer (2005) state that 2-4% of subscribers are being lost (disloyalty) by mobile operators monthly, thus leading to loss of profit as well as total revenue. Thus, at the organizational level, building customer loyalty is an essential goal for survival and profitability (Eakuru & Mat, 2008; Oliver, 1997). In view of the increasing number of subscribers of mobile phone operators, the need for the provision of quality services in order to retain customers has become a major focus of mobile operators in Jordan (Akroush *et al.*, 2011).

In recent years, the Jordanian mobile phone provider has witnessed a fair growth in revenue as a result of the increase in mobile phone network- subscription. Operators operating in Jordan have started undertaking a variety of new schemes to boost their revenue growth. Although the Jordan Telecom Group (JTG) has continued to expand as evidenced by the subsequent paragraphs, in a country with a population of only 6.4 million, four current operators and new operators have raised the issue that the market is becoming saturated. Subscribers are moving from one operator to another and eventually a situation of less loyalty is created. In this regard, the study of Akroush *et al.* (2011) reveals that in recent times, mobile phone operators are competing more on retaining the existing customers while working to persuade new ones. Consequently, for the Jordanian mobile phone service industry, it is a critical issue to build customer loyalty among their mobile subscribers (Abu El-Samen *et al.*, 2011; Shweikeh, 2009; Kardoosh & Steityeh, 2009; Alvarez *et al.*, 2008).

It is therefore critical for the Jordanian mobile phone operator to pay special attention to the factors necessary for transforming subscribers into loyal customers, taking into consideration that transforming less loyal customers into loyal ones and building a long-term relationship with customers are critical for the success of the industry (Bhardwaj, 2007).

## **1.2 Statement of the Problem**

According to Arab Advisors Group (2012), experience shows that there has been a decline in the market share dynamics of mobile phone operators in Jordan. A recent study has indicated that 69% of mobile subscribers have the intention to switch their operator from the current provider (Mobile Syndicated Study Report, 2008). This scenario is evident from the statistics of the JTRA which show that Umniah's subscribers reduced from 2,098 million in 2010 to 2,038 million in 2011 representing a 3% decline in market share (Arab Advisors Group, 2012; Jordan Telecommunications Regulatory, 2011b). Similarly, Zain with 37.4% subscribers in 2010 has shown a market share decline of about 1% in 2011 as shown in Figure 1.2 (Arab Advisors Group, 2012). In addition, every day, the Jordanian mobile phone provider receives around 90,000 complaints from their customers about its services (JTR, 2011b). This position is corroborated by the views of experts and retailing managers in the Jordanian mobile phone operators based on the interview conducted by Abu-ELSamen *et al.* (2011) on the need for retaining new customers and even the existing ones.

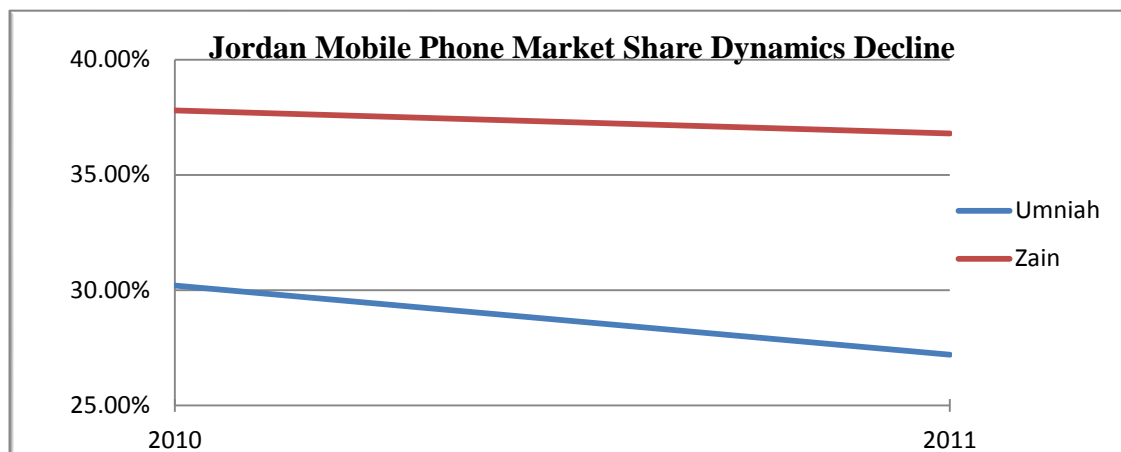


Figure1.2

*Jordan Mobile Phone Market Share Dynamics Decline*

Source: Arab Advisors Group (2012) and, Jordan Telecommunications Regulatory (2011b)

In the face of lack of studies in Jordan, researches of Alshurideh *et al.* (2012); Abu-ELSamen *et al.* (2011); and Akroush *et al.* (2010; 2011) suggest that there is an urgent need to examine the antecedents of customer loyalty from the customers' perspective, particular customers of the mobile phone operators in order to have a clear picture of the level of customer loyalty, since the findings of most of the previous studies done in advanced nations may not work for a developing nation like Jordan. The bases of this argument is that many customer service programs and policies taken from advanced economies have experienced failure in Jordan's mobile providers operations due to the Jordanian Middle Eastern culture (Abu-ELSamen *et al.*, 2011). Consequences, studies have revealed that in Jordan, subscribers are not loyal to their operators and that is damaging to the companies in the marketplace (Akroush *et al.*, 2011; Abu-ELSamen *et al.*, 2011).

In today's globally intensive and competitive market environment, service quality continues to direct the attention of institutions to differentiate themselves from others (Karatepe, 2011), and is necessary to ensure customer loyalty (Lai *et al.*, 2009). On the basis of service quality, customers form their attitudes towards the service providers, resulting in their staying or leaving the organization (Ishaq, 2012). A study conducted by Aydin and Ozer (2005) suggests there is a need to conduct studies to examine the effect of service quality on customer loyalty. Such a study will enable researchers to know the actual factors that affect customer loyalty as well as the stages by which service quality influences customer loyalty. The current study is expected to fill in this needed gap.

In mobile phone operator's, according to Tu *et al.* (2011b), Edward *et al.* (2010) perceived value is one of the important factors that influence customer loyalty. In addition, Chahal and Kumari (2011a,b) states that the relationship between perceived value and customer loyalty has not been sufficiently explored. There is lack of empirical investigation on the relationship between perceived value and customer loyalty that impedes our understanding. Perceived value is investigated in the context of the framework of this study.

According to Al-Refaie *et al.* (2012) customer satisfaction is a key factor to be considered if mobile phone operators, particularly in Jordan, want to survive in today's heightened competitive environment. Therefore, this study introduces customer satisfaction as a mediating variable between service quality, perceived value, perceived enjoyment and technological perceptions and customer loyalty. Evidence suggests that customer

satisfaction can mediate the relationship between its antecedents and consequences (Chang & Chong, 2011; Alireza *et al.*, 2011). The current study intends to explore this antecedent.

Shun and Yunjie (2006) suggest that future researchers should identify the effect of perceived enjoyment on customer loyalty in order to establish the actual impact and mutual relationship of enjoyment and customer loyalty. In addition, a study by Al-Hawari and Mouakket (2010) conducted in the UAE in the e-learning context recommends that future studies should study the impact of perceived enjoyment on customer satisfaction and retention (loyalty), in order to examine those relationships in other contexts. Perceived enjoyment is therefore studied in the context of the current study.

Ganguli and Roy (2011) studied service quality using various dimensions of service quality in relation to customer loyalty. However, technological perceptions and its impact on customer loyalty has not been properly addressed. In addition, Chiu *et al.* (2009b) suggest that comparative influence of technological perceptions on customers' satisfaction and loyalty should be examined in future studies, because previous literature does not show this interesting relationship. This justifies the inclusion of this variable in the current study.

Trust has been discovered to be an important contributor to building and maintaining relationships. It could also be described as an important element in electronic trading (Lee & Turban, 2001); and mobile commerce (Siau & Shen, 2003). Additionally, the present study uses trust as a moderating variable between customer satisfaction-loyalty

relationships, which is typically introduced when the relationship between predictor (satisfaction) and criterion variable (loyalty) is inconsistent (Baron & Kenny, 1986). Based on available knowledge, existing literature has not explored the moderating effect of trust on the satisfaction-loyalty relationship among Generation Y postpaid mobile phone users, particularly in Jordan. Therefore, the current study introduces trust as a moderating variable between customer satisfaction-loyalty relationship this research fills the theoretical gap raised in this study. This justifies investigating the moderating role of trust in this model.

There is basically a dearth of literature on the use of the Reciprocity Theory on customer loyalty in the mobile phone services industry. This study seeks to address the gap by utilizing the Reciprocity Theory. Reciprocity is a commanding determinant of human behavior as indicated by studies carried out by psychologists, economists and literature on sociology, ethnology and anthropology (Kahneman *et al.*, 1986). Relying on the Reciprocity Theory, this study examines customer loyalty behavior and seeks to understand whether customers will continue to remain with the same service provider. This may reveal the customers' satisfaction level and their perception on whether service providers provide quality services and good value for their money. The study also seeks to integrate the Expecting Confirmation Model in explaining the relationships among the variable of the study.



Bolton *et al.* (2013) noted that there is insufficient research focusing on Generation Y with respect to market-related behaviors, comprising purchasing and consumption, word of mouth communications, service quality and customer loyalty. Additionally, a study conducted on brand loyalty by Lazarevic and Petrovic-Lazarevic (2007) recommends that future studies should focus on Generation Y and the behavior of this age group in relation to customer loyalty, because so far, the existing literature has failed to address whether Generation Y can be influenced to become loyal. Knowing what factors influence Generation Y to be loyal due to their complexity and distinctiveness is important. Based on the above studies, it is considered critical and crucial to address practical significance in relation to understanding the behavior of Generation Y by companies seeking to understand and capitalize on them.

Furthermore, Generation Y as a target market presents a particular challenge because of its resistance to marketing efforts and difficulty to capture and hold as loyal customers (Bush *et al.*, 2004). They are notoriously disloyal to brands, which is why continued repeat purchase is difficult to secure (Sebor, 2006). Thus, this study concentrates on Generation Y who are contractual mobile phone users of the postpaid phone category. The choice of postpaid category is borne out of the fact that according to Nguyen (2011), postpaid subscribers have high tendency of switching rate especially as high bills may lead to switching decision of a customer. This explains why there is a high churn in postpaid compared to prepaid with 29% of switching rate in postpaid but only 14% in prepaid.

This study is different from previous studies (Adu-Elsamen *et al.*, 2011; Akroush *et al.*, 2011; Lim *et al.*, 2006; Aydin & Ozer, 2005) which were conducted on customer loyalty in the mobile phone operators, with no distinction in respect of age group of customers (Generations X, Y and Z) and subscribers (postpaid and prepaid). Specifically, this study focuses on the Generation Y, which to the best knowledge of the researcher only limited studies have been undertaken in the mobile phone operators, particularly using postpaid subscribers.

In summary, this study investigated customer loyalty within the context of service quality, perceived value, perceived enjoyment and technological perceptions and customer loyalty. customer satisfaction as mediating and trust as moderating variables between satisfaction and customer loyalty relationship among Generation Y of postpaid mobile phone users in Jordan. Therefore, this study addresses the question, “what are the factors that influence customer loyalty of Jordanian postpaid mobile phone customers particularly Generation Y”.

### **1.3 Research Questions**

This study aims to answer the following questions and help to resolve related issues:-

- What is the level of customer loyalty of mobile phone service providers?
- Do the service quality, perceived value, perceived enjoyment, technological perceptions and customer satisfaction influence customer’ loyalty of mobile phone service providers?

- Does customer satisfaction mediate the relationship between service quality, perceived value, perceived enjoyment, and technological perceptions on customer loyalty?
- Does trust moderate the relationship between customer satisfaction and loyalty?

#### **1.4 Research Objectives**

The objectives of this research are:

- To determine the level of customer loyalty of mobile phone service providers.
- To investigate the relationship between service quality, perceived value, perceived enjoyment and technological perception and customer loyalty of mobile phone service providers.
- To examine the mediating effect of satisfaction the relationship between service quality, perceived value, perceived enjoyment and technological perception on customer loyalty.
- To examine the moderating effect of trust the relationship between customer satisfaction and loyalty.

#### **1.5 Scope of Research**

This study focuses on the mobile phone operators in Jordan, since communications through mobile networks have grown sturdily, both in the demand for connections and consumption of diverse services. Therefore, it investigates the relationship between

service quality, perceived value, perceived enjoyment and technological perceptions and customer loyalty. Customer satisfaction is employed as a mediator in the relationship, and trust as moderator between customer satisfaction and loyalty. The study is limited by scope to Generation Y postpaid mobile subscribers in the Jordanian mobile phone provider (Zain, Orange and Umniah operators) in Amman city.

This is because Generation Y constitutes 73% of Jordanian population (Sarayanews, 2013). It has equally been described as 'Text Generation', moreover, it tends to focus heavily on the mobile phone in everyday life (Trunk, 2007). Similarly, mobile phone operators regarded Generation Y as a vital target market (Kumar & Lim, 2008). Generation Y is also the focus of this study in view of their resistance to marketing efforts and difficulty to be captured and retained as loyal customers (Bush et al., 2004). They are also notoriously disloyal to brands which is why study on their repeated purchase is needed (Sebor, 2006).

Subscribers are selected on a random basis from Generation Y postpaid subscribers. A total of 768 questionnaires were distributed to the Generation Y postpaid mobile subscribers in the Jordanian mobile phone operator in order to analyze these relationships using the Reciprocity Theory and Expecting Confirmation Model.

## **1.6 Significance of Research**

This study examines the relationship between various factors influencing customer loyalty. It is hoped that this research can contribute to the theoretical, methodological and practical

aspects. It is also expected to provide new discoveries on the various dimensions of service quality, perceived value, perceived enjoyment and technological perceptions on customer loyalty of Jordanian Generation Y postpaid mobile phone users. The following sections show contributions from this study:

### **1.6.1 Theoretical Significance**

Literature on marketing suggests that the long-term success of a company is clearly based on its capability to respond quickly to customers' ever-changing needs and preferences (Bayraktar et al., 2012; Narver & Slater, 1990; Webster, 1992). However, due to many substitutes available to customers, they could easily switch service providers. The mobile phone operator has among the highest customer churn rates, usually constituting over 40% per annum and companies lose 2-4% of subscribers per month (Fluss, 2010). From the theoretical stand-point, dissatisfied and less loyal customers tend to switch service providers (Noor, 2011). Therefore, Boohene and Agyapong (2011) suggest that the expansion and survival of firms is contingent upon the loyalty of their customers, and the mobile phone operators are no exception.

In addition, researches are scant on the subscribed mobile phone operators in the context of the developing world (Boohene & Agyapong, 2011). Akroush et al. (2011); and Abu-ELSamen *et al.* (2011) note that in spite of the widely acknowledged significance of customer loyalty, it remains an under-researched area in most Jordanian industries, particularly the mobile phone operator. Alshurideh *et al.* (2012) state that further studies

should examine the dimensions of customer loyalty in the Jordanian mobile phone providers, because they need to have a full picture of the level of customer loyalty in that industry.

Most of the previous researches on customer loyalty have examined the western community context, especially the US and European environments. Applying Western-developed research findings may not be universally applicable to other communities (Lai *et al.*, 2009). The study of Turel and Serenko (2006) on mobile operators in Canada recommends that similar studies need to be conducted in other countries as different geographical areas may lead to different outcomes. Similarly, Lai *et al.* (2009) indicate that the study conducted on Chinese mobile phone provider culture and economic factors may not be applicable to other settings. Abu-ELSamen *et al.* (2011) also suggest that it is imperative to examine customer satisfaction and loyalty aspects from the customers' perspective, as most studies, especially those from developed countries, have failed to address these issues, and what may be relevant in the developed nations may not work for a developing country like Jordan. In response to calls for further research in developing countries, especially in the Jordanian mobile phone provider context, this research hopes it can broaden the understanding of customer satisfaction dimensions and loyalty.

According to Singh and Sirdeshmukh (2000), as a psychological variable, trust tends to focus on promoting the customer-provider relational exchanges and building long-term loyalty. In the same way, the role of trust in the economic field is to positively influence customer loyalty in relation to the exchanges as well as the interest in promoting relational

exchanges and building customer loyalty (Singh & Sirdeshmukh, 2000). The study of Uslaner (2002) in the social sciences field finds that trust plays an important part in many human interactions. Additionally, the study conducted by Anderson and Swaminathan (2011) in e-business shows that trust is emphasized upon as a control variable existing between customer satisfaction and loyalty. Therefore, considering the Jordanian Generation Y postpaid mobile phone provider users, this study introduce trust as a moderating variable between customer satisfaction and loyalty.

In different countries' contexts, various studies and researches have been conducted to understand customer satisfaction and loyalty in the mobile phone provider (Wang & Liao, 2007; Turel & Serenko, 2006; Lin & Wang, 2006; Kim *et al.*, 2004a). The analysis of these affecting factors is essential for the success of mobile phone operators. Furthermore, their findings reveal the fact that to obtain economic success, customer satisfaction is the most important objective for mobile phone providers, because, in the mobile phone operators, customer satisfaction level is expressed in the form of customers' positive feelings towards their mobile providers. Correspondingly, a high level of customer satisfaction may have significant impact on customer loyalty level towards the organization (Mittal *et al.*, 1998). Similarly, studies of Zhou (2013) and Khayun *et al.* (2012) on websites; and Ganguli and Roy (2011) on the banking sector, investigated the relationship between technological perceptions and customer loyalty. This study introduces technological perceptions and customer loyalty in the mobile phone operators. To the best of the researcher's knowledge, this is also considered as a new contribution. According to Chen *et al.* (2012), in order to

create a better foundational basis for system designers and operators for building a strong customer experience and continued use of mobile services, it is highly essential to understand the behavioral continuity of the role of system and information quality in the context of the mobile phone provider. They must be embraced urgently in the mobile phone operators in order to provide competitive advantage to mobile service providers (Sigala, 2002).

This research utilizes the Reciprocity Theory as its underpinning theory. According to the Theory of Reciprocity, customer evaluation of the kindness of the service provider's action (perception of service quality, perceived value, perceived enjoyment and technological perceptions as reflected by customer satisfaction as mediator) leads to a reciprocal action (loyal behavior). In the case of mobile operators in Jordan, if subjects (subscribers) are given the possibility of terminating the existing relationship with the service providers (operators), they will stay loyal with their trust, although they are less satisfied. On the other hand, more satisfaction is unable to keep customers loyal if there is a lack of trust. Based on literature review, this unanswered question creates a gap regarding the application of the theory to explain customers' loyal behavior. In this study, the theory is examined in terms of loyal behavior, that is, the customers will reciprocate the perceived kindness (perception on service quality, perceived value, perceived enjoyment and technological perceptions) via their action, that is either by being kind (loyal) or unkind (churn). Thus, using the Reciprocity Theory is a new contribution in the field of research theory. Integrating various variables of customer loyalty and its consequences in a



framework and evaluating them with the presence of a moderator, mediator and the underpinning of the Reciprocity Theory provide a comprehensive picture from the theoretical perspective.

### **1.6.2 Practical Significance**

This study hopes to contribute based on the practical perspective on the effective management of customer loyalty in the mobile phone operators of Jordan. Now-a-days the necessity and the importance of mobile phone providers in the national economy is undoubted. The study of Boohene and Agyapong (2011) explores that the pace of commercial and domestic activities of a country is affected by its mobile phone operators. Within the past 15 years Jordanian market has become international by means of a lengthy process of modernization, regulation, and privatization (Jordan Telecom Report, 2011a). Jordanian government focuses on investment in the mobile phone operators because of this sector's main role in the development process. In Jordan, the contribution of this mobile phone providers in the gross domestic product GDP accounted for 12%, offered employment directly 18,000 and indirectly 60,000 viewing it as one of the highest among other sectors (Addustour, 2008). In addition, rental companies earning 1200 to 7,000JD per station from about 6,500 wireless communications station as fare (Addustour, 2008). Based on this, the stability of this industry for the economic progress in Jordan is inevitable. Therefore, it is expected that the findings of this study help mobile phone providers to make decisions, organizing, influencing, activating, instructing, providing feedback, promoting interpersonal and business relationships as well as exchange of

information. Finally, it is hope that the findings of this study are important for the development of mobile phone operators in Jordan, where little researches have been done in this area on Generation Y postpaid mobile phone provider.

## **1.7 Organization of the Thesis**

This thesis contains five chapters. The first chapter provides a background of the study, statement of the problem, research questions, research objectives, significance of the research, definitions of terms and organization of the remaining chapters.

The second chapter focuses on previous researches related to this study. The review presented in this chapter includes a discussion of customer loyalty. This chapter also discusses all the factors that influence customer loyalty. Finally, the chapter discusses the selected independent variables and represents the theoretical framework adopted and the hypotheses.

The third chapter explains the research methodology used to achieve the research objectives. It covers research design, operationalization of variables and their measurement, population and sample of study, sampling method and data collection procedures, pilot study and, finally, techniques of data analysis.

The fourth chapter deals with data analyses and presents the study findings. Finally, the fifth chapter discusses the findings in detail by linking them to theory and past works. This chapter also highlights implications of the findings to both theory and practice. Recommendations for future studies are also offered, as well as limitations of the present study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter begins by given background on the Jordan telecommunication's industry (mobile phone operator) and than presents a review of literature on customer loyalty. It also critically examines empirical studies on customer loyalty conducted across a spectrum of work settings. In addition, an in-depth review of the antecedents of customer loyalty and the selected variables are presented in this chapter.

#### **2.2 Jordan Telecommunication's Industry (Mobile Phone Operator)**

Mobile phone operator is one of the sectors in Jordan that has witnessed rapid growth. In the early 1990s, there was a remarkable change in the Jordanian mobile phone provider with the government initiating a national development program. Under this program, the government allowed citizens more telephone connections from 7.8 to 12 lines per 100 residents, and granted the private sector the license to invest in the mobile phone operator. Following this permission, the Fast Link Company was granted a license in October 1994 to provide mobile phone services to all national sectors and customers in Jordan. In this regard, the government also initiated the cellular mobile phone providers into the industry for the first time. Consequently, the Jordanian government granted the permission for the establishment of a new mobile phone operator, i.e., the Orange Company in 1999 to provide mobile phone services in the Kingdom of Jordan. In April 2003, the XPress

Company was given the first license to offer radio tracking services. Additionally, in late 2003, the Telecommunications Regulatory Commission (TRC) expanded its program for further investment within the mobile phone operator. In August 2004, the Umniah Company was granted the license to provide cellular phone services. In 2006, Fastlink (Zain), Umniah, XPress and many other landline service providers transitioned to the Integrated Licensing and Regulatory Regime followed by Orange in June 2007 (Jordan Telecommunications Regulatory, 2011a). Eventually, many perceived that this system would spark competition among the mobile phone operators and such competitive environment would bring in a larger range of services for customers at more competitive prices (Bloomberg, 2011).

Nowadays, Jordan has seen moderate revenue growth in the past years despite witnessing a significant increase in its overall subscriber base. Given stagnant top-line growth, Jordan has started to undertake a number of new initiatives to revitalize its revenue growth (Jordan Telecommunications Regulatory Commission, 2013).

## **2.3 Generation Y**

Generation Y or Millennials are persons born between early of 1977 up to late 1996 (Erickson, 2008). Compared to the previous generations, this is possibly the most educated generation of people to date. This is because; Generation Y attains college and higher degrees at a greater speed than previous generations (Erickson 2008). Most notably, Generation Y profited from rapidly advancing high-tech changes such as access to Internet and computers (Erickson 2008). The generation which is branded as text generation, also

have a habit of focusing greatly on the mobile phone in everyday life and almost everytime (Trunk, 2007).

More so, this generation is the first to have lived their entire lives in the digital environment, so information technology overwhelmingly impacts their activities (Wesner & Miller, 2008). Most of the times, they rely heavily on technology to interact with others, for entertainment, and even for emotion regulation (Park & Gursoy, 2012). All these advantages, have positioned Generation Y as the first generations to have high tech know-how and the internet from their very early age. Also, they are more possibly more than older internet users to download music, to play online games, to create blogs and utilize instant message tools. Furthermore, Generation Y make use of internet and technology for health information, banks online, conducts job research, and makes travel reservations (Fox, 2008).

Within this young generation, mobile phones have become a regular medium of self-expression and individuality (Taylor & Harper, 2001). For example, they personalize their phones through downloading of unique ring tones as well as screensavers and message tones. Similarly, Generation Y now uses mobile phones as vital means to maintain peer relations. Because the group seems to be in the main category of data service users in the USA, and more so that mobile data services are the foremost source of income for mobile carriers, Generation Y has become a key target market for mobile carriers. This young group outnumbered all other users in terms of minutes spent to use it, number of calls

being made, messages they sent and received, likewise wireless data being transmitted and received (Kumar & Lim, 2008).

The generation is designated as confident, self-determining and individualistic, self-sufficient and entrepreneurial (Martin, 2005) besides socially active, cooperative, team oriented and mostly having configuration and worldview in their lives due to the type of parenting they have received (Glass, 2007). All these compliments manifest in a yearning for clear directions and professional support in what to do nevertheless at the same time a demand for self-determination and flexibility to get the job done in their own way and at their own pace (Martin, 2005).

The study on Generation Y by Bolton et al. (2013), focus on the use of social media and its implication for individuals, organizations to society. Also Djamasbi et al. (2010) address visual appeal of web pages based on an online survey of projected score for forecasting on Generation Y. The study of Shaw and Fairhurst (2008) focus on the characteristics of Generation Y graduates with respect to workplace and academic development programs. Additionally, Goldgehn (2004) focus on Generation Y with respect to criteria considered important to them in the choice of college and university.

Djamasbi et al. (2010) state that future studies should extend studies to identify other characteristics that might appeal to Generation Y based on their unique predilections. Additionally, in a study by Lee and Murphy (2008) conduct on mobile phone users in a developed country (Australia), they recommend that future studies should investigate

customer loyalty among youth (particularly full-time students and working youth) to find out the impact of their loyalty towards mobile phone providers. Therefore, this study focuses on Generation Y of Jordanian mobile phone operator particularly postpaid segment.

## **2.4 Customer Loyalty**

The new millennium comes with many challenges in the market place. Competition in the market place keeps changing from time to time. Customer loyalty has become a very critical element for the success of any tangible or intangible product from organizations, on the grounds that appealing to new customers is more expensive than existing ones (Dick & Basu, 1994). Nowadays, managers have begun to focus specifically on their customers' loyalty. Managers are using their intelligence to adopt new trends in marketing to create attractive and lasting expertise for the customers in order to establish absolute loyalty (Wahab et al., 2011).

According to Edvardsson et al. (2000), customer loyalty is defined as a customer's intention and the willingness or tendency to repurchase the same product or service. The above definition of customer loyalty is adopted for this study. Similarly, Zeithaml et al. (1996) describe customer loyalty as the intention or behavioral trend to stay with the current service provider. Santouridis and Trivellas (2010) consider customer loyalty as a re-buy behavior, which is solely based on buying-back or repurchasing intention. Finally, Oliver (1997) defines customer loyalty as a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, thereby causing



repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

In addition, loyalty has three dimensions: attitudinal, behavioral and composite (Zengin, 2013; Bowen & Chen, 2001). The attitudinal and behavioral dimensions are adapted. Behavioral loyalty is defined as purchasing or repurchasing of product or service and using behavior that customers show to the service provider (Back & Parks, 2003). Attitudinal loyalty is a persistent psychological connection of a resilient customer's curiosity to a product or a service (Quester & Lim, 2003). Composite measurements combine the two dimensions and measure loyalty by customers' product preferences, tendency of brand switching, repurchase, and amount of purchase (Wahab et al., 2011; Pritchard & Howard, 1997).

Customer loyalty is a vital issue for marketers, because customer loyalty plays a great role for long-term feasibility of the company and serves as a reliable base for high performance (Chen & Tsai, 2008; Krishnamurthi & Raj, 1991). As earlier indicated, customer loyalty is a significant target in the customer marketing community where it is regarded as the main factor that determines a company's long-term capability (Chen & Tsai, 2008; Krishnamurthi & Raj, 1991). Customer marketing researches also views customer loyalty as a significant factor in attaining the aims of the company (Yang & Peterson, 2004; Reichheld & Scheffer, 2000). Practitioners and academicians also have made efforts to discover the most profound antecedent of customer loyalty (Yang & Peterson, 2004).

Loyal customers can enhance sales and lower costs (Alrubaiee & Al-Nazer, 2010; Zeithaml et al., 1996). However, the main objective of customer marketing is ‘to get and keep customers’ (Alrubaiee & Al-Nazer, 2010; Gronroos, 1995).

Customer loyalty can deliver a number of advantages to a company. It concedes continuous stream of profit, reduces marketing and operating costs, increases referrals and resistance to competitors’ promotional activities (Reichheld & Teal, 1996). Besides, Brunner et al. (2008) state that the costs incurred for holding a new customer are much more than those needed for holding an old customer. Therefore, the value of customer loyalty can never be overemphasized in today’s ever changing competitive business environment (Reinartz & Kumar, 2000).

Furthermore, customer loyalty can be of considerable value to the firm and customers. Customers want to invest their loyalty in a trade that can deliver superior value compared to the offers of competitors (Yang & Peterson, 2004; Reichheld, 1996). Customer loyalty is one main ingredients of success in product or service trade (Yang & Peterson, 2004; Reichheld & Schefter, 2000). As a consequence, customer loyalty is a significant cause of continued profitability, strong assets and growth (Yang & Peterson, 2004; Anderson & Mittal, 2000). Attaining customer loyalty is the basic objective of each firm. On the other hand, from the seller’s perspective, customer loyalty behavior takes the form of superior collaboration, less complaints, little sensitivity to price and in total, greater income generation by the customer (Bennett et al., 2005; Yi & Jeon, 2003). As a result, a long-

term relationship based on customer loyalty is a significant endowment for every business (Fiol et al., 2009).

## **2.5 Factors Affecting Customer Loyalty**

Recent studies in the field of marketing have customer loyalty as a major and one of the most important instruments that enhances a firm's performance in modern competitive markets (Ishaq, 2012). Given the importance of customer loyalty, it will be beneficial to understand the determinants of customer loyalty (Terblanche & Boshoff, 2010). Understanding the factors that determine customer loyalty will assist organizations to focus on some of the most essential factors that influence customer retention (Chi & Qu, 2008).

Numerous researches have been carried out internationally to ascertain the influence of the determinants of customer loyalty in a range of service industries, for example, Alruibaiee (2012); Fathollahzadeh et al. (2011); and Gilaninia et al. (2011) focus on financial services. In the same vein, Al-Rousan and Mohamed (2010); Kandampully and Hu (2007); and Valenzuela and Vsquez-Parraga (2006) concentrate on tourism or travel. Ishaq (2012); Chang and Chong (2011); and Deng et al. (2010) focus on mobile phone operators. Chahal and Kumari (2011); and Wang (2010) pay attention to healthcare; Terblanche and Boshoff (2010); and Tu et al. (2011a) focus on restaurants; Blut and Woisetschläger (2008) focus on energy providers; Zhou (2013) focus on mobile sites (internet) etc.

In addition, factors utilized in the customer loyalty study differ, depending on selected scope of the industry. For example, researches have been done on customer loyalty in relation to commitment (Gilaninia et al., 2011; Alrubaiee & Al-Nazer, 2010; Ndubisi, 2007); switching barriers (Oyeniya & Abiodun, 2010; Kim et al., 2004a); communications (Alrubaiee & Al-Nazer, 2010; Gaurav, 2008; Ndubisi, 2007); and conflict handling factors (Ndubisi, 2007). Other studies by Chang and Chong (2011); Kim and Lee (2010); and Turel and Serenko (2006) use price, while Alnibaiee (2012) use ethical sales behavior dimensions. Demographic variables have also been studied in relation to customer loyalty (Alrubaiee & Al-Nazer, 2010; Gaurav, 2008; Patterson, 2007). In addition, variables like customer focus (Gaurav, 2008); conflict handling (Fathollahzadeh et al., 2011; Gilaninia et al., 2011; Ndubisi, 2007); perceived enjoyment (Zhou, 2013; Cyr et al., 2006); and technological perceptions (Zhou, 2013; Ganguli & Roy, 2011; Chen et al. 2012) have been used as determinants of customer loyalty.

In the mobile phone operator, there are also studies available. For example, studies on service quality (Ishaq 2012; Chang & Chong, 2011; Santouridis & Trivellas, 2010); perceived value (Alireza et al., 2011; Lai et al., 2009; Turel & Serenko, 2006); perceived enjoyment (Lee & Murphy, 2008); and customer satisfaction (Akroush et al., 2011; Oyeniya & Abiodun, 2010; Aydin & Ozer 2005) have all been conducted in relation to customer loyalty.

Further, studies in different parts of the world on customer loyalty and particularly in the mobile phone operators have been carried out. For example, studies have been conducted

by Zhou (2013) in China; Turel and Serenko (2006) in Canada; Tu et al. (2011b) in Taiwan; Lim et al. (2006) in USA; Aydin and Ozer (2005) and Aydin et al. (2005) in Turkey; Lai et al. (2009), Deng et al. (2010) and Boohene and Agyapong (2011) in China; Lee and Murphy (2008) in Australia; and Lee et al. (2001) in France. Others are Alireza et al. (2011) in Iran; Akbar & Parvez (2009) in Bangladesh; Tu et al. (2011b) in Taiwan; Oyeniya & Abiodun (2010) in Nigeria; Chang & Chong (2011) in Malaysia, Ishaq (2012) in Pakistan, Akroush et al., (2011) in Jordan; Boohene & Agyapong (2011) in Ghana; Kim & Lee (2010) and Kim et al. (2004a) in Korea; and Edward et al. (2010) in India. Most of these researches have stressed that customer loyalty and other factors influencing customer loyalty are vital for the success of mobile phone operators providing firms.

## **2.6 Service Quality**

The term 'service quality' has become a subject of debate for some decades now, and many researchers are still investigating it further. In the context of service marketing literature, service quality can be defined as a general assessment of a firm's services by its customers. In order to accomplish customer quality service, the previous expectations of customers need to be matched with their behavior or perceptions after actually experiencing service performance (Parasuraman et al., 1985). The above definition of service quality is adopted for this study. Therefore, customer who use a service and evaluate the service quality are very crucial to firms that are aiming to improve their marketing strategies (Jain & Gupta, 2004). Tu et al. (2011a); and, Boshoff and Gray (2004) find that paying attention to service quality can differentiate a firm from other firms in terms of gaining competitive advantages.

Therefore, providing high service quality is important for service providers in order to compete with other competitors (Deng, et al., 2010; Yoo & Park, 2007; Kemp, 2005). Generally, service quality is a strategic tool for firms to compare themselves and achieve competitive advantage. This is not unexpected, for the reason that today's sophisticated and discriminating customers demand superior service quality. It brings about a number of anticipated factors, such as decrease in customers' criticisms, ability to suggest to others, improved customer satisfaction and retention rates, together with improved performance (Karatepe, 2011; Rostamy, 2009; Yavas & Benkenstein, 2007).

However, the global market environment is changing and firms with competitive experiences and better service quality continue to compete. This explains why their products or services remain superior in terms of quality (Anguret al., 1999; Yavas et al., 2004; Karatepe, 2011). Changes in business environment have made service quality an important focus in recent times (Taylor & Baker, 1994). The dimension of service quality allows firms to be aware of their status in the markets as well as gain strategic advantage to improve their competitiveness (Khan, 2010; Tu et al., 2011a). On the other hand, Johnson and Ettlie (2001) explain perceived quality as the outcome of product performance that is labeled as the level of modification and freedom from errors or how reliable the products are made to fit the requirements of customers. Reliability has been indicated to be comparatively more significant for service satisfaction than product satisfaction (Terblanche & Boshoff, 2010). For more than twenty years, studies have added value to service quality as alleged by customers. Due to intangibility, services require greater effort to appraise than products that will be examined and appraised for

quality before purchase. This is because services take greater part of economic actions - over 50 to 70% in advanced economies - and researchers are interested in expanding the measure that is appropriate for reviewing service quality (Pollack, 2009).

Service quality and customer loyalty are two interconnected variables and previous researchers have tried to examine the influence of these two variables on various industries to continuously improve the performance of the service industry (Tu et al., 2011b). Ivanauskienė and Volungėnaitė (2014) show in their study there is a positive relationship between service quality and customer loyalty in retail chain stores in emerging markets in Lithuania, Latvia and Estonia. Saravanakumar and JothiJayakrishnan (2014) indicate that service quality has a positive relationship on customer loyalty in co-operative banks in Indian. Rasheed and Abadi (2014) find a positive relationship between service quality and customer loyalty in Malaysia services industries. Rizka and Widji (2013) state service quality has a positive effect on customer loyalty in Internet services in Indonesia. Abd-El-Salam et al. (2013) show in their study there is a positive correlation between service quality and customer loyalty on one of the biggest Egyptian company.

Stan et al. (2013) show a positive relationship between service quality and customer loyalty in the banking sector. In addition, Rai and Medha (2013) posit that service quality is the strongest predictor of customer loyalty in the Indian life insurance industry. Ganguli and Roy's (2011) survey on the banking industry in USA finds that service quality has positive and significant influence on customer loyalty. Additionally, Ramzi and Mohamed (2010) conducted a study on the hotel industry in Jordan; the outcome indicates that

service quality is an important predictor of customer loyalty. Similarly, Pollack (2009) indicates that service quality is a predictor of customer loyalty in the hairdressing business in USA. Kandampully and Hu (2007) note that improving service quality is an important factor for achieving customer loyalty in the hotel business in Mauritius. Bei and Chiao (2006) find that service quality variable affects customer loyalty in Taiwanese service providing firms. On the other hand, Gorondutse and Hilman (2013) find no significant relationship between service quality and customer loyalty in the food and beverages industry in Nigeria.

Remarkably, a sharp appreciation in the rate at which mobile phone providers have spread in many countries around the world in recent times, has led to interest in conceptualizing and measuring service quality (Santouridis & Trivellas, 2010). For example, study conducted in Ghana by Koi-Akrofi et al. (2013) shows that service quality has a positive relationship with customer loyalty. Ishaq (2012) finds that service quality positively influences customer loyalty in Pakistan. Similarly, Akroush and Zuriekat (2011) indicate that customer loyalty is influenced by perceived service quality in Jordan. In line with other researchers, Boohene and Agyapong (2011) in Ghana, identify that a positive relationship exists between service quality and customer loyalty. Kim and Lee (2010) state that service quality is an important antecedent for building customer loyalty in Korea. In addition, Edward et al. (2010) show that service quality is a positive and significant variable that influences customer loyalty in India. Aydin and Ozer (2005) indicate that service quality is an important, but insufficient variable to create customer loyalty in



Turkey. Kim et al. (2004a), in their study carried out in Korea, find that service quality enhances customer loyalty.

Considering the results of previous researches carried out between service quality and customer loyalty in different parts of the world, Saravanakumar and JothiJayakrishnan (2014), Rasheed and Abadi (2014) and, Rizka and Widji (2013) demonstrated that when positive relationship exist between service quality and customer loyalty, it is an indication that service quality is important variable to customer loyalty. Similarly, when customer is positively influenced by service quality, the customer is also influenced to be loyal to the company, which means that as the customers received good service quality from their company, strong customer loyalty is established. In contrast, when negative relationship exists between service quality and customer loyalty as indicated by Gorondutse and Hilman (2013), customers' loyalty will be negative. That means as the customers received poor service quality from the company consequently, less of customer loyalty occurs. Therefore, it is expected that the mobile phone operators should improve their service quality to positively influence customer loyalty.

Similarly, customer loyalty is a behavioral trend that is influenced by perception. Perception of service quality is significant as long as it has influence on customer's attitude, that is, satisfaction, which in the long run will translate into loyal behavior. Based on the outcome of previous research conducted on mobile phone services industry in different parts of the world, it is clear that service quality contributes to customer satisfaction, which in turn influences customer loyalty. In general, many of the studies on

customer loyalty in the mobile phone operator recommend that service quality is one of the very important aspects of customer loyalty. It is also clear that service quality affects customer loyalty (Ishaq, 2012; Boohene & Agyapong, 2011; Kim & Lee, 2010; Aydin & Ozer, 2005).

Chahal and Kumari (2011b) recommend that future studies should be carried out to examine the relationship between service quality and customer loyalty, because this is the first step towards efficient and effective service management, retention of customers for the long-term and crucially understanding of their exact requirements. Chahal and Kumari (2011a) declare that there is a necessity to examine the relationship between service quality and customer loyalty in various cultural settings and service sectors, to know their influences on each other. As effective service management influences customer retention issues in the long-term, Stan et al. (2013) recommend that future studies should examine the relationship between service quality and customer loyalty in the mobile phone operator to find new results for that relationship. Furthermore, service quality is a major contributor to all segments of customer loyalty. Consequently, we cannot ignore service quality in this study; therefore, service quality is incorporated as one of the independent variables of customer loyalty.

## **2.7 Perceived Value**

There are several strategic marketing and management literatures which recommend that creating superior customer value is an important factor for any company's success (Woodruff, 1997; Porter, 1996). Customer value is a diverse concept; it could be viewed

from academic field, and even within that it also varies from researcher to researcher. In spite of variance in definition and context, universally, perceived value is viewed as that quality a customer expects to get for a unit of money ((Fathollahzadeh et al., 2011). On the other hand, this is the outcome of a trade-off that is found in some get components and gives components (Sweeney & Soutar, 2001). Finally, the definition of perceived value below is adopted for this study which is the customer's assessment made between the usefulness gained from a product or service relationship and the perceived sacrifices or costs (Zeithaml, 1988).

As the market is becoming competitive, customers' perceived value has secured the interest of marketers, academicians and researchers because of its important role in forecasting purchase intentions and attaining continuous competitive advantage (Chang et al., 2009; Parasuraman, 1997). Basically customer value is the pillar of marketing activity (Fiol et al., 2009). High value is one motivational factor for customer benefaction. Offering superior value to the customer is important to produce and sustain long-term customer-supplier associations (Eggert et al., 2006; Sharma et al., 2001). Similarly, the American Marketing Association (AMA) (2004, 2007) agrees that perceived value is a significant element in marketing. In this sense, for authors like Fiol et al. (2009); Prahalad and Ramaswamy (2004); and Vargo and Lusch (2004), perceived value is always co-created in an interaction, although the value of such interaction is a matter for determination by the customers.

In order to protect a company's niche market, it is necessary to create superior value for its customers (Day, 1990). Porter (1985) states that firms can frame their generic market strategies in two forms: the first one is product differentiation while the second one is cost-driven competitiveness. Finding by Day (1990) is consistent with Porter's point of view, which emphasizes that both strategies have the same objective of gaining superior customer value. He mentions that each strategy should be underpinned on an important customer value; otherwise, regardless of what strategies are taken, achieving market leadership will stand as a real challenge (Fathollahzadeh et al., 2011). Studies have also recognized a positive correlation between perceived value and intention to purchase and repurchase (Dodds et al., 1991). However, Chang and Wang (2008) note that even satisfied customers are not likely to repurchase on the same website, if they think that they are not receiving superior value for their money. As an alternative, they will look out for new websites in an attempt to find improved value (Anderson & Srinivasan, 2003).

In another study, Chang et al. (2009) state that when perceived value is treasured, the customer is motivated to modify his or her loyalty by going into competing businesses but when the customer is demoralized by perceived value, it will contribute to the reduction in customer loyalty. Even those whose views are favorable to the company's products may likely not repurchase the company's products on the website, when it is certain to them that they are not receiving superior value. These will motivate them to search for alternatives in order to get better services (Chang, 2006b; Anderson & Srinivasan, 2003; Kanji, 2002).

Researchers and marketers in recent times have focused their attention on perceived value in order to predict customers' purchasing behavior towards achieving sustainable competitive benefit (Chang et al., 2009; Parasuraman & Grewal, 2000; Dodds et al., 1991). Researchers have also recognized a relationship in a variety of sectors between perceived value and customer loyalty. For example, Rasheed and Abadi (2014) show a positive relationship between perceived value and customer loyalty in Malaysia services industries. Johan et al. (2014) state in their study there is a positive relationship between perceived value and customer loyalty in Airlines industry in Malaysia. Similarly, Study conducted on online shopping in Taiwan by Chen et al. (2013) find that perceived value has a positive relationship on customer loyalty. Lin and Kuo (2013) show in their study there is a positive relationship between perceived value and customer loyalty in online shoppers in Taiwan.

Tu et al. (2013) indicate that perceived value has significant effect on customer loyalty among customers of Taiwan. Chahal and Kumari (2011) conducted a research on two sectors in the Indian healthcare industry and find that customer value and customer loyalty has an important relationship. Similarly, Wang (2010) studied the impact of customer perceived value on customer loyalty in hair saloons in Taiwan. Roig et al. (2009) find that perceived value has an indirect influence on customer loyalty in financial services in Spain. On the other hand, a study conducted in Malaysia by Kassim et al. (2014) shows that perceived value has insignificant effect on brand loyalty in the cellular mobile phone sector. In the same vein, Jumaev et al. (2012) find in their study a negative relationship

between perceived value and customers' loyalty in the retail banking sector in Malaysia. Sugiati et al. (2013) find an insignificantly correlation between perceived value and customer loyalty in Indonesia shopping (Hypermart).

Previous studies on quantitative research have recommended perceived value as an important factor of customer loyalty, such as in the mobile phone provider (Bolton & Drew, 1991a). Similarly, Floh et al. (2013) indicate that perceived value has a substantial and significant effect on customer loyalty. Ishaq (2012), in his research, notes that customers' perceived value is positively associated with customer loyalty in Pakistan. Similarly, a study conducted by Edward et al. (2010) in India finds that perceived value has a positive and significant influence on customer loyalty. Lai et al. (2009) also demonstrate in their study that perceived value is significant in determining customer loyalty; therefore, perceived value directly influences customer loyalty in China. Chang and Wildt (1994); and Yang and Peterson (2004) propose that perceived value has a great influence on customers' purchase intention.

Reflecting on the past studies conducted by Rasheed and Abadi (2014), Johan et al. (2014) and, Lin and Kuo (2013) between perceived value and customer loyalty on different industries of parts of the world, it is evident that when a positive relationship between perceived value and customer loyalty exists, it means perceived value is an important variable to customer loyalty. In other words, when perceived value influence customer loyalty positively, customers are loyal to their company. This means that when customers get additional value provided by their company it will lead to strong customer loyalty.

However, when the relationship between perceived value and customer loyalty is negative as established by Kassim et al. (2014), and Sugiati et al. (2013) it shows that customers did not received value from their company, therefore, it leads to less customer loyalty. For that reason, more value should be provided by the mobile phone operators to their customers in order to establish and sustain a long relationship with their customers.

In addition to the perspective above, the findings of the above studies on customer loyalty indicate different outcomes between perceived value and customer loyalty. For example, Floh et al. (2013); Tu et al. (2013); and Ishaq (2012) find different results from Kassim et al. (2014); and Jumaev et al. (2012). Consequently, the association between perceived value and customer loyalty does not match each other. Additionally, Sanchez et al. (2006) opine that future studies should examine the correlations between perceived value and customer loyalty in different settings necessary to judge the changes in results and validate the previous studies' findings.

Obeidat et al. (2012), recommend that future studies should examine the influence of perceived value on customer loyalty. Gounaris et al. (2007) recommend that future studies should investigate the relationship between perceived value and customer loyalty to validate the findings of their study in other cultural contexts. Thus, study of perceived value may help to better understand the variances in customer loyalty in the Jordanian context. Based on the literature above, it is argued that perceived value needs to be incorporated as one of the independent variables of customer loyalty.

## **2.8 Perceived Enjoyment**

The definition of perceived enjoyment as given by Davis et al. (1992) is the degree to which the use of a specific system is judged to be enjoyable, apart from the consequences of any performance issues that result from using the system. It has become a significant antecedent of repurchase intentions (Cyr et al., 2006; Bart et al., 2005); and behavioral intentions (Chen & Corkindale, 2008).

According to Jones (1999); and Holbrook and Hirschman (1982), entertainment aspects of shopping experiences are represented by pleasure and enjoyment. It has also been noticed that during shopping, customers are mostly in a pleasant state of mind. This process relates to customers' continuous experience of engagement, involvement and entertainment through their participation and interest in it, as described by Pine and Gilmore (1998). Guiry et al. (2006) rate enjoyment as a key element of recreational shopping experience, while Childers et al. (2001) describe it as a major behavioral example with regards to the shopping channel.

While examining new products, not only is the novelty instinct of customers satisfied but also the shopping enjoyment could be enhanced as noticed by Steenkamp and Baumgartner (1992). According to Williams et al. (1985), recreational shoppers show their curiosity by investing time and effort in order to seek the latest information and try out new brands. Pop-up retail has opened the doors for the customers to experience latest and exclusive products by offering entertainment and permitting them to examine the products by testing them directly as expressed by EventNet (2006); Trendwatching (2005).



Therefore, shopping enjoyment might be associated with unique and new ideas, particularly emphasizing upon excitement and latest and selected new brands and products.

According to Csikszentmihalyi (1990), enjoyment is not only associated with physical active exercises alone, but also in the engagement of mental and thought processes, like playing a game of chess. Enjoyment plays a decisive role not only in the offline settings but also in the contextual background of online interactions as described by Jawenpaa and Todd (1997). In fact, enjoyment has been associated as having a significant influence on e-loyalty for females, whereas this connection is found to be insignificant with respect to the males. Previous studies related to e-commerce, conducted by Li, Chau and Iou (2005) have identified the role of enjoyment in chatting (instant messaging); while Koufaris (2002) explored the connection of enjoyment with online shopping experience; the link of enjoyment to mobile phone operators has been discussed by Lee and Murphy (2008).

Researchers, like Deci, Koestner and Ryan (1999); and Deci and Ryuo (1985) have identified that where an individual's behavior has been inspired by inherent motivational feelings, like enjoyment and interest, he or she is more likely to continue the similar behavior in future as well. According to Dennis (2005), enjoyment has been considered to be a major motivational source, especially behind brick and mortar retail shopping activity. Several researchers, including Ballantine et al. (2012); Backstrom and Johansson (2006); and Cox et al. (2005) have found that shoppers acquire very strong feelings of enjoyment from their shopping experience, generally personal or private in nature.

However, these feelings have been associated with a specific approach and avoidance behavior during the shopping experience as further elaborated by Bagdare and Jain (2013); and Patwardhan & Balasubramanian (2011). Furthermore, Moon and Kim (2001); and Teo et al. (1999) have reiterated the impact of perceived enjoyment on customers' intent and attitude regarding system adoption and usage.

Childers et al. (2003) mention that with the emergence of online shopping facilities, companies have now extensive opportunities to create highly aesthetic shopping environment. In the previous studies, Eighmey and MoCord (1998); and Jarvenpaa and Todd (1997) studied perceived enjoyment as a key feature of an online shopping activity, while Pikkarainen and Pahnla (2004) identify the relationship of perceived enjoyment and online banking experience. Furthermore, the research carried out by Van der Heijden (2003); Childers et al. (2001); and Teo et al. (1999) has established a positive relationship of enjoyment with the attitude and intention towards a website to visit it repeatedly and frequently.

In the mobile phone provider, enjoyment has a symbolic significance for both behavioral attitude as well as behavioral intention. When customers enjoy mobile phone gaming services, they seem to develop a positive attitude for playing these mobile phone games as mentioned by Wu and Liu (2007) and consequently, they tend to play more games as described by Huang and Cappel (2005). This depends on the extent to which these services, like instant messaging, games and others can be perceived as fun and

amusement, which are further considered as basic sources of motivation, as expressed by Al-Gahtani and King (1999). In making a comparison with other experiences, like online shopping activity and information system uses, Huang and Cappel (2005) find that mobile phone services-related enjoyment has been more experience-oriented.

According to Lee and Murphy (2006) the relative importance of subjective as well as descriptive norms is quite different from each other with respect to consumption features. Therefore, mobile providers have to adopt separate approaches to attract the younger generation and their elders, because a subjective norm is strongly associated with a high level of perceived enjoyment. Advertising techniques focusing on the fun aspects, like mobile games might persuade young minds to use the same provider. Similarly, the descriptive norm is strongly related to low perceived enjoyment and mobile providers could approach the youth by providing functional features and related information, where utilitarian voice communication is considered as a significant function. According to Lee and Murphy (2006) the younger generation seems to be attracted towards mobile operators for pleasure seeking objectives, like downloading different ring tones, music and exchanging jokes, which might persuade the young minds to use the same company. They also recommend that mobile operators should come up with latest fun applications, like different interactive games and fun-related downloads in order to encourage and attract the youth.

Kim et al. (2013) find that perceived enjoyment significantly influences usage intention (loyalty in this context) in tourism sector in at Hanok village. Study conducted on online

shopping in Taiwan by Chen et al. (2013) indicates that perceived enjoyment has a positive relationship on customer loyalty. Zhou (2013) shows in his study there is a positive relationship between perceived enjoyment and continuance usage on mobile sites. Cyr et al. (2006), while conducting a study on design aesthetics of mobile commerce, find that enjoyment has a significant and strong influence on customer loyalty. Similarly, Hong et al. (2008) argue that there is an impact of perceived enjoyment on attitude towards continued usage of mobile data services. According to Ha et al. (2007), perceived enjoyment is considered to be significant for the individual's attitude towards access of mobile broadband wireless technology-based games. In a research conducted by Lee and Murphy (2008) in the Australian mobile phone operator, it has been found that student enjoyment is insignificantly associated with student loyalty.

Ku (2011) find in his research that perceived enjoyment has a positive influence on behavioral intentions to use in the traveling sector in Taiwan. According to Kim et al. (2010), shopping enjoyment exhibits a certain positive attitude towards pop-up retailing activity, considering it as excellent, attractive, exciting and pleasant. It has also been shown by Al-hawari and Mouakket (2010), in the context of e-learning in the UAE, that there is no direct relationship of enjoyment with students' e-retention. Wang and Li (2012) studied the significant positive impact of perceived enjoyment on customers' brand loyalty in the mobile branding sector. According to Chemingui and Lallouna (2013), there exists a certain positive influence of perceived enjoyment on customers' intention to use in the mobile financial services. Hart et al. (2007) considers that shopping experience enjoyment has a certain positive impact on customer' loyalty intentions with regards to shopping

experience in the UK. The study conducted by Wu and Liu (2007) explored the significant relationship of enjoyment with customers' behavioral intentions. Overby and Lee (2006) observe that hedonic feelings are associated with customers' intention to prefer an online retail shopping experience.

In their online sector research, Andreassen and Streukens (2012) explored the impact of perceived enjoyment on positive attitude towards online complaining. It is indicated by Al-Maghrabi et al. (2011); and Al-Maghrabi and Dennis (2011) that perceived enjoyment has a strong direct influence on continuance intentions with regards to electronics shopping in Saudi Arabia. Cyr et al. (2010) highlight the certain positive impact of perceived enjoyment on customers' e-loyalty with respect to online shopping interactivity. According to Chiu et al.'s (2009a) description, enjoyment can be regarded as the most significant factor through which customers' repurchase intentions might be accurately represented in the online shopping sector. In a similar online shopping related research, Lu and Su (2009) highlight the strong impacts of perceived enjoyment on customers' behavioral intentions. Lee (2009) also indicates the influence of perceived enjoyment on customers' acceptance of online games. Srisuwan and Barne (2008) conducted a study to explore positive impact of perceived enjoyment on customers' attitude and also the role of enjoyment as the interpreter of customers' attitude in relation to interacting on an online channel.

In the same manner, Srisuwan and Barnes (2008) illustrate in their research that perceived enjoyment has been considered as the most appropriate factor through which customer

attitude towards using the website can be best interpreted. Xie and Barnes (2009) explored in their research the impact of perceived enjoyment on websites of the airline industry in the UK. According to Lee et al. (2006a), perceived enjoyment is a radical factor to improve customer attitude and behavioral intention towards an online dealer. Shun and Yunjie, (2006) studied the insignificant relationship of enjoyment with customer loyalty in online e-commerce shopping. It is empirically confirmed by Van der Heijden (2003, 2004) that perceived enjoyment has a considerable positive impact on the attitude and intention to use a website. On the other hand, Wong et al. (2014) show insignificant relationship between perceived enjoyment and electronic - customer loyalty in Malaysia to Internet service providers.

On the contrary, Lee et al. (2009), in their study, used product enjoyment as a moderator variable between attitude, perceived behavioral control, descriptive norm and subjective norm as independent variables; while customer loyalty was the dependent variable. Subjective norm is seen to be related to loyalty intentions considerably with high perceived enjoyment, while descriptive norm is seen to be significantly associated with low enjoyment in Australian mobile phone usage.

Previous research was conducted by Kim et al. (2013), Chen et al. (2013), Zhou (2013) between perceived enjoyment and customer loyalty on various industries and different locations. It is evident from the results that when the relationship between perceived enjoyment and customer loyalty is positive, it indicates that customer will be loyal to the company, due to the enjoyment derived by the customer when they used the service.

However, when there exists a negative relationship between perceived enjoyment and customer loyalty, there is negative influence on customer loyalty (Wonget al., 2014; Al-hawari and Mouakket, 2010). This means that customers have not enjoyed the service which will lead to discontinued service consumption and lessen customer loyalty. In this scenario, mobile phone oprtators are expected to ensure that customers enjoyment is given serious attention to ensure repurchase of the service rendered, as this will lead to customer loyalty.

In addition to the perspectives above, the findings of the above studies on customer loyalty indicate different outcomes between perceived enjoyment and customer loyalty. For example, Al-hawari and Mouakket (2010); Lee and Murphy (2008); and Shun and Yunjie (2006) find different results from Zhou (2013); Ku (2011); and Al-Maghrabi et al. (2011). Consequently, the relationship between perceived enjoyment and customer loyalty does not match each other. Moreover, a study conducted by Lee and Murphy (2008) on the mobile phone operator in a developed country (Australia) suggests that future studies should emphasize on the identification of the effect of enjoyment on customer loyalty, particularly of the younger generation's loyalty towards mobile operator because their study failed to achieve this objective.

In addition, Chiu et al. (2009a) suggest that future studies should be conducted to identify the relationship between enjoyment and repurchase intentions in order to understand the relative significance of enjoyment on customer' repurchase intentions. According to Wu and Liu (2007), future studies need to concentrate on enjoyment and behavioral intention

because of the significant role of enjoyment in explaining behavioral intention. Hong et al. (2006) also support that future researchers should concentrate particularly on the significant role of perceived enjoyment in customer loyalty. Therefore, by examining the perceived enjoyment and customer loyalty, it is hoped that this research fills the theoretical gap raised initially in this study. Thus, perceived enjoyment is included as a predictor of customer loyalty study that focus entirely on Generation Y in the postpaid subscribers of the mobile phone operator in general, and in Jordan's mobile phone providers specifically.

## **2.9 Technological Perceptions**

According to DeLone and McLean (2003), information and system qualities have been regarded as two indispensable factors for the success of the information system. Nelson and Todd (2005); and Wixom and Todd (2005) state that precision, comprehensiveness and appropriateness are the key elements of information quality supplied by mobile services providers. This is significant because mobile companies are meant to provide mobile users the relevant information about their friends so that they can contact them. So, where the mobile services provider is not capable of providing precise, complete and appropriate information to its users, a negative image will probably emerge in the minds of the users regarding the information quality of that specific mobile service. The system quality, according to Nelson and Todd (2005); and Wixom and Todd (2005), is exhibited by the trustworthiness, speed of response and user friendly characteristic of mobile service platforms. Zhou et al. (2010) state that reliability and response speed of a mobile service



would be badly affected in case the service is imbalanced and relatively slow which would result in its rejection ultimately.

According to Pura (2005), all these factors, like required service level, the pace of technological adoptions, customers' quality consciousness and competitive market environment have always been reflected by the market turbulence map. Quality in this modern era is no more fulfilling producers' designed product specifications; rather it is meeting the customers' demands. Therefore, highly competitive activity involves uncertain product requirement, differentiation in services and searching for gaps to fill. Therefore, high level of competition can lead to uncertainty with regards to product demand, calls for distinguishing the offering from those of competitors and to hunt for new market niches to serve. Keeping in view the prominence of mobile commerce practices, they must be embraced urgently in mobile phone services in order to provide competitive advantage to mobile service providers (Sigala, 2002).

Improved information and system quality show the capability, integrity and goodwill of the mobile services providers which lead to enhancing their users' trust. Serious efforts and multiple resources are required by mobile phone service companies to pass on to their customers an improved system and information quality. Therefore, information and system quality could work as trust indicators and enhance customers' trust. Several researchers, like Zhou et al. (2010); Lin (2008); and Zhang (2009) have reiterated that information and system quality do influence the customers' trust. Thus, it is now appropriate and essential to study information and system quality continuation related to

customers' mobile applications in this era of business expansion. It is also evident that system and information quality carry different features for different mobile applications because of context responsiveness and personalized characteristics. According to Chen et al. (2012), in order to create a better foundational basis for system designers and operators for building a strong customer experience, it is highly essential to understand the behavioral continuity of the role of system and information quality in the context of the mobile phone provider.

Previous studies, including Nelson et al. (2005); and Glaser and Shaw (2004) show that the utilization and satisfaction of the customers with the latest mobile technologies depends on the degree to which the information system is capable of supplying the customers the data access, stored in the centralized databases. An empirical study conducted in the context of mobile technologies by Lee et al. (2007) shows that users' technological capacity to download any required information directly from the company's databases enhances the utilization of technology. Additionally, Hill and Roldan (2005) consider mobile technology service as better representation of face-to-face chat discussions, by delivering to the participants in real time wherever they are. Similar ideas have been shared by other researchers also, like Cousins and Robey (2005); and Kakihara and Sorensen (2001), who reiterate that mobile devices can best perform such tasks of acquiring immediate access to the required data.

An extensive literature review has been carried out by DeLone and McLean (1992) with respect to the success of information quality. They say that information quality success

can be characterized by information and system quality; the output quality of the information quality; utilization of information quality output; customers' satisfaction with the information quality; information quality's impact on the customers' behavior and the information system's influence on organizational performance according to McGill and Hobbs (2003). Sheng et al. (2005); and Chatterjee et al. (2009) argue that mobile technologies can provide a number of benefits to organizations, such as connectivity, flexibility and interactivity. Epistemic value is associated with inquisitiveness, novelty or acquired knowledge, which is a substantial motivator behind the purchase of a specific product and service as expressed by Duman and Mattila (2005); and Sheth et al. (1991). According to Sigala (2006), sometimes, customers purchase technology just because of their curiosity and the product's novelty and not for any other particular objective.

According to a statement made by Ganguli and Roy (2011) with regards to the banking sector, the generic technology-based service quality factors do have substantial and positive influence on customer loyalty. While carrying out a study about mobile sites (internet) in China, Zhou (2013) shows that technological perceptions has an effect on continuous usage. Kim et al. (2013) state that technological perceptions (including system and information quality) has a significant effect on usage intention (loyalty in this context) in tourism sector in at Hanok village. In their study regarding the usage of e-government websites in Thailand, Khayun et al. (2012) report that technological perceptions include information quality and system quality, where the system quality is a significant dimension to use (loyalty in this context), while information quality is an insignificant

factor of intention to use (loyalty in this context). Therefore, by examining technological perceptions and customer loyalty, it is hoped that this research fills the theoretical gap raised initially in this study, centered entirely on Generation Y in the postpaid segment of the mobile phone service industry in general, and in Jordan's mobile phone industry specifically. As a result, this study uses technological perceptions as one of the independent variables of customer loyalty.

Considering the results of past research conducted by Zhou (2013), and Kim et al. (2013) between technological perceptions and customer loyalty, which focused on different industries and conducted on different locations, this study's results revealed that if positive relationship between technological perceptions and customer loyalty exists, it is a vital variable to customer loyalty. In other words, when technological perceptions have positive influence on customer loyalty, it also influences customers to be loyal to their company. This means that, when customer realized that reliability of technology exist anywhere and at all time by their company, it leads to customer loyalty. In view of this, mobile phone operators should intensify their efforts in the sustainability of good service delivery to their customers by minimizing the disruption in technology to ensure customer loyalty to the service provided by the mobile phone providers.

According to recommendations made by Ganguli and Roy (2011), future studies should focus on the influence of technological perceptions on customer loyalty, particularly in the mobile phone operator and other share trading companies as well, in order to construct a universal model of service quality perception in technology-related services along with an

appropriate sampling strategy to generalize the findings of such research. When putting forth their suggestions, Shin (2010); and Brandtzæg and Heim (2008) emphasize that there is a dire need to resolve the contradictions of technological perceptions towards customer loyalty in future research. Additionally, a study conducted by Hong et al. (2008) to understand the behavior of mobile data services users, found that further research should be carried out to identify the relationship between technological perceptions and continued usage of a product. Therefore, future research models should incorporate various usage scenarios that will aid in technological perceptions-related services. In view of the above recommendations, the present study considers technological perceptions as vital in study of customer loyalty among Generation Y postpaid subscribers to mobile phone operators in Jordan.

## **2.10 Customer Satisfaction**

In marketing literature, customer satisfaction is one of the most significant outcomes of customer-supplier relationship (Siddiqi, 2011). Researchers have always given much attention to satisfaction (Santouridis & Trivellas, 2010). Satisfaction links the processes of close buying, consumption and after purchase phenomena, such as behavioral change, replicated purchase and product loyalty (Churchill & Surprenant, 1982). Furthermore, it is a conceptual matter, derived from many different definitions, identified in literature. There is a long debate stating that satisfaction is an individual internal feeling of pleasure or disappointment of not meeting the expectations emanating from contrasting a product's perceived performance or outcome in connection to the customers' expectations (Kotler,

2003). Consequently, customers' expectation is closely linked with the level of satisfaction. More particularly, there is a narrow gap between customers' anticipation and the actual product performance, which brings better customers' satisfaction (Santouridis & Trivellas, 2010; Hutcheson & Moutinho, 1998).

Cardozo (1965) introduces the concept of customer satisfaction, and it has become an area of considerable significance for practitioners, academicians, institutions and company management (Kuo & Ye, 2009). Additionally, the main motivation for the appreciating emphasis on customers' satisfaction is directly proportional to competitive situation resulting in greater market share and profitability (Fornell, 1992); reduction in price elasticity, lesser business cost, reduced failure cost as well as lessened cost of attracting new customers (Bayraktar et al., 2012; Chien et al., 2003). The term customer satisfaction is considered as the main success factor leading to profitability (Siddiqi, 2011). Finally, customer satisfaction is the overall evaluation of a product's quality as well as service experience after actually making use of the product and service (Garbarino & Johnson, 1999). This definition is adopted in this study.

Furthermore, loyalty is strongly associated with customer satisfaction and this is the reason managers are interested in knowing their customers' satisfaction level (Cronin et al., 2000; Sambandam & Lord, 1995; Anderson & Sullivan, 1993). Loyal customers use services many times or stay with that specific service when purchasing products (Brunner et al., 2008). Wong and Zhou (2006) find that satisfaction increases customers' loyalty. Previous literature (Flol et al., 2009; Spiteri & Dion, 2004; Oliver 1999), has found that

satisfaction plays a major role in achieving customer loyalty. Whenever customer loyalty is discussed, satisfaction plays a positive role (Deng et al., 2010; Dick & Basu, 1994). Even though loyal customers might not at all times be satisfied (Gerpott et al., 2001), it is safe to say that satisfied customers are comparatively more loyal. Most of the time, it is considered as a significant determinant of buying back behavior (Liao et al., 2009); and customer loyalty (Eggert & Ulaga, 2002; Deng et al., 2010). On the other hand, based on a more realistic perspective, it has been empirically proven that customer satisfaction is an important ingredient for long-term business success (Abu-ELSamen et al., 2011).

Several studies have explored the assertion that customer satisfaction influences customer loyalty (Yang & Peterson, 2004; Oliver, 1999; Bloemer et al., 1999). For example, Zakaria et al. (2014) find that customer satisfaction significantly influences customer loyalty in retail industry in Malaysia. Cin and Chaipoo Pirutana (2014) state that customer satisfaction is the most important factor affecting customer loyalty on banking service in Yangon. Johan et al. (2014) state there is a positive relationship between customer satisfaction and loyalty in Airlines industry in Malaysia. Similarly, study conducted on online shoppers in Taiwan by Lin and Kuo (2013) shows a positive relationship between satisfaction and customer loyalty. Rai and Medha (2013) find a positive relationship between customer satisfaction and loyalty in the Indian life insurance sector. Abd-El-Salam et al. (2013) state in their study there is a strong positive correlation between customer satisfaction and customer loyalty in one of the biggest Egyptian company.

Similarly, Sugiati et al. (2013) find in their study a significantly correlation between customer satisfaction and loyalty in Indonesia shopping (Hypermart). Gorondutse and Hilman (2013) find a significant relationship between satisfaction and customer loyalty in the food and beverages industry in Nigeria. Stan et al. (2013) show a positive relationship between customer satisfaction and loyalty in the banking sector. Tabassum et al. (2013) indicate that customer satisfaction has a positive relationship with loyalty in the education sector in Pakistan. Tu et al. (2013) indicate that customer satisfaction has a significant effect on loyalty among customers of shoes industry in Taiwan.

Gilaninia et al. (2011) conducted a research on banking services in Ardabil and find that the customer satisfaction variable has a direct influence on bank customers' loyalty. In a similar study, Afsar et al. (2010) show that in the Pakistani banking industry, satisfaction is affected by loyalty of customers. Tu et al. (2011a) indicate that customer satisfaction has strong influence on customer loyalty in Taiwan's restaurant sector. Kandampully and Hu (2007) also indicate that by satisfying Mauritius hotel customers, their loyalty appreciates. On the other hand, Nikhashemi et al. (2013) find that customer satisfaction has poor relationship with customer loyalty in internet technology. Auh and Johnson (2005) find that the correlation between customer satisfaction and customer loyalty is negative in USA in seven major economic sectors. In addition, Omar et al. (2011) find that customer satisfaction is negatively related to customer loyalty in the retail sector in Malaysia.



Customer satisfaction and customer loyalty are important and remain complimentary to each other in the mobile phone operator. Satisfied customers of the mobile phone industry have a high degree of utilization and willingness towards buying back intention in the future. For example, Tung (2013) indicates that customer satisfaction has a significantly influence on customer loyalty in USA. Chang and Chong (2011) find that customer satisfaction is a basic variable for creating and appreciating customer loyalty in Malaysia. Similarly, Santouridis and Trivellas (2010) indicate that customer satisfaction has an important positive influence on customer loyalty in housing business in Greece. In another study, Oyeniyi and Abiodun (2010) in Nigeria indicate that fundamentally, customer satisfaction and customer loyalty have positive and significant influence on each other.

Additionally, Deng et al. (2010) show that customer satisfaction directly improves customer loyalty in China. Another study conducted in China by Lai et al. (2009) show that customer satisfaction is a fundamental factor in determining customer loyalty. Furthermore, in a study conducted by Lim et al. (2006) on the mobile phone industry in USA, it is pointed out that customer satisfaction has a positive influence on loyalty intention. Turel and Serenko (2006) indicate that customer satisfaction, to a certain extent, influences customer loyalty in Canada. On the other hand, a study conducted in the Ghanaian mobile phone sector by Boohene and Agyapong (2011) finds that there is a negative correlation between customer satisfaction and customer loyalty.

It is noteworthy that the customer satisfaction plays significant role in the explanation of customer loyalty (Zakaria, et al., 2014; Cin & Chaipoopirutana, 2014; Johanet al., 2014).

When customer is satisfied with the service provided by their company it will lead to customer loyalty. But on the contrary, when there exists a negative relationship between satisfaction and customer loyalty as pointed out Omar et al. (2011) and, Boohene and Agyapong (2011) this has a negative influence on customer loyalty, meaning that customers do not achieve satisfaction from the service consumed which consequently leads to lack of customer loyalty. On that note, mobile phone operators should improve on its services so as to achieve customers' loyalty.

Based on the previous studies, the findings indicate different outcomes between satisfaction and customer loyalty. For example, Gorondutse and Hilman (2013); Stan et al. (2013); and, Tabassum et al. (2013) find different results from Omar et al. (2011); Boohene and Agyapong (2011); and Auh and Johnson (2005). Overall, it could be claimed that customer loyalty is enhanced by customer satisfaction. If the customers are satisfied, they might spend more of their financial resources on a company's services and also recommend the services to others. Thus, it can be recognized that customer satisfaction has a critical role to play on customer loyalty (Abu-ELSamen et al., 2011). In addition, Chahal and Kumari (2011a) recommend that future researches should focus on the customer satisfaction-loyalty relationship in different service sectors and cultures in order to establish a theoretical framework and provide an actionable guideline for a long-term relationship between a company and its customers.

In addition, Stan et al. (2013) recommended that future studies should examine the relationship between customer satisfaction and loyalty in the mobile phone provider to

know of new results for that relationship. Sanchez et al. (2006) suggest that future studies need to explore the correlation between customer satisfaction and loyalty in order to know various results and experiences in different regions in the world. In the context of Jordan, Alshurideh et al. (2012) recommend that future studies need more investigation between customer satisfaction and loyalty to have a fuller picture between satisfaction and customer loyalty relationship among mobile users in the Jordanian mobile phone providers.

Similarly, Abu-ELSamen et al. (2011) state that there is a need for a research that investigates the effect of satisfaction on customer loyalty and future research should be conducted to delineate the relationship between these two. In the same vein, Akroush et al. (2011) state that attention must be paid to the influence of various antecedents, such as customer satisfaction on customer loyalty in the Jordanian mobile phone operator in order to achieve wider generalization and applicability of the research findings. Therefore, the significance of this study is to identify customer satisfaction as a factor that determines customer loyalty.

### **2.11 Mediating Effects of Customer Satisfaction**

Previous quantitative studies have found that customer satisfaction has a mediating influence on customer loyalty (Chang & Chong, 2011; Alireza et al., 2011; Akbar & Parvez, 2009). Bei and Chiao (2006) indicate that customer satisfaction either fully or partially mediates the relationship between customer' perception of service quality and their loyalty among Taiwanese banking customers. Similarly, Tu et al. (2011a) show that

service quality significantly influences satisfaction, and customer satisfaction has an important effect on customer loyalty in Taiwanese restaurants. Pollack (2009) conducted a study in the hairdressing salon business in USA and found that service quality is a predictor of customer satisfaction and loyalty.

Research on the mobile phone operator has validated the claim that there is a mediating effect of customer satisfaction and customer loyalty on service quality. There are studies that have confirmed the positive influence of service quality on customer satisfaction which eventually leads to customer loyalty. Abd-El-Salam et al. (2013) state in their study there is mediation effect of customer satisfaction between service quality and customer loyalty in one of the biggest Egyptian company. Stan et al. (2013) show in their study that customer satisfaction has a mediating effect between service quality and customer loyalty in the banking sector. Gorondutse and Hilman (2013) also indicate in their study that customer satisfaction has a mediating effect between service quality and customer loyalty in the food and beverages industry in Nigeria. Santouridis and Trivellas (2010) conducted a study in Greece, which shows that service quality has a strong significant influence on customer satisfaction, thereby resulting in positive influence on customer loyalty.

Similarly, in a study conducted in Iran by Alireza (2011), the result shows that service quality directly affects customer satisfaction, and customer satisfaction mediates as an important determinant of customer loyalty. In the same vein, Chang and Chong (2011) indicate that service quality is a predictor of customer satisfaction, and customer satisfaction plays an intervening role on the relationship between service quality and

customer loyalty. Customer satisfaction is a major cause of customer loyalty in Malaysia. Additionally, Denga et al. (2010) indicate that service quality contributes to customer satisfaction while customer satisfaction improves customer loyalty in China. A study conducted in Canada by Turel and Serenko (2006) reveals that service quality plays a significant role in influencing customer satisfaction which in turn, affects the extent of customer loyalty.

A study conducted in the mobile phone operator has shown that there is a positively significant correlation between perceived value, customer satisfaction and loyalty. Some studies have identified the positive influence of perceived value on customer satisfaction, ultimately creating customer loyalty. Deng et al. (2010) conducted a study in China which finds that perceived value contributes to customer satisfaction and customer satisfaction directly improves customer loyalty. Similarly, Alireza (2011) indicates that perceived value affects customer satisfaction and customer satisfaction is a significant determinant of customer loyalty in Iran. In addition, Turel and Serenko (2006) indicate that perceived value is one of the significant variables influencing customer satisfaction, which in turn influences the degree of customer loyalty in Canada. Lim et al. (2006) also show that perceived value has important effect on customer satisfaction, and then, on customer loyalty intention in USA. Lai et al. (2009) assert that perceived value influences customer loyalty indirectly through customer satisfaction in China.

In addition, Sugiati et al. (2013) state in their study that customer satisfaction has mediation effect on correlation between perceived value and customer loyalty in Indonesia shopping (Hypermart). Fathollahzadeh (2011), show that customers' perceived value is one of the determinants of customer satisfaction and customer loyalty is critical and key to satisfaction in the banking sector in Iran. Roig (2009) indicates that perceived value influences customer loyalty indirectly through customer satisfaction in financial services in Spain.

To the best of the researcher's knowledge and available literature, most studies have only investigated two elements of perceived enjoyment. The first has a direct influence on customer loyalty (Zhou, 2013; Chemingui & Lallouna, 2013; Cyr et al., 2010); and the second has an interaction effect with customer satisfaction on customer loyalty (Edward et al., 2010; Wang, 2010; Aydin et al., 2005). A study by Al-Hawari and Mouakket (2010) conducted in the UAE in the e-learning context recommends that future studies should study the impact of perceived enjoyment on customer satisfaction and retention (loyalty), in order to examine those relationships in other contexts, generalize the result and be a starting point for those relationships.

Based on the researcher's knowledge, technological perceptions is found to be crucial to customer loyalty and consequently for different firms' performance. Studies conducted by Zhou (2013); Khayun et al. (2012); and Ganguli and Roy (2011) have established the relationship between technological perceptions and customer loyalty. On the other hand, studies conducted by Edward et al. (2010); Wang (2010); Aydin et al. (2005); and, Lee et

al. (2001) have established the relationship between customer satisfaction and loyalty. According to suggestions made by Zhuang et al. (2013) during a study on contradictions of social networking sites in USA, future studies should focus on the relationship between influence of perceived technology and customer satisfaction and loyalty, in to order improve the items used in the measurement, for example to include multiple items.

Moreover, according to Ganguli and Roy (2011), future research should emphasize on the impact of technological perceptions on customer satisfaction and loyalty. To properly observe such impact, there is a need for building a universal model of technological perceptions as well as a more representative sampling strategy in other industries, like the mobile phone operator.

Previous researches were carried out with customer satisfaction as mediator between some antecedent of and customer loyalty. For example, Stan et al. (2013); Gorondutse and Hilman (2013); Alireza (2011) conducted research on different locations and sectors, the results revealed customer satisfaction as a mediator, showing that there exist positive relationship. In other words, customer satisfaction influences the relationship positively. This means that customers will develop good relationship between the company and the customers. Therefore, mobile phone providers should be concerned about total customer satisfaction which lead to customer loyalty. Therefore, customer satisfaction is incorporated as the mediating variable between the four independent variables (service quality, perceived value, perceived enjoyment and technological perceptions) and dependent variable (customer loyalty).

## **2.12 Trust as Moderating Variable**

The term trust is a branch of social psychology and it is embedded in two elements. The first is trust in a partner's honesty and the second is trust in a partner's kindness (Afsar et al., 2010). Fundamentally, honesty is a concept that denotes that a person stands by his or her word and benevolence; it is also a concept that states that a partner (supplier) is concerned with the customers' welfare, and shall not take actions with negative consequences on customers. Marketing literature, according to Afsar et al. (2010), recommends that trust leads directly to loyalty based on the fact that trust produces exchange associations that are highly valued (Afsar et al., 2010). Acts of unfaithfulness to this trust by the supplier or service provider could directly lead to defection (Ndubisi, 2007).

Furthermore, trust can be defined as a sentiment of security or belief which the customers have vested upon their service supplier, supported by the anticipation that the company does not intend to lie, undermine the assurance or accept undue benefits over the customers' openness (Mayer et al., 1995; Ibanez et al., 2006). Analyzing the personal relationship in social psychology, trust is recognized as an intrinsic characteristic in social interaction. The significance of trust on service provider has been compared in various studies (Ibanez et al., 2006; Price & Arnould, 1999; Geyskens et al., 1998). In line with the studies above, Morgan and Hunt (1994) elaborate on the concept of trust as when one party has confidence in an exchange partner's reliability and integrity, and this is an important part in dealing with relational interactions. Finally, trust is defined in this study



as the customers' thoughts, feelings, emotions, or behaviors relating to a particular service provider that provides customers with a feeling of relying on firms to meet their expectations (Patrick, 2002).

Trust is treated as a vital element in developing the strength of businesses as well as a significant instrument for improving a firm's relationships (Berry, 1995). Alrubaiee (2012) observes that trust is the central part of customers' relationship contact; it has been referred to as "the cornerstone of the strategic partnership". Furthermore, it can lead directly to long run loyalty and can enrich the relationship between the two entities (Liu et al., 2010; Singh & Sirdeshmukh, 2000). Mobile instant message customers, nearly all the time, choose their supplier based on trust for the purpose of transaction, thereby building satisfaction. We can also see trust as an important factor in customers' relationship to develop and sustain connection with the suppliers (Semejin et al., 2005; Deng et al., 2010).

In order to achieve customers' trust, the supplier should view it as a fundamental contributor in achieving customer loyalty. In view of the fact that trust could decline, and be risky in the process of enhancing interactive relationships, customers are disposed to always remain supportive of trustworthy service to supplier by representing good attitudinal proof of their loyalty (Morgan & Hunt, 1994). Thus, customers' trust on a service gives them the confidence to always utilize the service and also recommend the service to other customers. Previous studies have observed that there is a significant positive effect of trust on customers' behavioral intention in mobile commerce context

(Wang et al., 2006; Lee, 2005). In mobile instant messaging service, the concept of trust can be explained as a customer's view of a specific quality of a mobile instant message service provider, such as the capacity, honesty and kindness of the vendors. At the same time, trust intention takes place as a result of the truster's security and willingness to depend, or intend to depend, on the trustee (Lin et al., 2006). In a situation whereby customers perceive the instant message service delivered by the service provider to be consistent and typically consistent, customers become satisfied with their services and this will probably increase the positive behavior towards mobile instant message services. The declaration that the concept of trust can openly influence trusting intentions has been proven by previous studies (Mayer & Davis, 1999).

In today's competitive market, trust plays an important role in the market. On the other hand, trust is monitored as one of the key appropriated antecedents of sustainable and cooperative relationships. Previously, academicians and researchers have opined that trust is necessary to build a sustainable and mutual relationship (Akbar & Parvez, 2009; Singh & Sirdeshmukh, 2000). Furthermore, Hart and Johnson (1999) state that trust is a more effective variable of loyalty to supplier than customer satisfaction. Nesbit (2001) recommends that the sentiment of trust is the most applicable factor for customers in sustaining a long lasting relationship with supplier. On the other hand, Ibanez et al. (2006) find that the influence of trust on customer loyalty becomes appropriate when confronted with switching decision with an appreciable level of risk and uncertainty, as perceived by its customers. On the basis of these inputs, market players and mutual effort pillared on

trust and commitment, can allow companies to remain competitive (Valenzuela & Vsquez-Parraga, 2006). In general, Valenzuela and Vsquez-Parraga (2006); and Morgan and Hunt (1994) declare that trust is a key variable for businesses because it motivates marketers to work and protect investment relationship and resist attractive shorter alternatives in favor of the expected long-term benefits of staying with existing partners. Trust also sees the possibility of high risk achievement being cautious as a result of the conviction that the partner is not performing as an opportunist (Valenzuela & squez-Prraga, 2006).

Trust is often investigated in marketing studies relationships, because various researchers consider trust as a main variable of both successful relationships as well as commitment (Stanko et al., 2007; Cater & Zabkar, 2008). In addition, researchers have suggested that trust is one of the fundamental physiological behavioral determinants of loyalty (Karande et al., 2008; Coote et al., 2003). Trust has a significant influence on commitment. Trust decreases the risk and openness perceived by customer in a relationship and that causes its direct advanced commitment to the relationship. However, trusted partners can be relied upon to fulfill their expectations, thereby resulting in enhanced commitment (Ganesan, 1994).

In this scenario, if the service provider is not viewed as generous, competent or having adequate honesty in expressing helpful behavior concerning the connection in question, the customer cannot depend solely on this service provider and will therefore manifest negative commitment in the direction of their relationship (Morgan & Hunt, 1994). Cater and Zabkar (2008) therefore, recommend that in a relationship in which trust is

appreciated, there is the probability that customers may keep the relationship based on the fact that they like the supplier and enjoy working together. Thus, researchers have suggested quantitative proof of the positive influence of trust on commitment. Alrubaiee and Alnazer (2010) establish that empirical proof has shown that there is a significant impact of relationship marketing on customer loyalty. Furthermore, Sanzo et al. (2003) show that trust and commitment directly influence customer loyalty to the supplier or service provider (Alrubaiee, 2012).

In addition, trust has been discovered to be an important contributor to building and maintaining relationships. It could also be elaborated on as an important element in electronic trading (Lee & Turban, 2001); and mobile commerce (Siau & Shen, 2003). In the mobile instant messaging context, mobile phone subscribers must provide personal information, such as their phone numbers, in order to become subscribers. They also will send messages to their friends - both computer-based instant messages and mobile instant messages. Moreover, in the experience of usage, if customers perceive no risks that will impair their communications from the service or the service provider, trust will be built. Service provision includes the ability, integrity and benevolence of the vendors, while trusting intentions exist when the truster feels secure and is willing to depend, or intends to depend, on the trustee (Lin & Wang, 2006). When customers perceive that the mobile instant message service provider is reliable and generally trustworthy, customers will be satisfied with their services, and more likely to have repeat usage behavior of mobile instant message service. The statement that trusting belief will directly affect trusting intentions is supported by previous studies (Mayer & Davis, 1999).

Similarly, trust has been known to be a significant variable in influencing relationships (Morgan & Hunt, 1994), including customer loyalty (Deng, 2010; Aydin & Ozer, 2005). Therefore, it is suggested that customers' trust in particular mobile phone instant message service providers will directly influence customer satisfaction, and customer satisfaction, in turn will directly affect the behavioral purpose of continued utilization of the mobile phone instant message in the form of customer loyalty. On the other hand, trust can significantly influence customer loyalty (Chiou, 2004; Lin & Wang, 2006); it is expected that these relationships can be utilized in mobile phone instant message (Deng et al, 2010). Researchers reveal that customer loyalty is about maintaining the relationship and trust does have an influence on the durable relationship between customers and service providers. When deciding to end the relationship, customers will appraise all the underpinning costs incurred in order to switch to a new relationship. Satisfied customers will have the intention to switch to another service supplier if the trust is low and may stay if the trust is high. In general, the conclusion of the research by Anderson and Swaminathan (2011) is that customer loyalty in e-business indicates that trust moderates the relationship between customer satisfaction and customer loyalty.

Studies have examined trust as a moderating factor. For example, Anderson and Swaminathan (2011), in their study on e-businesses, examined trust as a moderating variable between customer satisfaction and customer loyalty. They find that there is a positive relationship between satisfaction and loyalty with the construct of trust having a

moderating influence. In the same vein, Riemenschneider et al. (2009) have tried to understand what role trust plays in the effect that website has on the individual by examining a model with satisfaction, usability, trust and ease of use as having direct influence on perceived individual impact. That model also examined trust as a moderator variable between usability and satisfaction and perceived individual influence. The findings show that the website's perceived individual impact is directly controlled by trust together with trust as a moderator on satisfaction and usability.

In addition, a USA based study also found website impacts on every facet of business and individuals. Furthermore, Frost and Moussavi (2011) show in their study, the major factor influencing the value of leader-member relationships and leader effectiveness is trust. The aim of that study was to investigate the moderating role of trust between leader's powers supported by their capacity to influence their subordinates. They also show that trust, as a moderating factor, has an important effect on the relationships between leaders' power-base (legitimate, coercive, reward, expert, referent and information) as independent variable and leaders's level of influence as dependent variable in the healthcare industry in USA.

Similarly, Innocenti et al. (2011) add to the debate in the human resources management literature by investigating the role of trust as a moderator that influences employee attitudes. The uniqueness of the study lies in their interest in assessing this correlation not only on a system of human resources practices, but also taking into consideration whether the influence differs according to particular packages of practices. Then, following the

ability, motivation and opportunity approach, they evaluated the correlation based on three packages of practices, such as awareness to increase capacity, motivation, as well as the opportunity to be involved. The result indicates the role of trust as a moderator in the overall human resources management index.

On the other hand, a study conducted on employees working in a company in the project department of Bozkurt and Ergeneli (2012) indicates that the level of trust in managers does not moderate the relationship between the delegation of authority and subordinates' perceptions of their managers' in Turkey. In the same vein, Kalyal and Sverke (2010), when exploring the role of trust as a moderating variable in management level employees, find a negative correlation exists between qualitative job insecurity and affective commitment to change in a large organization in Pakistan.

According to Anderson and Swaminathan (2011), Riemenschneider et al. (2009) and, Frost and Moussavi (2011), trust as moderating variable established the important role of trust in different industries and several locations. These previous studies' result showed that when a relationship has trust, it shows positive relationship. In the same way, when trust influences the relationship positively this indicates that there will be stable and long-term (loyalty). However, when negative influence exists, trust also influences relationship negatively (Bozkurt & Ergeneli, 2012; Kalyal & Sverke, 2010). This will lead to unstable relationship which consequently hinders customer loyalty. On that note, mobile phone operators should provide their customers with the service that will make them establish

confidence in it. When customers have trust this will makes them to be loyal to the mobile phone operators.

Based on the above argument, the results from many different studies indicate that trust plays a significant role as a moderating variable (Anderson & Swaminathan, 2011; Riemenschneider et al., 2009; Frost & Moussavi, 2011). On the other hand, the results from other studies indicate that trust plays an insignificant role as a moderating variable (Bozkurt & Ergeneli, 2012; Kalyal & Sverke, 2010). In the study by Anderson and Swaminathan (2011), trust is emphasized upon as a control variable existing between customer satisfaction and customer loyalty in e-businesses. This study examines trust as a moderating variable between customer satisfaction and customer loyalty in Generation Y postpaid mobile phone users which is different from previous studies (Frost & Moussavi, 2011; Chrobot-Mason, 2003; Innocenti et al., 2011). In addition, the findings of the studies on customer loyalty in many sectors indicate different findings between customer satisfaction and customer loyalty. For example, Boohene and Agyapong (2011) conducted a study in Ghana and find different results; their study indicates a negative correlation between customer satisfaction and customer loyalty in the mobile phone industry. Along the same line, Omar et al. (2011) also find in their study a negative relationship between customer satisfaction and loyalty in the retail industry in Malaysia. Auh and Johnson (2005) show that customer satisfaction has a negative correlation with the customer loyalty in seven major economic sectors in USA.



However, many researchers have also found evidence of the opposite. For example, Santouridis and Trivellas (2010) find that customer satisfaction has an important positive influence on customer loyalty in residential business in Greece. Similarly, Lim et al. (2006) find that customer satisfaction significantly influences loyalty intention in the mobile phone industry in USA. Lai et al. (2009) indicate that customer satisfaction is one of the important determinants of customer loyalty in China. However, the correlation between customer satisfaction and customer loyalty does not conform to each other. According to Baron and Kenny (1986), moderating variables are established in a situation whereby an irregular relationship exists connecting a predictor and a criterion variable. As a result, trust can be investigated as a moderating variable linking customer satisfaction and loyalty simply due to the fact that it has satisfied the requirement (instances about a predictor and a criterion variable). In addition, by incorporating trust as a moderating variable between customer satisfaction and loyalty, it is hoped that this study fills the theoretical gap highlighted previously in this study, using Generation Y postpaid mobile phone users in Jordan.

## **2.13 Underpinning Theories**

### **2.13.1 Reciprocity Theory**

The theory underlying this study is the Reciprocity Theory, which supports the view that people appraise the kindness of an act on not just its effect, but also a consideration of its underlying intention (Falk & Fischbacher, 2006). Reciprocity is a behavioral reaction perceiving either kindness or otherwise. Groups are reciprocal when they are rewarded

with kind actions or punished by unkind ones (Falk & Fischbacher, 2006). In this study, customer loyalty is a kind behavior resulting from trust in a business relationship, while switch (possibly due to lack of trust) is unkind behavior. Researchers have supported their views by showing that reciprocity is an influential factor in human behavior; empirical evidence, questionnaires used by psychologists and economists and notable texts in sociology, ethnology and anthropology have highlighted the presence of reciprocal conduct (Kahneman et al., 1986; Fehr & Gächter, 2000).

The central focus of the theory is how people evaluate the kindness of an action (Falk & Fischbacher, 2006). In this study, evaluation refers to a customer's perception of the kindness of the service provider's action, reflected by the level of customer satisfaction with the services provided. This evaluation will lead to reciprocal action, that is, a customer will either display kindness by being loyal to the same service provider or display unkindness by switching to another service provider.

In addition, according to the Reciprocity Theory, in a situation whereby subjects are given the opportunity to authorize each other (i.e., service providers) often sanction defectors (i.e., customers), even if sanctioning is costly (Carpenter & Matthews, 2003; Fehr & Gächter, 2000). In the mobile phone operator for instance, dissatisfied customers will terminate the services of a service provider and switch to another even if the customer mistrusts that operator.

In this research framework, the customer's decision to be kind (or loyal) to the operator is based on the perception of the kindness of the service provider (reflected via service quality, perceived value, perceived enjoyment and technological perceptions). Customers will either react in a positive manner as a result of satisfaction or react in a negative way and exercise the power of switching by leaving one service provider for another. In effect, the negative response of an unsatisfied customer will result in switching. As mentioned earlier, reciprocity is a behavioral response to perceived kindness and unkindness. In this case, customers will stay loyal if they are satisfied with service quality, perceived value, perceived enjoyment and technological perceptions. But they will switch to other operators if they are unsatisfied, and therefore cannot be loyal. However, this theory supports customer satisfaction as having a mediating effect on the relationship between customer loyalty as a dependent variable and service quality, perceived value, perceived enjoyment and technological perceptions as independent variables.

Based on the Reciprocity Theory also, customers will always be willing to stay loyal if they trust that operator. On the other hand, customers will opt to leave an operator if they do not trust that operator (Falk & Fischbacher, 2000). In this case, customers perceive operators as being unkind (Falk & Fischbacher, 2000). Based on this, this study uses trust as a moderating variable between customer satisfaction and customer loyalty.

Reciprocal action is an imitation of the behavioral reaction to an action that is viewed as either kind or unkind. This research evaluates and examines the theory in terms of the following:

- i. The customers will stay loyal based on perceived service quality.
- ii. The customers will stay loyal based on the perceived value.
- iii. The customers will stay loyal based on the perceived enjoyment.
- iv. The customers will stay loyal based on the technological perceptions.
- v. The customers may change even if trust is high.

### **2.13.2 Expectation Confirmation Model (ECM)**

Expectation-confirmation Model (ECM) is the most popular used in the field of customer behavior. Several past literature on human behaviour have adopted it to elicit information on customers` post-purchase behavior and their customer satisfaction, (such as; complaining, repurchase e.t.c) and service marketing in general (Dabholkar et al., 2000; Anderson & Sullivan 1993; Oliver 1980). The ability of ECM to adequately to predict what customer behaviour is likely to be has been proven over a wide range of continuing-purchase of a particular product or service, such that repurchase of a particular brand of automobile repurchase is not excluded (Oliver 1993), institutional photographic materials repurchase (Dabholkar et al., 2000), camcorder repurchase (Spreng et al. 1996), revisit or reorder a restaurant service (Swan & Trawick, 1981), re-consumption of particular professional services (Patter- son et al., 1997).

According to Oliver (1980) the process by which customers reach repurchase intentions in an ECM framework is as follows. At first, customers develop an initial expectation of a particular product or service before arrive at actual purchase. Afterward, customers make use and accept such product or service. After the initial consumption period, customers develop after-purchase perceptions based on the performance of such product and service rendered by the provider. As a result of that, customers based their assessments on the perceived performance in relation to their original expectation and determination about the product. They now evaluate the product and service and establish their perception based on the extent to which their expectation is met and in conformity with their expected product or service performance (confirmation 2). In addition, customers establish a kind of satisfaction, affection, based on their level of confirmation and expectations met which will be a function of their confirmation. Lastly, every satisfied consumers established repurchase intention for a particular service. However, dissatisfied customers arrive at discontinuation of repurchasing or future consumption of the products or service that have already tried, and found ineffective or failed to meet the expectation earlier formed by the customers.

ECM indicates that retaining customers in repurchasing a product or continuation of using a particular service by customers is primarily a function of determination by the customers based on the satisfaction derived from consumption of a particular service or product (Anderson and Sullivan 1993; Oliver 1980). Customer satisfaction is the key factor for retaining and building a long-term customer base such that investment towards customer satisfaction is seen as taking an insurance policy against some unforeseen hardship which

might befalls the firm, satisfied customers will be seen to stand by the company and they are likely to remain loyal to the company based on their previous satisfactory experience with the company (Anderson and Sullivan 1993).

According to Locke (1976) satisfaction in job performance is viewed as a positive and pleasurable state of emotion, which as a result of appraisal of one's job done. The Locke's definition was extended by Oliver (1981) to the context of consumption as the overall psychological state of any customer. This emanates when the surrounding emotion disconfirmed expectations mixed with the prior feelings of customers in respect to their experience after consumption of a particular product or service. These definitions indicate the importance of affective and psychological state, which is related to, and resulting from, a cognitive appraisal of the expectation performance discrepancy (confirmation). Higher product or service performance lead to a greater confirmation, which in turn have positive influence on continuance intention and customer satisfaction. Contrarily, the reverse causes dissatisfaction; disconfirmation and discontinuation of repurchase intention (Oliver 1981).

Furthermore, ECM supports the inclusion of customer satisfaction as a mediating variable between the relationship of service quality, perceived value, perceived enjoyment, and technological perceptions and customer loyalty. Which means that, when customers are satisfied about service provided by their mobile phone provider, there will be loyal (continuance usage of service) to their mobile phone operator. However, if they are

dissatisfied about service provided by their mobile phone provider, there will be disloyalty (discontinuance usage of service) to the concerned mobile phone operators.

## **2.14 Theoretical Framework**

An incorporated framework of this study is developed based on the literature review and research problems, linking independent variables with mediating and dependent variables. In addition, moderating effect is also shown on the mediating-dependent variable relationship. The following Figure 2.1 depicts these relationships and follows a discussion on the basis of the Reciprocity Theory and Expectation-confirmation Model (ECM).

The primary focus of this study is to examine the major determinants of customer loyalty. Service quality, perceived value, perceived enjoyment and technological perceptions are the independent variables for customer satisfaction. Customer satisfaction is the mediating variable for the relationship between independent and dependent variables. Customer loyalty is the dependent variable for this study. The correlation between customer satisfaction and customer loyalty is predicted to be moderated by trust.

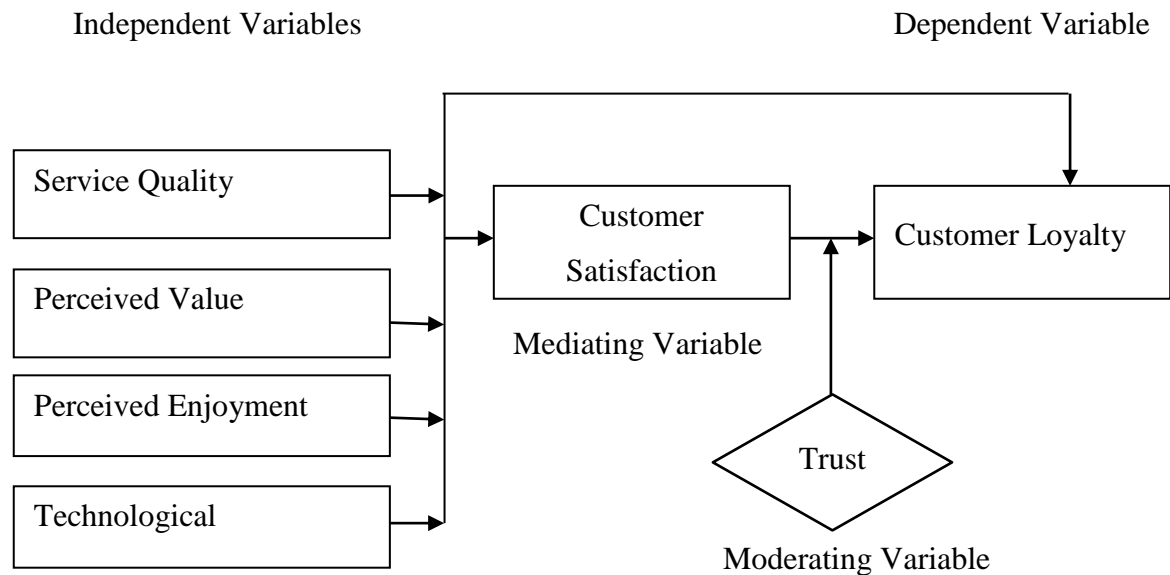


Figure 2.1  
*Theoretical Framework*

## 2.15 Research Hypotheses

### 2.15.1 Service Quality and Customer Loyalty

The concept of service quality can be regarded as a precursor to customer loyalty (Wieringa & Verhoef, 2007; Jones et al., 2000, 2002, 2007). The variable is also regarded as a powerful agent of competitive advantage and organizational success (Wang et al., 2004a; Yang & Peterson, 2004; Landrum & Prybutok, 2004; Khatibi et al., 2002), as researchers attempt to establish the connections between loyalty and its main determinants (Guo et al., 2009; Balabanis et al., 2006). Loyalty is seen as driven mainly by service quality (Lai et al., 2009), and correlation among service quality (Cronin et al., 2000),



reciprocally offers customer loyalty (Lai et al., 2009). Service quality is linked to customers' behaviors in the direction of service supplier as well as their willingness to remain with the service provider (Anton et al., 2007; Aydin & Ozer, 2005; Bell et al., 2005; Ishaq, 2012). Furthermore, service quality is regarded as a significant element in heightening customer loyalty in an open market (Ibanez et al., 2006; Umbrell, 2003; Dukart, 1998). Service quality has been revealed to be a powerful predictor of customer loyalty (Ganguli & Roy, 2011; Dean, 2002; Dabholkar et al., 2000; Andreassen & Lindestad, 1998; Zeithaml et al., 1996; Cronin & Taylor, 1992). Service quality has also been regarded as useful predictor of customer loyalty (Chen & Tsai, 2008; Petrick, 2004).

According to Jones et al. (2002); and Bloemer et al. (1998), like many others, there exists a good interconnection between service quality and the willingness to repurchase, make suggestions, and resistance to better alternatives. The entire repurchase intention, suggestions as well as and resistance to better alternatives are behavioral intentions that form customer loyalty. Thus, it is suggested that service quality has a positive outcome on customer loyalty (Aydin & Ozer, 2005), or better still, combined with service quality, constitutes a potent and illustrative component for explaining future customer loyalty (Boohene & Agyapong, 2011). One of the customer loyalty antecedents is service quality (Santouridis & Trivellas, 2010). Many researchers have discovered that great service quality has a relationship with considerably high customer loyalty (Lai et al., 2009; Ennew & Binks, 1999). Overall, the causal order of service quality leading to customer satisfaction receives considerable support and empirical validation (Brady & Robertson,

2001; Bove & Johnson, 2001), and this link further explains the variance in customer loyalty (Kim & Lee, 2010).

In addition, several studies have shown that two powerful ways of creating customer loyalty are by impressing customers (Oliver, 1999); and providing greater value, emanating out of outstanding services and quality products (Chang et al., 2009; Chang, 2006a; Parasuraman & Grewal, 2000; Kanji, 1998). According to Rust and Zahorik (1993), enhancing service quality is important for organizations to sway customer loyalty. Service quality is perceived as a main factor influencing customer loyalty (Kim & Lee, 2010; Lai et al., 2009). Precisely, poor standard of service quality from the service provider constantly leads to severance of business relationship between provider and customer (Wang, 2010; Ibanez et al., 2006; Tsai et al., 2006; Lam et al., 2004).

The connection between service quality and customer loyalty has been scrutinized in numerous studies (Boulding et al., 1993; Cronin & Taylor, 1992). In their study, Cronin and Taylor (1992) concentrate wholly on repurchase intentions; while Boulding et al. (1993) pay attention to the features of repurchasing and the willingness to recommend (Akbar & Parvez, 2009). Ishaq (2012) shows in his study that service quality is favorably connected to customer loyalty among mobile phone users in Pakistan. Similarly, Kim and Lee (2010) reveal that service quality is a powerful antecedent for creating customer loyalty in mobile operator in Korea. Aydin and Özer (2005) studied the relationship between service quality and customer loyalty in the mobile phone operator of Turkey and establish that service quality is essential but inadequate to generate loyalty.

Similarly, Kim et al. (2004a) reveal that perceived service quality is a healthier determinant of customer loyalty in the mobile phone operator in Korea. Rosemond and Agyapong (2011) expose the link between service quality and customer loyalty as encouraging in the mobile phone operator in Ghana. Other research studies show findings in other areas, for example, Al-Rousan and Mohamed (2010) find that dimensions of service quality considerably predict customer loyalty in the hotel sector in Jordan. Pollack (2009) demonstrates that service quality is a predictor of loyalty in the hairdressing business in USA.

Consequently, the hypothesis below is proposed:

H1. Service quality as perceived by customers is positively related to customer loyalty to the service operator.

### **2.15.2 Perceived Value and Customer Loyalty**

Researchers recognize the significance of quality customer value and customer loyalty as essential features for the success of a firm in enhancing customer relationships and reaching a viable competitive performance (Zeithaml et al., 1996). There is enough evidence that value judgments have effect on customer loyalty, with other significant results (Chen & Tsai, 2008; Cronin et al., 2000). Offering value to customers means developing loyal customers capable of increasing the number of purchases, amount of purchase and decreasing switching actions (Tu et al., 2011b; Rust et al., 2004). Customer

loyalty towards repeat purchase behaviors relies on the extent of value presented by each rival and on the gratification gained from each of them (Fiol et al., 2009). Previous researches have attempted to expose the well-known antecedents of customer loyalty. Perceived value is revealed to be a credible predictor of customer loyalty (Chen & Tsai, 2008; Petrick, 2004). It is a vital factor in explaining customer loyalty behavior (Eskildsen & Kristensen, 2008). In addition, the essence of generating perceived value is to meet the needs of a specific customer thereby, increasing customer satisfaction (Porter, 1985). Thus, it can be inferred that the goal of customer loyalty that is attained by sustaining and cultivating customers depends on offering customer value (Fathollahzadeh et al., 2011).

The significance of customer loyalty in realizing business objectives and its influence on the performance of a business is extensively recognized (Anderson et al., 1994). Customer loyalty is a result of customers' perceived value and it serves as a central pointer to a company's performance history (Lam et al., 2004). It also plays a role in the growth of a viable competitive advantage (de Ruyter, et al., 1998). The totality of a customer's loyalty is the value the customer anticipates compared to the value he or she really received (Gounaris et al., 2007). Even though the disconfirmation paradigm has been severely critiqued, mainly in terms of methodology and measurement (Cronin & Taylor, 1994; Teas, 1993), its hypothetical worth and input to the conception of the influence of value on customer satisfaction and customer loyalty stays unchallenged. Customers start by creating particular hopes about the value they desire to gain and expect to get from the

product and become contented when getting adequate amounts of value from the products or services they purchase.

Researchers have also found a positive connection between perceived value and intention to make repurchases (Chiu et al., 2005; Parasuraman & Grewal, 2000; Dodds et al., 1991). Perceived value adds to the loyalty gained in a business by decreasing a person's desire to search for substitute service providers. In the event of low perceived value, customers will be more willing to switch to rival businesses in order to raise perceived value, thereby adding to weakening loyalty. In some cases happy customers are not likely to keep patronage with a business, if they have impression that they are not receiving the utmost value for money. As replacement, they will search for other traders in a continued attempt to attain greater value (Chang, 2006b; Anderson & Srinivasan, 2003). The connection between customer loyalty and perceived value seems tightest when customers have the impression that their present business dealer offers greater total value than that delivered by competitors (Chang et al., 2009).

An earlier study reveals a positive connection between customer's perceived value and customer loyalty in different sectors. For example, in the mobile phone operator, Ishaq (2012) shows in his study that customers' perceived value is positively linked to customer loyalty in Pakistan. Similarly, Lai et al. (2009) reveal that perceived value is an important determining factor of loyalty in China. Tu et al. (2011b) demonstrate that customers' perceived value has huge effect on customer loyalty in Taiwan. Edward et al. (2010) find that perceived value has an encouraging and important influence on customer loyalty in

India. Lim et al. (2006) point out that perceived value has important effects on customer loyalty in USA. Research studies in other areas, for example, Fathollahzadeh et al. (2011) reveal that customers' perceived value is important and serves as a main concept of customer loyalty in the banking sector in Iran. Similarly, Chahal and Kumari (2011) reveal that customers' perceived value and customer loyalty have an important connection in the two areas of healthcare in India.

On the other hand, a study by Kassim et al. (2014) conducted in Malaysia shows that perceived value has insignificant effect on brand loyalty in the cellular mobile phone operator. Similarly, Jumaev et al. (2012) find in their study a negative correlation between perceived value and customer loyalty in the retail banking sector in Malaysia. Therefore, based on these scenarios, the following hypothesis is developed:

H2. Value as perceived by customer is positively related to customer loyalty towards the service provider.

### **2.15.3 Perceived Enjoyment and Customer Loyalty**

According to Triandis' (1980) argument, the sentiments of joy and excitement have an impact upon a person's behavior. Perceived satisfaction is said to have a direct impact on behavioral intention as mentioned by Davis et al. (1989). Strong proponents of the significant role of enjoyment in the repurchase intention include Chiu et al. (2009a); Cyr et al. (2006). In the web-shopping context, enjoyment is a main builder of attitude (Childers et al., 2001).

Furthermore, the significant role of shopping enjoyment is found to be a predicting factor of users' intention to revisit a web-based store by Koufaris (2002). On the other hand, Lee et al. (2005) establish that enjoyment is not only associated with behavioral intention but also with attitude as well. Rao and Troshani (2007) put forth the idea that perceived enjoyment leaves a positive impact on customers' attitude for selecting and adopting mobile services. Cyr et al. (2010) mention that perceived connectivity improves the customers' enjoyment of interacting with websites which result in increased customer satisfaction with the website. Previous literature has shown that enjoyment directly influences the behavioral intention of online users as expressed by Prichard & Howard (1999). Similarly, Lee Cheung and Chen (2005) identify that customers seeking enjoyment from the use of instant messaging would probably intend to continue using it.

Consequently, there is a positive impact of users' enjoyment of their online shopping activity on their opinion about the website and on their intention to interact through that website again for another shopping experience or referring the website to their friends and family members, all of which display a consistent and e-loyal behavior. In a similar study conducted by Bhattacharjee (2001), the influence of customers' satisfaction is seen to be associated with their persistent intention. According to Cyr et al. (2007), in the case of users enjoying a website, they would rather develop a positive attitude towards it by extending e-loyalty to the specific site by means of repeated interactions. Cyr (2008) also establishes that repeated satisfactory experience with an online website consequently comes out as e-loyalty. Moreover, in two different researches, Childers et al. (2001)

describe that enjoyment certainly leaves an impact on customers' attitude towards a particular website. To be more specific, they consider perceived enjoyment as a valuable indicator of users' attitude towards online shopping activity. Coverdale and Morgan (2010) say that in order to support the above mentioned findings, there must exist a strong and specific relationship between perceived enjoyment and customers' attitude towards a particular website as emphasized by Van der Heijden (2003).

In the context of the mobile phone services sector, enjoyment is perceived as the degree to which services, like mobile games, instant messaging and others, are considered as enjoyable in their own place as noted by Venkatesh (2000); and Davis et al. (1989). Similarly, Venkatesh et al. (2002); Teo et al. (1999); Igbaria et al. (1995); and, Davis et al. (1992) emphasize that enjoyment related to using a website, definitely impacts the user's intention to continue to use this activity. Shopping entertainment and pleasure (Koufaris, 2002); perceived enjoyment of the interaction on the website (O'Keefe et al., 1998); and perceived visual charisma leave positive influence on perceived enjoyment and continuance intentions as noted by Van der Heijden (2003). Cyr et al. (2006); Bart et al. (2005); and Koufaris (2002) are among those authors who strongly support the role of perceived enjoyment in the repurchase or continuance intention.

According to Zhou, (2013); Andreassen and Streukens (2012); Wang and Li, (2012); Cyr et al. (2010); Ku (2010), Kim et al. (2010); Chiu et al. (2009a); Srisuwan and Barne (2008); Hart et al. (2007); Ha et al. (2007), Cyr et al. (2006), Wu and Liu (2007); Lee et



al. (2006a); and Van der Heijden (2003, 2004), there is a positive and significant relationship between perceived enjoyment and customer loyalty. In addition, Lu and Su (2009); and Hong et al. (2008) highlight the strong impacts of perceived enjoyment on customer loyalty. On the other hand, studies by Al-hawari and Mouakket (2010); Lee and Murphy (2008); and Shun and Yunjie, (2006) find an insignificant relationship between perceived enjoyment and customer loyalty.

Accordingly, the following hypothesis is proposed:

H3. Perceived enjoyment as perceived by customer is positively related to customer loyalty.

#### **2.15.4 Technological Perceptions and Customer Loyalty**

Ganguli and Roy (2011) note that previous literature exists on service quality using various dimensions of service quality in relation to customer loyalty. However, technological perceptions and its impact on customer loyalty has not been properly addressed. Additionally, with regards to technological perceptions research, different, new and latest aspects of service quality have been identified. In this regard, technological perceptions have gained substantial significance. According to Surjadaja et al. (2003), the technological advancements have equipped the service providers with such techniques through which they can design and provide superior services to their users in order to enhance their confidence in the service companies. While discussing several other competitive advantages closely linked to service providers' technology adoption criteria,

Fitzsimmons and Fitzsimmons (1997) mention productivity enrichment, revenue enhancement and entry barrier creation.

According to a statement made by Ganguli and Roy (2011) with regards to the banking sector, the technology-based service quality factors do have substantial and positive influence on customer loyalty. In carrying out a study about mobile companies sites in China, Zhou (2013) shows that technological perceptions has effects on continuous customers' usage. Chen et al. (2012) find that technological perceptions influences the intention of continued use of mobile applications (commerce context). Study conducted on e-government website in Thailand by Khayun et al. (2012) find that technological perceptions includes information quality and system, where system quality is a significant dimension of intention to use, while information quality is an insignificant factor of intention to use.

Consequently, the following hypothesis is proposed:

H4. Technological perceptions as perceived by the customer are positively related to customer loyalty towards the service provider.

#### **2.15.5 Customer Satisfaction and Customer Loyalty**

Customer satisfaction and customer loyalty are two dimensions of the most significant concepts in relationship marketing. In contemporary marketing, customer satisfaction is a key operational element for sustainable customers' behavior (Fathollahzadeh et al., 2011). In addition, customer loyalty enhances business value and costs effective to business.

Therefore, customer satisfaction and loyalty are vital elements that have influence on managerial opinions. Marketing literature is rife with proof to draw conclusion that customer satisfaction is positively correlated to customer loyalty. Several studies have shown the positive influences of customer satisfaction on customer loyalty (Oliver, 1999; Bloemer et al., 1999). Satisfied customers often possess greater reliance on a service than customers who are not satisfied (Bolton & Lemon, 1999). They may indicate more powerful willingness to repurchase and endorse the product to friends (Edward et al., 2010; Zeithaml et al., 1996).

According to Cronin and Taylor (1992), customer satisfaction and loyalty have been the major concepts for more than twenty years, with the link between customer satisfaction and loyalty being almost spontaneous. Several scholars have studied the theoretical and conceptual bases of customer satisfaction (Oliver, 1997). Those researchers have found that customer satisfaction has a key influence on customer loyalty. Nevertheless, the bulk of past studies have discussed either the totality of customer satisfaction or focused on a dimension to measure it. Firms that have a happier customer base also receive higher economic gains, for example, return-on-investments and profitability (Yeung et al., 2002; Aaker & Jacobson, 1994). In the views of Abu-ElSamen et al. (2011); Chadha and Kapoor (2009); Xu et al. (2006); and Kim et al. (2004a), customer satisfaction is a powerful antecedent to customer loyalty.

Bloemer and Kasper (1995) reiterate that customer satisfaction is an essential precondition for customer loyalty and that satisfied customers have higher tendency to buy the same product or service continually. The capacity to retain customers is linked to the degree of customer satisfaction. Hence, it is logical to predict that satisfied customers with mobile service operators will have a great customer loyalty intention toward its services (Abu-ElSamen et al., 2011). Considering the significance of customer satisfaction and loyalty to companies' long-term existence and expansion, many studies have concentrated on finding the link between these ideas and their influence on customer retention that give them an advantage over other companies' performance (Gupta & Sharma, 2009). In addition, an increased level of customer satisfaction is likely to have a positive influence on customer loyalty (Mittal et al., 1998). Satisfaction has always been viewed as the main input for customer loyalty (Deng, 2010).

In summary, based on research evidence, it can be rationalized that customer satisfaction has a major influence on customer behavior and attitude with regards to customer loyalty. The same report is evident in the mobile phone operators literature, where satisfaction is clearly a strong predictor of customer loyalty (Santouridis & Trivellas, 2010). For instance, Deng et al. (2010) find that customer satisfaction has a direct effect on customer loyalty in instant messaging services for the mobile phone operator in China. Meanwhile, Alireza et al. (2011) find that customer satisfaction is an important factor of customer loyalty in Iran. Kim and Lee (2010) realize that customer satisfaction is meaningfully and positively related to customer loyalty in Korea. Lai et al. (2009) find that customer

satisfaction is an important determining factor of loyalty in China. Tu et al. (2011b) posit that customer satisfaction has great influence on customer loyalty in Taiwan.

Aydin and Ozer (2005) also observe in their study that customer satisfaction directly and positively influences customer loyalty in Turkey. Edward et al. (2010) find that customer satisfaction has positive and important influence on customer loyalty in India. Turel and Serenko (2006) say that customer satisfaction conversely impacts the degree of customer loyalty in Canada. Boohene and Agyapong (2011) find a negative connection between customer satisfaction and customer loyalty in Ghana. Alroush et al. (2011) reveal that customer loyalty is affected by customer satisfaction in Jordan. Gilaninia et al. (2011) find that the customer satisfaction variable has a direct influence on bank customers' loyalty in Ardabil. Similarly, Afsar et al. (2010) show that customer satisfaction impacts customer loyalty of bank customers in Pakistan. Tu et al. (2011a) find customer satisfaction has major effect on customer loyalty in restaurants in Taiwan.

In view of the above, it is hypothesized that:

H5. Customer satisfaction is positively related to customer loyalty towards the service provider.

#### **2.15.6 Customer Satisfaction as a Mediating Variable to Customer Loyalty**

The relationship between service quality and customer satisfaction has been a subject of interest in research. Most researchers in this field have concluded that service quality is a vital element of customer satisfaction (Santouridis & Trivellas, 2010; Hallowell, 1996;

Cronin & Taylor., 1992). In addition, several researchers realize that improved service quality correlates with reasonably high customer satisfaction (Kim & Lee, 2010; Cronin et al., 2000). Similarly, service quality has also been revealed to be a powerful predictor of customer satisfaction and customer loyalty (Ganguli & Roy, 2011; Dean, 2002; Dabholkar et al., 2000; Zeithaml et al., 1996; Cronin & Taylor, 1992; Andreassen & Lindestad, 1998).

Service quality is the customer's opinion of the service provider's effectiveness and it is considerably related to customer satisfaction (Shin & Kim, 2008). Service quality is additionally regarded as the customer's opinion of the dominance or weakness of a service provider and the services it renders (Tsoukatos & Rand, 2006). Services quality impress customers and they consider the service provided as competent and better. Service quality increases customers' propensity to rely more on the service, increase frequency of services, reduce sensitivity to cost and inform friends about how advantageous and valuable the services are (Venetis & Ghauri, 2000).

In recent times, there has been an increased demand for service quality and customer satisfaction equally in business and academic circles. Sureshchandar et al. (2003) indicate that a powerful connection exists between service quality and customer satisfaction, while stressing that these two are theoretically different concepts from the customers' perspective. Empirical studies establish that a higher improved degree of service quality is connected to greater level of customer satisfaction (Yanget al., 2009; Brady & Robertson, 2001). Zeithaml et al. (1996) also mention that customer's outlook of service quality is a

key predictor of customer satisfaction. Great service quality is capable of attracting new customers, keep current customers and pull customers away from rivals whose service quality is regarded as poorer (Deng et al., 2010; Babakus et al., 2004). Jones et al. (2002) opine that a positive connection exists among service quality as well as recommendation, repurchase intention, and resistance to better alternatives. These three features: recommendation, repurchase intention and resistance to better alternatives are behavioural intentions and constitute customer loyalty.

Customer satisfaction is relative, dependent on the value of the services delivered and the usefulness gained from such services (Ostrom & Iacobucci, 1995). Positive customer satisfaction with regards to service quality is generally seen as a way to ensure customer loyalty in service industries (Ostrom & Iacobucci, 1995; Kuo & Ye, 2009). In a separate study on the mobile phone operator, Chang and Chong (2011) find that customer satisfaction has a mediating role in the relationship between service quality and customer loyalty in Malaysia. Similarly, Alireza et al. (2011) reveal that customer satisfaction mediates the effect of service quality on customer loyalty in Iran. Akbar and Parvez (2009) reveal that customer satisfaction is a vital mediator between perceived service quality and customer loyalty in Bangladesh. Similarly, studies in other sectors, for instance, Tu et al. (2011a) reveals that service quality considerably impacts on customer satisfaction and customer satisfaction has huge influence on customer loyalty in restaurants in Taiwan. Additionally, Pollack (2009) realizes that service quality predicts customer satisfaction and customer loyalty in hairdressing salons in USA. Kuo and Ye

(2009) posits that service quality unintentionally impacts student loyalty by way of student satisfaction levels in vocational institutes in Taiwan. Ganguli and Roy (2011) realize that customer service has an encouraging and important influence on customer satisfaction and customer loyalty in the banking sector in USA.

Therefore, the following hypothesis is proposed:

H6a. Customer satisfaction mediates the relationship between service quality and customer loyalty.

Researchers have studied the correlation between perceived value and customer satisfaction (Cronin et al., 2000; Garbarino & Johnson, 1999; Spreng et al., 1996). They discover that high perceived value is linked to comparatively high customer satisfaction (Cronin et al., 2000). Modifying the framework for use in service context implies that perceived value judgment based on cognition may bring about customer satisfaction, which lead to customer loyalty (Alireza et al., 2011; Chenet et al., 1999; Ennew & Binks, 1999; Woodruff, 1997). The essence of building perceived value is to fulfill target customer's needs, thereby raising customer satisfaction (porter, 1985). Therefore, it is argued that the purpose of customer loyalty marketing, which is realized by retaining and cultivating customers, relies on providing customers perceived value and satisfaction (Fathollahzadeh et al., 2011). Marketing exists to provide increased perceived value to gratify customers and create a lasting and equally beneficial association with customers (Kotler, 2005). If a company's products or services are unsatisfactory to customers, then



all the strategies are insufficient (Tu et al., 2011b). Perceived value judgments are revealed to have influence on satisfaction and customer loyalty (Cronin et al., 2000).

Furthermore, perceived value has become popular as a reliable variable to forecast purchasing attitude (Chen & Dubinsky, 2003; Anderson & Srinivasan, 2003; Cronin et al., 2000; Hellier et al., 2003; Parasuraman & Grewal, 2000). In resolving whether or not to patronize a service provider, customers always reflect on the degree to which they received value for money (Park et al., 2006). Service firms also have progressively gained awareness of the necessity to improve internal operations so as to generate and dispense value to customers (Roig et al., 2006). Service providers who are favorably evaluated are selected. Moreover, customers' value perceptions have been found to improve their readiness to buy and reduce their plans to find substitutes (Grewal et al., 2003; Hellier et al., 2003).

A study of the mobile phone operator by Alireza et al. (2011) reveals that customer satisfaction mediates the effect of perceived value on customer loyalty in Iran. Likewise, Lai et al. (2009) discover that perceived value has an indirect, satisfactory effect on customer loyalty in China. Lim et al. (2006) also conclude that perceived value has important impacts on customer satisfaction, and on customer loyalty intention in USA. Other research studies in other industries, for instance, Roig et al. (2009), have found that perceived value has an indirect influence on customer loyalty via customer satisfaction in financial services in Spain.

Based on the above, the following hypothesis is proposed:

H6b. Customer satisfaction mediates the relationship between perceived value and customer loyalty.

A study carried out by Cyr et al. (2006) on perceived enjoyment and customer loyalty of mobile commerce finds that perceived enjoyment has a significant and strong influence on customer loyalty. Additionally, Zhou (2013) describes in his research that perceived enjoyment has a positive influence on continuance usage of mobile company sites. Srisuwan and Barnes (2008) find in their study that perceived enjoyment appears to be the most accurate predictor of customer attitude towards using the site. In addition, in a survey carried out on customer satisfaction and customer loyalty, Santouridis and Trivellas (2010) show that customer satisfaction has an important positive influence on customer loyalty in business residences in Greece. Similarly, Oyeniyi and Abiodun (2010) discover in their survey that customer satisfaction positively promotes customer loyalty in Nigeria. Lai et al. (2009) in their research realize that customer satisfaction is a major predictor of customer loyalty in China. Lim et al. (2006) discover that customer satisfaction considerably impacts customer loyalty intention in USA.

In addition, some researchers argue that enjoyment can meaningfully impact customer satisfaction. Among these scholars, Zhou, (2013) states that perceived enjoyment has the largest effect on customer satisfaction in mobile company sites (internet) in China. Al-hawari and Mouakket (2010) show in their study that perceived enjoyment has a significant relationship with students' e-satisfaction in the UAE in the e-learning context. On the other hand, a study conducted by Shun and Yunjie (2006) on online shopping (e-

commerce) finds that perceived enjoyment has an insignificant impact on customer satisfaction.

A study conducted in the UAE on e-learning by Al-Hawari and Mouakket (2010) recommends that future studies should extend the study on the impact of perceived enjoyment on customer satisfaction and retention. That will provide the basis for studying these relationships in other contexts and provide a chance to have generalized findings. Based on the above and in conformity with Baron and Kenny (1986), this association is best shown in the case of a powerful link between the predictor and the criterion variable. Hence, customer satisfaction can be examined as a mediator variable between perceived enjoyment and customer loyalty on the basis that it has met this expectation.

By including customer satisfaction as a mediator between perceived enjoyment and customer loyalty, it is hoped that this research fills the theoretical gap raised initially in this study. Based on the knowledge of the researcher, few studies have been done that include customer satisfaction as a mediator between perceived enjoyment and customer loyalty, focusing entirely on Generation Y in the postpaid segment of the mobile phone provider in general, and in Jordan's mobile phone operators specifically.

Accordingly, the following hypothesis is proposed:

H6c. Customer satisfaction mediates the relationship between perceived enjoyment and customer loyalty.

Studies have been carried out on technological perceptions, including system quality and information quality service and customer loyalty. A study conducted in China on mobile company sites (internet) by Zhou, (2013) finds that technological perceptions have effects on continuance usage. Chen et al. (2012) find that technological perceptions, including system quality and information quality directly or indirectly impact on the intention to continue to use the information-oriented mobile applications (commerce context). A study by Ganguli and Roy (2011) on the banking sector finds that the technology perception factors have substantial and positive influence on customer loyalty.

In addition, a survey carried out on customer satisfaction and customer loyalty by Santouridis and Trivellas (2010) shows that customer satisfaction has an important positive influence on customer loyalty in business residences in Greece. Similarly, Oyeniyi and Abiodun (2010) find in their survey that customer satisfaction positively promotes customer loyalty in Nigeria. Lai et al. (2009) in their research realize that customer satisfaction is a major predictor of customer loyalty in China. Lim et al. (2006) posit that customer satisfaction considerably impacts customer loyalty intention in USA. Some researchers argue that technological perceptions can meaningfully impact customer satisfaction. Among these scholars, Zhou, (2013) finds in his study that technological perceptions have effects on customer satisfaction in mobile sites (internet) in China. Lin (2008) states the relationship between technological perceptions and customer satisfaction is significant in internet shopping. Lee and Chung (2009) show that the technological perceptions, including system and information quality, significantly influence customers' satisfaction in mobile banking services. Khayun et al. (2012) find in their study that

technological perceptions including system and information quality, was significant to user satisfaction in e-government websites in Thailand. A study conducted by Lin, (2008) finds that technological perceptions, including system and information quality, increase support in explaining customer satisfaction with the internet.

According to Zhuang et al. (2013) in a study on contradictions of social networking sites in USA, future studies should focus on the relationship between influence of technological perceptions on customer satisfaction and loyalty. Further recommendations regarding the inclusion of multiple items for measurement objectives are made in this study. Chiu et al. (2009b) suggest that comparative influence of technological perceptions on customers' satisfaction and loyalty should be examined in future studies because previous literature has not provided an opportunity to study this interesting relationship. Moreover, according to Ganguli and Roy (2011), future research should emphasize on the impact of technological perceptions on customer satisfaction and loyalty in various other technology-related industries as well as the mobile phone sector, so that its application upon other technology-related sectors can conform to a generally accepted model of service quality perceptions in other industries. It should also be constructed together with more compatible and representative sampling strategy.

Based on the above and in conformity with Baron and Kenny (1986), the association is best shown in the case of a powerful link between the predictor and the criterion variable. Hence, customer satisfaction can be examined as mediator variable between technological perceptions and customer loyalty on the bases that it has met expectations. In addition, by

including customer satisfaction as a mediator between technological perceptions and customer loyalty, it is hoped that this research fills the theoretical gap raised initially in this study, which focuses entirely on Generation Y in the postpaid segment of the mobile phone operator, specifically in Jordan.

Consequently, the following hypothesis is proposed:

H6d. Customer satisfaction mediates the relationship between technological perceptions and customer loyalty.

#### **2.15.7 Trust as a Moderator Variable in Customer Satisfaction and Customer Loyalty Relationship**

Psychological methods seem to have concentrated on the role of customer-provider trust in fostering reasonable exchanges and creating loyalty (Garbarino & Johnson, 1999; Morgan & Hunt, 1994). Though both methods have offered fascinating perceptions, minute interest has been focused on how the economic and psychological approaches are likely to collaborate to structure and sway customer loyalty in relational exchanges (Singh & Sirdeshmukh, 2000). In addition, trust manifests both a key influence and moderating influence on customer loyalty. Trust serves a crucial role in making sure that customer patronage is customer loyalty. Morgan and Hunt (1994) define trust as confidence in the exchange partner's reliability and integrity. Trust also signifies the perceived credibility and benevolence of the business (Doney & Cannon, 1997). Trust principally serves a

greater role in business for customers who are anxious about security and privacy (Medintz, 1998).

According to Kassim and Abdullah (2008), a customer who trusts a service provider is expected to have increased customer satisfaction and loyalty towards the vendor. Generally, a customer who distrusts the provider on the grounds of previous experience may likely be unhappy with that provider. Researchers have discovered trust to have effect on satisfaction in the long run (Kim et al., 2009). Over time, a customer's satisfaction becomes greater as a result of the feeling of trust on the provider which is satisfied (Deng et al., 2010; Chiou & Droge, 2006). As indicated by Singh and Sirdeshmukh (2000), trust is a vital element that defines results at various points in buyer–seller relationship and functions as strong glue that binds them together. Hence, greater trust should bring about greater loyalty. Apart from having a major influence on loyalty, trust also mediates the effect of customer satisfaction upon customer loyalty. Nevertheless, at lower level of customer trust, customer satisfaction could have a huge effect on customer loyalty. Therefore, researchers have pointed out that trust machinery collaborates and competes with agency machinery to inspire customer satisfaction in particular interactions and influence customer loyalty going forward (Singh & Sirdeshmukh., 2000). Trust could be considered to be an important feature for customers to create and maintain contacts with providers (Deng et al., 2010; Semejin et al., 2005).

Trust in economics serves to impact customer loyalty in relational exchanges and centers on the duty of customer-provider relationship in fostering relational exchanges and forging

loyalty (Singh & Sirdeshmukh., 2000). Nevertheless, unlike the satisfaction-loyalty correlation that connects attitudes to relational contexts, the link between trust and customer loyalty connects two relational variables. Thus, it is expected that the trust-loyalty influence may dominate the existing relationships. In a new survey of transactional and relational customers, Garbarino and Johnson (1999) discover that even though satisfaction has an important effect on future plans of transactional customers, this influence is reduced to unimportant relational customers. Rather, in relational customers, trust is the major factor that determines future plans. Practical backing for the connection between trust and long-term commitment to the link in addition to future interactions and collaboration is contained in many studies of buyer-seller relationships (Morgan & Hunt, 1994; Doney & Cannon 1997). Based on the above, these results agree with the multidimensional idea of trust (Singh & Sirdeshmukh, 2000).

Furthermore, social scientists refer to trust as the chicken soup of social life (Uslaner, 2002). A study in the social sciences reveals that trust performs a vital role in several human relationships (Uslaner, 2002). For instance, trusting political leaders is synonymous with involvement in politics and trust in healthcare providers enhances efficient treatment (Tsfati & Cappella, 2005). However, the size of the impact of trust or the degree of updating may rest on how typical the nature of the service encounter is. Two likelihoods have therefore been proposed - the forgiveness and betrayal hypotheses that govern this updating impact. Although previous studies have not given much devotion to this updating process, it is considered to perform a pivotal duty in appreciating how relational trust is boosted or reduced. It is even more remarkable to note that these



mechanisms are capable of functioning together in fostering long-lasting customer-provider bonds (Singh & Sirdeshmukh, 2000).

Numerous surveys have considered trust as a moderating variable (Bozkurt & Ergeneli, 2012; Anderson & Swaminathan, 2011; Frost & Moussavi, 2011; Innocenti et al., 2011; Kalyal & Sverke 2010; Riemenschneider et al., 2009; Chrobot-Mason, 2003). Anderson and Swaminathan (2011) find that the positive influence of customer satisfaction on customer loyalty is moderated by trust in e-businesses. Similarly, Riemenschneider et al. (2009) realize that trust controls the relationship between usability, satisfaction and perceived individual influence on websites in USA. Frost and Moussavi (2011) also conclude that trust is a moderating variable that has an important and positive impact on the influence-power base on relationships for all six power bases in hospitals in USA. Chrobot-Mason (2003) discovers that trust moderates employee understanding of the violation, even if not consistent with prediction by previous hypothetical models in human resources management in USA. Innocenti et al. (2011) find that results confirm the moderating effect of trust with the overall human resources management index.

On the other hand, a study conducted on employees working in a company in the project department of Bozkurt and Ergeneli (2012) indicates that the level of trust in managers does not moderate the relationship between the delegation of authority and subordinates' perceptions of their managers' in Turkey. In the same vein, Kalyal and Sverke (2010) explored in their study the role of trust in management level employees as a moderator

variable and find there is a negative relationship between qualitative job insecurity and affective commitment to change in a large public sector organization in Pakistan.

Consistent with the perspective above, and according to Singh and Sirdeshmukh (2000), trust as a psychological approach, has seemed to concentrate on the role of customer-provider in fostering relational exchanges and durable construction of customer loyalty. Similarly, the duty of trust in economics is inspired by customer loyalty in relational exchanges and concentration on the duty of customer-provider in fostering relational exchanges and enhancing loyalty. Uslaner's (2002) study in the social sciences reveals that trust serves a vital part in several human interactions. Ominously, limited studies have tested trust as a moderating variable (Bozkurt & Ergeneli, 2012; Anderson & Swaminathan, 2011; Frost & Moussavi, 2011; Innocenti et al., 2011; Kalyal & Sverke 2010; Riemenschneider et al., 2009; Chrobot-Mason, 2003), but none of those studies examines trust as moderator in the mobile phone operator. Hence, using trust as a moderating variable between customer satisfaction and loyalty closes the theoretical gap mentioned earlier in this study, which focuses on Generation Y in the postpaid segment in the mobile phone provider, specifically Jordan's mobile phone provider.

Accordingly, the following hypothesis is proposed:

H7. Trust moderates the relationship between customer satisfaction and customer loyalty

## 2.16 Summary

This review of related literature offers a discussion on the dependent variable, that is, customer loyalty. The review also discusses the main issue that impacts customer loyalty. The reviewed literature lays the foundation for developing a model that measures the factors that influence customer loyalty. Based on previous studies, a theoretical framework for this study is developed. It is then followed by construction of the hypotheses to be tested as per Table 2.1 below:

*Table 2-1*  
*Hypotheses to be Tested*

<b>NO</b>	<b>Hypothesis Statement</b>
Hypothesis 1	Service quality as perceived by customer is positively related to customer loyalty toward the service provider.
Hypothesis 2	Perceived value is positively related to customer loyalty towards the service provider.
Hypothesis 3	Perceived enjoyment as perceived by customer is positively related to customer loyalty.
Hypothesis 4	Technological perception as perceived by customer is positively related to customer loyalty towards the service provider.
Hypothesis 5	Customer satisfaction is positively related to customer loyalty towards the service provider.
Hypothesis 6	a. Customer satisfaction mediates the relationship between perceived service quality and customer loyalty. b. Customer satisfaction mediates the relationship between perceived value and customer loyalty. c. Customer satisfaction mediates the relationship between perceived enjoyment and customer loyalty. d. Customer satisfaction mediates the relationship between technological perceptions and customer loyalty.
Hypothesis 7	Trust moderates the relationship between customer satisfaction and customer loyalty.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Introduction**

This chapter discusses the methodology of the study. An appropriate research methodology is crucial for the credible completion of the research project. The next section discusses the research design. Discussions on operationalization of variables, the population and the sample of the study are also provided. Further detailed explanations are made on the data collection procedure for the study. This chapter ends with a discourse on the various statistical techniques used to analyze the data.

#### **3.2 Research Design**

For the purpose of determining the kind of data, data collection method and sampling method to achieve the research objectives, a suitable research design is essential (Burns & Bush, 2002). The present research relies on the survey method and questionnaires were distributed for data collection. The questionnaire instruments were adapted from the existing literature and cross-sectional data was collected once from the postpaid mobile phone subscribers in Jordan. Individual mobile phone subscribers are the unit of analysis for the present study. This study considers each subscriber's response as an individual data source.

For this study, Likert scales were used to collect the responses from respondents on each question since this scale is widely used and tested in both marketing and social sciences

research (Garland, 1991). In relation to the number of scale points, both five-point Likert scale and seven-point Likert scale have been used. However, for this research, the five-point Likert scale is suitable because it is just as good as any other scale and can reduce the possibility of confusion of the respondents (Sekaran, 2000). Therefore, to ensure consistency within the variables and to circumvent confusion among respondents, every item was anchored on a five-point Likert scale (Ackfeldt & Coole, 2003).

### **3.3 Operationalization of Variables**

Operational definition refers to the questions (items) or dimensions that are employed in a study to measure the meaning of the construct (Hair et al., 2003; Burns & Bush, 2002). This study used several previously validated constructs to assist the operationalization of the variables of interest, including customer loyalty, satisfaction, service quality, perceived value, trust, perceived enjoyment and technological perceptions.

#### **3.3.1 Customer Loyalty**

The study defined customer loyalty as a customer's intention, willingness or the tendency to repurchase similar product or services (Edvardsson et al., 2000). It is measured with a six self-rating items on a five-point Likert scale format, ranging from '1' "strongly disagree" to '5' "strongly agree".

### **3.3.2 Customer Satisfaction**

In this study, customer satisfaction refers to the overall evaluation of the quality of products as well as services' experience after actually using the product or service over time (Garbarino & Johnson, 1999). Five items were adapted from Lime et al. (2006) to measure respondents' overall evaluative and efficient responses on their experience with a mobile phone operator they subscribed to. Each item is accompanied by a five-point Likert scale format, ranging from '1' "strongly disagree" to '5' "strongly agree".

### **3.3.3 Service Quality**

According to Parasuraman et al. (1985), service quality can be defined as a general assessment of a firm's services by its customers. In order to accomplish customer quality service, the previous expectations of customers need to be matched with their behavior or perceptions after actually experiencing service performance (Parasuraman et al., 1985). Service quality consists of 22 self-rating items on a five-point Likert scale format, ranging from '1' "strongly disagree" to '5' "strongly agree."

### **3.3.4 Perceived Value**

Perceived value refers to the customer's assessment made between the usefulness gained from a product or service relationship and the perceived sacrifices or costs (Zeithaml, 1988). The items used to measure the construct are basically adapted from Yang and Peterson (2004). Items for measuring perceived value consists of five self-rating items on

a five-point Likert scale format, ranging from ‘1’ “strongly disagree” to ‘5’ “strongly agree”.

### **3.3.5 Perceived Enjoyment**

Perceived enjoyment is the degree to which the use of a specific system is judged to be enjoyable, apart from the consequences of any performance issues that result from using the system (Davis *et al.*, 1992). For the purpose of this study, the construct of perceived enjoyment is measured by four items adapted from Zhou (2013). Each item is accompanied by a five-point response format ranging from ‘1’ “strongly disagree” to ‘5’ “strongly agree”.

### **3.3.6 Technological Perceptions**

Technological perceptions refer to access speed, ease of use, navigation, visual appeal, information relevancy, accuracy, sufficiency and timeliness information (Kim *et al.*, 2004b). This is measured with eight items. Each item is accompanied by a five-point Likert scale ranging from ‘1’ “strongly disagree” to ‘5’ “strongly agree”.

### **3.3.7 Trust**

Trust is the customers’ thoughts, feelings, emotions or behaviors relating to a particular service provider that provides customers with a feeling of relying on firms to meet their expectations (Patrick, 2002). Five items for this construct are adapted from the study of

Aydin and Ozer (2005). Each item is accompanied by a five-point Likert scale ranging from ‘1’ “strongly disagree” to ‘5’ “strongly agree”.

### 3.4 Measurement

With the exception of demographic information, all other variables included in this study are measured using multiple items adapted from past studies. However, in order that they are fit for the current study, some changes on wording were made on these borrowed items. Table 3.1 summarizes the variables and the total number of items used to measure the each of the variables.

Table 3.1  
*Summary of Variables and Total Number of Items*

Variables	Source	Total number of items
Customer Loyalty	(Gecti & Zengin, 2013)	6
Customer Satisfaction	(Lim <i>et al.</i> , 2006)	5
Service Quality	(Parasuraman <i>et al.</i> 1988)	22
Perceived Value	(Yang & Peterson, 2004)	5
Perceived Enjoyment	(Zhou, 2013)	4
Technological Perceptions	(Zhou, 2013)	8
Trust	(Aydin & Ozer, 2005)	5

#### 3.4.1 Customer Loyalty Measures

In this research, customer loyalty is measured using an existing scale adapted from the study of Gecti and Zengin (2013). The items adapted from Gecti and Zengin (2013) showed Cronbach’s alpha of 0.85 in their study which is a good internal consistency for the construct. The items are presented in Table 3.2 below.



Table 3.2

*Items for Customer Loyalty Measure*

NO	Items	Alpha
1.	I will not switch to other phone service providers in place of my current mobile phone service provider.	0.85
2.	I would pay a higher price for my current mobile phone service provider even if other competitors' prices are cheaper.	
3.	I will always remain with my current mobile phone service provider.	
4.	I intend to keep subscribing to use my current mobile phone service provider in the next few years.	
5.	I will always encourage other people to use my current mobile phone service provider.	
6.	I intend to use more service that suits me from my current mobile phone service provider.	

Source: Gecti and Zengin (2013)

**3.4.2 Customer Satisfaction Measures**

Customer satisfaction is measured using an existing scale adapted from the study of Walsh et al. (2006). Each item is measured on five-point Likert scale. The reliability alpha coefficient reported by Walsh et al. (2006) is 0.92. The items used to measure customer satisfaction are given in Table 3.3 below.

Table 3.3

*Items for Customer Satisfaction Measure*

NO	Items	Alpha
1.	I am satisfied with my decision to subscribe my current mobile phone service provider.	0.94
2.	My choice to subscribe current mobile phone service provider was a wise decision.	
3.	I feel bad regarding the decision to choose my current mobile phone service provider.	
4.	I think I did the right thing by subscribing mobile phone service from my current provider.	
5.	I am unhappy that I subscribe my current mobile phone service provider.	

Source: Lim *et al.* (2006)

### 3.4.3 Service Quality Measures

Service quality is measured using the items adapted from the study of Parasuraman et al. (1988). All items are measured on a five-point Likert scale. For this variable, the reliability coefficient reported by Parasuraman et al. (1988) is 0.92. The total number of items used to measure the service quality is shown in Table 3.4 below.

Table 3.4  
*Items for Service Quality Measure*

NO	Items	Alpha
1.	My current mobile phone service provider has up-to-date equipment	0.92
2.	My current mobile phone service provider's physical facilities/decors are visually appealing	
3.	The staff at my current mobile phone service provider are well dressed and appear neat	
4.	The appearance of the physical facilities/decors of my current mobile phone service provider is in keeping with the type of services provided	
5.	When my current mobile phone service provider promises to do something by certain time, it keeps its promise	
6.	When I have a problem, my service provider shows sincere interest in solving it	
7.	My current mobile phone service provides service reliably and dependably.	
8.	My current mobile phone service provider provides its services at the time it promises to do so	
9.	My current mobile phone service provider keeps its records accurately.	
10.	My current mobile phone service provider tells me exactly when services will be performed	
11.	The staff at my current mobile phone service provider provide me with prompt service.	
12.	The staff at my current mobile phone service provider are always willing to help customers.	
13.	The staff at my current mobile phone service provider customer service are always ready to respond to customer requests promptly	
14.	I can trust the staff of my current mobile phone service provider	
15.	I feel safe in my transactions with the staff of my current mobile phone service provider.	
16.	The staff at my current mobile phone service provider are polite.	
17.	Staff at my current mobile phone service provider have adequate facilities to do their job well.	
18.	My current mobile phone service provider gives me individual attention	
19.	The staff at my current mobile phone service provider give me personal attention.	
20.	The staff at my current mobile phone service provider know what my needs are.	
21.	The staff at my current mobile phone service provider have my best interests at heart.	
22.	My current mobile phone service provider has convenient operating hours for all their customers.	

Source: Adapt from Parasuraman *et al.* (1988)

### 3.4.4 Perceived Value Measures

Items for measuring the customer perceived value variable are adapted from the study of Yang and Peterson (2004). This scale consists of five items and all items are measured using a five-point Likert scale. The reliability coefficient reported by the researcher is 0.80. Table 3.5 shows the total number of items used for this variable.

Table 3.5  
*Items for Perceived Value Measure*

NO	Items	Alpha
1.	Compared to alternative operators, my current mobile phone service provider offers attractive product/service charges.	0.80
2.	Compared to alternative operators, my current mobile phone service provider charges me fairly for similar products/services.	
3.	Compared to alternative operators, my current mobile phone service provider gives more free services.	
4.	Comparing what I pay to what I might get from other competitive operators, I think my current mobile phone service provider provided me with good value.	
5.	Comparing what I pay to what I might get from other competitive operators, I think my current mobile phone service provider provides me with good value.	

Source: Adapt from Yang and Peterson (2004)

### 3.4.5 Perceived Enjoyment

To measure the perceived enjoyment variable of the mobile phone operator, items are used with some modification from the study of Cyr et al. (2006). This measure contains four items, and all the items are measured using a five-point Likert scale. Reliability coefficient reported by Cyr et al. (2006) for this variable is 0.94. The items for measuring perceived enjoyment are shown in Table 3.6 below.

Table 3.6

*Items for Perceived Enjoyment Measure*

NO	Items	Alpha
1.	I feel that using the service provided by my current mobile phone service provider is fun.	0.94
2.	I feel that using the service provided by my current mobile phone service provider is exciting.	
3.	I feel that using the service provided by my current mobile phone service provider is enjoyable.	
4.	I feel that using the service provided by my current mobile phone service provider is interesting.	

Source: Adapt from Zhou, (2013)

**3.4.6 Technological Perceptions Measures**

To measure the technological perceptions variable, eight items are utilized from the study of Zhou, (2013) with some modification on wording. All items are measured using a five-point Likert scale. Table 3.7 below shows the items used to measure technological perceptions with reliability coefficient of 0.82, as reported by Zhou (2013).

Table 3.7

*Items for Technological Perceptions Measure*

NO	Items	Alpha
1.	The technology service provided by my current mobile phone service provider is up-to-date.	0.82
2.	The technology service provided by my current mobile phone service provider is easy to use.	
3.	The technology service provided by my current mobile phone service provider is easy to learn.	
4.	The technology service provided by my current mobile phone service provider is attractive.	
5.	My current mobile phone service provider provides me with information relevant to my needs.	
6.	My current mobile phone service provider provides me with sufficient information.	
7.	My current mobile phone service provider provides me with accurate information.	
8.	My current mobile phone service provider provides me with up-to-date information.	

Source: Adapted from Zhou, (2013)

### 3.4.7 Trust Measures

In this study, customer trust is measured using an existing scale adapted from the study of Aydin and Ozer (2005). This scale deals with the aspects of reliability, ethics, service quality and cumulative process (Aydin & Ozer, 2005). This scale consists of five items on a five-point Likert scale and reliability coefficient for the scale is 0.85 as reported by Aydin & Ozer (2005). The items to measure the customer trust construct are shown in Table 3.8 below.

Table 3.8

*Items for Trust Measure*

NO	Items	Alpha
1.	I trust my current mobile phone service provider	0.85
2.	I feel that I can rely on my current mobile phone service provider well	
3.	I trust my current mobile phone service provider's billing system.	
4.	I believe that I can trust my current mobile phone service provider and they will not try to cheat me.	
5.	My current mobile phone service provider is reliable because it is mainly concerned with the customer's interest.	

Source: Adapted from Aydin and Ozer, (2005).

## 3.5 Study Population and Sample

### 3.5.1 Population

The population for this study consists of Generation Y postpaid mobile phone subscribers in Jordan totaling 552,306. The figure was arrived at after taking 73% of the total number of postpaid mobile phone subscribers (756,583) for the year 2013 said to be Generation Y according to the report by Sarayanews (2013), see Table 3.9. It can be seen that, they constitute the highest compared to other generation within the same postpaid categories. The postpaid segment is chosen because postpaid subscribers switching rate is higher and

common in postpaid service especially when they considered that the bill is high (Nguyen, 2011). Similarly, Generation Y is focused on due to their comparative more resistance to marketing drives given their dynamics of youthfulness and exuberance, which make them prone to switching attitude and difficult to be retained as loyal customers (Bush, et al., 2004). Postpaid subscribers receive periodical bills which require them to pay a certain monthly fee plus excess usage charge. On the other hand, prepaid subscribers do not have any such contract. Thus, there is a relationship between customer and service provider when it comes to post-paying. Therefore, it is important to study the factors that affect their loyalty. Based on the statistics presented by the *Jordan Telecommunication Regulatory Commission* (2013), postpaid customers totaled 756,000 in 2013 as shown Table 3.9.

Table 3.9  
*Growth of Postpaid Market Segment*

<b>Mobile Subscribers</b>	<b>Prepaid</b>	<b>Postpaid</b>	<b>Total</b>	<b>Penetration (%)</b>
2007	4,249,583	<b>522,058</b>	<b>4,771,641</b>	83.3
2008	4,887,851	<b>425,713</b>	<b>5,313,564</b>	90.9
2009	5,549,856	<b>464,510</b>	<b>6,014,366</b>	101
2010	6,063,422	<b>556,209</b>	<b>6,619,631</b>	108
2011	6,793,280	<b>689,281</b>	<b>7,482,561</b>	120
2012	8,047,720	<b>719,844</b>	<b>8,767,564</b>	138
2013	9,557,223	<b>756,583</b>	<b>10,313,806</b>	156

Source: *Jordan Telecommunications Regulatory Commission (JTRC)* (2013)

### 3.5.2 Sample

The present study sample is from Generation Y population in Jordan. According to Sarayanews (2013), 73% of the Jordanian society is Generation Y, which is called 'Text

Generation', because they have adapted the mobile phone in their life (Trunk, 2007). In addition, the mobile phone operator considers the Generation Y as an important target market (Kumar & Lim, 2008). Generation Y comprises persons born between early 1977 up to late 1996 (Erickson, 2008). Generation Y is chosen as the sample for the current study.

Additionally, according to Sarayanews (2013), the government of Jordan gives this category much attention. They consider its members as the knights of change, who have increased interest in both public and private institutions. The importance of the youth in the community is felt through their ability and effective role in bringing about change. This is also reflected in their role in economic reform, since they are the core of the country's economic progress.

Accordingly, the above findings unveil the importance of Generation Y. As stated previously, Generation Y has grown up using the mobile phone operators enormously and is the main customer of this trend. This segment needs to be examined as they form nearly 73% of the general population in Jordan (Sarayanews, 2013). Therefore, they can make up the required sample for a survey of this kind.

### **3.5.3 Sample Size**

In considering the importance of determining appropriate sample size, Cavanaugh et al. (2000) mention that selecting the right sample size is definitely important because a valid and reliable sample can facilitate an investigator's work by allowing the generalization of

the research results from the sample of the population under investigation. According to the statistics of the JTRC (2007-2013), there are 552,306 postpaid mobile phone subscribers from a population of 7,529,078. In determining the sample size, the table for sample size suggested by Krejcie and Morgan (1970) is used. For the purpose of the present study, a sample size of 384 mobile phone subscribers is used for data collection as it fits the suggestion of Krejcie and Morgan (1970) for a population of 100,000 and above. Tabachnick and Fidell (1996) suggest that it is comfortable to have at least 300 cases for factor analysis. They further suggest that, taking into account that the survey method has a poor response rate, and to ensure minimal response number is obtained, the number of questionnaires to be distributed should be increased beyond the minimal number required. Hence, for this study's requirement of 384 responses, 768 questionnaires were distributed. This was necessary given that customer perspective studies' response rates conducted in Jordan. For example, yielded 67.8% (Alnibaiee, 2012) and 72.8% (Alshurideh *et al.*, 2012).

### **3.6 Sampling Method and Data Collection Procedures**

This study utilized stratified random sampling method. In particular, the study employed disproportionate stratified sampling. According to Sekaran (2003), a researcher might decide instead to use a disproportionate stratified random sampling procedure because using disproportionate sampling entails that all members in each unit of strata have enough representation of their group. In addition, disproportionate sampling decisions have been made either when some strata are too small or too large, or when there is more variability suspected within a particular stratum. Therefore, the researcher used



disproportionate stratified sampling to ensure that the results are distributed in the same way as the population in terms of the stratifying criterion as shown in Table 3.9.

Table 3.9

*Disproportionate Stratified Random Sampling*

NO	Operator	Number of Elements	Disproportionate Samples And corresponding percentage	
1	Zain	373,233	320	42%
2	Orange	128,112	250	32%
3	Umniah	510,31	198	26%
<b>Total</b>		<b>552,306</b>	<b>768</b>	<b>100%</b>

Source: *Jordan* Telecommunications Regulatory Commission (JTRC) (2013)

According to the Jordan Telecommunications Regulatory Commission (2013), there were approximately 756,583 postpaid subscribers in the year 2013. As shown in Table 3.9, Zain operator has the highest number of subscribers with 320 subscribers, and Umniah operator has the least number of subscribers with 198 subscribers. Therefore, the researcher selected the three operators' center as a sampling unit for this study, in order to avoid biasness by collecting the samples from one operator center. Table 3.9 shows the list of operators' centers for the sampling collection exercise.

Marketing researchers, in general, and advertising researchers, in particular, are increasingly using the mall intercept approach to collect survey data (Gates & Solomon, 1982). Mall intercept interviewing is a personal or face-to-face interviewing method (Bush & Hair, 1985; Gates & Solomon, 1982). According to Aaker and Day (1990), there are two primary benefits associated with mall intercept interviewing, such as cost and control. According to Bush and Hair (1985), mall intercept is a unique form of face-to-face

interviewing with much to offer the market researcher. It has more potential for quality responses than the telephone method. The mall intercept method is a relatively inexpensive method for collecting high quality, accurate data in a face-to-face manner (Bush & Hair, 1985). Therefore, this study used the operator centers' intercept method to collect survey data.

According to Zikmund and Babin (2010), probability sampling is based on selection random procedure, because the probability sampling process is random. Systematic sampling which is also referred to as nth method is used to select respondents from the determined probability sample. Following the recommendation put forward by Malhotra (1993), the researcher used the systematic random sampling method employing mall intercept survey for collection of data, where the respondents were picked as they got out of the main entrance of the operator's center. For example, if number of samples required from an operator center is 320, and the sample interval is five and the random starting point is five, then the subscribers selected were 5, 10, 15, 20, 25, 30 and 35, etc. until the required sample was reached (Sekaran, 2003). This selection is in line with the study conducted in India by Chattopadhyay et al. (2009) that used systematic random sampling method for collecting data from customers to explore the relationship between brand equity and marketing mix elements in situations where there are uncertainties of brand attributes.

According to the Jordan News Agency (2013), 38% of the Jordanian population is in the capital city of Amman. Amman is the city with the highest population in Jordan of

2,419,600. Therefore, the researcher with two research assistants distributed questionnaires in each of the operator's center in Amman city. The rationale behind choosing the operator centers is that it caters for a large number of postpaid subscribers' needs. Thus, the researcher and the two assistants distributed questionnaires personally by hand to every fifth subscriber who got out from the operator's center after he or she had paid the bill (the subscribers were easily accessible in order to respond to and fill in the questionnaire). The questionnaires were distributed within three months, starting from 3 May till 7 August 2014, between 9am to 5pm each day except on holidays (Friday and Aidul Fitri). Each day, the questionnaires were distributed to subscribers of one operator center in turn.

To facilitate and achieve a higher response rate, the questionnaire was well structured using simple language. No discrimination was done on the basis of gender and participation was entirely voluntary. All information and feedback provided were kept confidential and used only for academic purposes. The researcher provided the respondents enough time to respond to the questionnaire on the spot and for those who cannot, a convenient time and place was arranged for it to be collected.

A cover letter from the researcher was attached to the questionnaire that was distributed to the respondents by hand. The researcher decided to distribute the questionnaire by hand to ensure that the respondents receive the questionnaire with great interest to respond, as well as to make the respondents know the importance of their responses and give additional information where needed. The main contents of the cover letter provided information on

the main objective and purpose of the study; instructions to follow and assurance of privacy of the respondents' feedback. All the respondents were informed that their participation in the research was voluntary and with no obligations.

The survey questionnaire is suitable to be used for this current study due to several reasons. Firstly, it is a relatively less costly technique that can enhance the response rate (Sekaran, 2000). Secondly, there are no sensitive questions included in the study. Finally, the questions are simple and easy to understand. The researcher also translated all items into Arabic language to get best possible answers from the respondents (because the main language in Jordan is Arabic). The questionnaire was translated through Al-Zarka'a University Language Center where they translated the questionnaire to Arabic language, and then it was translated back to English language to ensure the accuracy of the meaning; this involved refining where necessary (Craig & Douglas, 2000) (the English and Arabic versions of the questionnaire are available in Appendices A-1 and A-2, respectively). The researcher took into consideration the translation method. The translation was done by an expert using back and forth translation method as discussed above.

### **3.7 Pilot Study**

According to Sekaran and Bougie, (2010); Hair, Black, Babin, Anderson and Tathan, (2010); and, Hair, Money, Samouel and Page, (2007), content validity entails requiring a few samples of intended respondents or/and team of specialists to make judgment on the appropriateness of the items used to measure a variable. Therefore, the researcher considered feedback from a group of experts (two academicians and experts in the mobile

phone operator in Jordan); then the researcher came up with an enhanced version of the instrument which was eventually administered for the pilot study.

Additionally, before deciding on the real instrument to be utilized in this study, a pilot study was conducted using a convenient sampling of 35 Jordanian mobile phone subscribers. The researcher sat with the respondents while they were completing the questionnaires to identify any difficulties in understanding the questions and check on the ease of completion. Each respondent took approximately 15 minutes to complete responding to the entire questionnaire. Some vague sentences were noted and corrected. The final version of the questionnaire can be seen in the (Appendix A-1 and A-2). Based on the feedback gathered in the pilot test, the questions were further improved to facilitate completion of the final version of the questionnaire.

The reliability of the instrument used to measure each construct was tested using pilot data. One of the selected criterion from past instruments was the internal consistency of the scales. This can be checked by considering Cronbach's alpha reliability coefficients. The result of measures of reliability from the pilot study is shown in Table 3.10. The reliability estimates range from .76 to .97 and this is generally considered sufficient for research purposes (Nunally, 1978). The scales can be regarded as relatively reliable.

Table 3.10

*Reliability coefficients for multiple items in Pilot study (n=35)*

<b>Variables</b>	<b>Cronbach's Alpha (<math>\alpha</math>)</b>
Customer Loyalty	0.76
Service quality	0.92
Perceived value	0.90
Perceived enjoyment	0.97
Technological perception	0.82
Customer satisfaction	0.87
Trust	0.87

### 3.8 Data Analysis Techniques

To achieve the research objectives, the study employed Statistical Package for the Social Sciences (SPSS) version 20 and Partial Least Squares (PLS) version 2.0 to facilitate data analyses. Before going for inferential analyses, response rates and profiles of respondents and data screening on different issues, such as response bias, missing data analysis and multicollinearity test were done using SPSS.

In the context of inferential analysis, Partial Least Squares-Structural Equation Modeling (PLS-SEM) application has been used successfully in different areas of research, more specifically in marketing, strategic management, management science and social psychology, among others (Hair et al., 2013; Hair et al., 2012; Henseler et al., 2009; Pavlou & Fygenson, 2006). Various PLS-SEM improvements have been made more recently with the inclusion of the following; guidelines for analyzing moderating effects (Henseler & Fassott, 2010): utilization of confirmatory factor analysis for the verification of the measurement model (Hair et al., 2011); model quality evaluation (Hair et al., 2011); and the model's predictive relevance (Hair et al., 2013; 2011). These improvements

contribute to the expansion of PLS-SEM that is generally used as research instrument in the field of marketing as well as the social sciences (Hair et al., 2011). In addition, Hair et al. (2012); and Reinartz et al. (2009) confirm the importance of PLS's ability to analyze variables in complex models, simultaneously.

In PLS models, two main methodological elements are considered (Hair et al., 2013; Fernandes, 2012). They are evaluation of measurement model and evaluation of the structural model. The next sections elaborates on these two elements in detail.

### **3.8.1 Evaluation of Measurement Model**

Both validity and reliability are the most important decisive factors used to test the integrity of measures in social research. Reliability shows the consistency to which a measuring instrument measures what the theory intends to measure. Reliability represents the internal consistency showing the homogeneity of items in the measure, measuring the latent variable (Schindler & Cooper, 2003). Also, the Cronbach's alpha is recommended when measuring the internal consistency of the position of items (Sekaran, 2003), and is the most frequently used reliability coefficient. A reliability analysis was conducted on the scales of service quality, perceived value, perceived enjoyment and technological perceptions as well as on the dependent variable (customer loyalty), on the moderator (trust) and the mediating variables (customer satisfaction). Meanwhile, Nunnally's (1978) suggestion of a lower Cronbach's alpha limit of 0.70 is mostly accepted by researchers. Nonetheless, for a study that is exploratory in nature, Hair et al. (1998) opine that a Cronbach's alpha value of 0.60 or more is considered to be significant. Items of each

construct with the suggested reliability threshold were used for further analysis. In addition to the above, validity test was done to show the reliability of the tool that was developed to measure the specific theory which is intended to be measured (Sekaran & Bougie, 2010).

#### **3.8.1.1 Construct validity**

Construct validity affirms to how well the results obtained from the use of the measure fit the concepts around which the investigation is designed (Sekaran & Bougie, 2010). The concern here is whether the instrument is connected to the concepts that are theorized (Ramayah et al., 2011). This is done through convergent and discriminant validity tests. As recommended by Hair et al. (2010), a cut-off value of loadings at 0.5 is considered as significant. Here, a special look was given to the factor loadings, average and composite reliability, in addition, to the respective loadings and cross-loadings to see if there are specific issues with any of the items.

#### **3.8.1.2 Convergent Validity**

After determining the construct validity of the items, next is the convergent validity. It is the degree to which several items that have been used in measuring the same concept agree. As suggested by Hair et al. (2010), factor loadings, composite reliability and average variance extracted were used to measure convergent validity. In this regard, Hair et al.'s (2010) recommendation was followed for the factor loadings.



### **3.8.1.3 Discriminant Validity**

Discriminant validity is a test that measures the levels at which items distinguish between constructs or measure divergent concepts. This is measured by scrutinizing the correlations between the measures for possibly overlapping constructs. It is expected that the model items will load strongly in their own constructs, with the average variance shared between each construct as well as its measures being higher than the variance shared between the construct as well as other constructs based on the suggestion made by Compeau et al. (1999). This process was followed before testing of the hypotheses formulated for this study. Other statistical analyses were also conducted thereafter.

### **3.8.2 Evaluation of the Structural Model**

The coefficient of determination ( $R^2$  value), which is a measure of the model's predictive accuracy is one of the most commonly used measure to evaluate the structural model. The coefficient shows the combined effects of the exogenous latent variables on the endogenous latent variable. It also represents the amount of variance explained by all exogenous constructs on related endogenous constructs. The value of  $R^2$  ranges from 0 to 1 with higher value showing higher levels of predictive accuracy. However, the acceptable value of  $R^2$  depends on the field of study. According to Wegner (2011), in business researches, when  $R^2$  values lies closer to 0 (or 0%), it indicates a weak level when it is closer with center 50 (or 50%), it indicates a moderate and when it lies closer to 1 (or 100%), it indicates a strong level. In addition to evaluating the  $R^2$  values of all endogenous constructs, the change in the  $R^2$  value when a specified exogenous construct is omitted

from the model can be used to evaluate whether the omitted construct has a substantive impact on the endogenous constructs. In other words, the effect size represents the measure of the strength of the relationship existing between independent and dependent factors in spite of the sample size (Hill *et al.*, 2008).

The predictive relevance of the model can be viewed based on its quality which is assessed by using the blindfolding procedure to obtain  $Q^2=1-SSE/SSO$ . If  $Q^2$  is positive, the model has predictive validity; if it is negative, the model does not have predictive validity (Tenenhaus, 1999). Finally, the PLS path modeling bootstrapping technique was used to test the hypotheses formulated for this study and various statistical decisions were made thereafter.

### **3.10 Chapter Summary**

In this chapter, the methodology of the study has been critically discussed. This chapter specified the research design, and explained the instruments used based on the relevant literature review. Additionally, this chapter provided some information on the population, sample size and sampling technique. The pilot study was conducted and its analysis was also presented which ensured the validity and reliability of the measures used preparatory to data collection phase. Finally, this chapter described the data collection procedures and the statistical techniques used in the study.

## **CHAPTER FOUR**

### **FINDING**

#### **4.1 Introduction**

This chapter presents the results of data analysis. Descriptive and inferential statistical results were obtained through SPSS (Statistical Package for Social Sciences) and PLS-SEM (Partial Least Squares-Structural Equation Modeling). This chapter begins by presenting key results after preliminary analysis of survey response and data screening. After that, result of evaluation of the model's quality by PLS is offered by specifically reporting key findings on the measurement and structural models, which include construct, convergent and discriminant validity, reliability analysis, predictive relevance of the model and effect size. Finally, results of the mediating effect of customer satisfaction and the moderating effect of trust are provided.

#### **4.2 Analysis of Survey Response**

##### **4.2.1 Response Rates**

For data collection purposes, 768 questionnaires were distributed to Jordanian postpaid mobile phone subscribers. Out of this number, 643 were returned, 96 of which were excluded because they were 39 years of age and above. In addition, Hair, Black, Babin, Andersen and Tatham (2010) argue that it is better for researchers to delete the case respondent if the missing data is more than 50%. Based on their recommendation, six questionnaires were discarded because they were more than 50% incomplete. Thus, a total

of 541 responses were usable and used for subsequent analysis, giving a response rate of 70.4%. The response rate appears to be adequate compared to several studies which used mall intercept with response rate of 70% (Al Otaibi & Yasmeen, 2014), and 78% (Kim et al., 2010).

#### **4.2.2 Test of Non-Respondent Bias**

Evidence from existing literature has established that non-respondents sometimes differ systematically from respondents both in attitudes, behaviors, personalities and motivations, by which any or all might affect the results of the study (Malhotra, Hall, Shaw & Oppenheim, 2006). In this study, non-response bias was tested using t-test to compare the similarities between the mean, standard deviation, and standard error of early and late response. Levene's test of the early and late responses in the main study variables, such as customer loyalty, customer satisfaction, trust, service quality, perceived value, perceived enjoyment and technological perceptions, was employed.

Several researchers, including Churchill, Jr and Brown (2004); and Malhotra et al. (2006) argue empirically that late respondents could be utilized for non-response bias instead of non-respondents, mainly because the former may not have responded if they have not been followed up. According to Malhotra et al. (2006), non-respondents are considered to possess similar characteristics as late respondents. In this study, the sample was categorized into two groups namely early responses and late responses with the former being those who returned the questionnaires within first month and half following the distribution and the latter being those who returned the questionnaires last a month and

half following the distribution. Hence, 250 respondents were grouped into early responses and 291 as late responses. Descriptive as well as Levene's test were conducted for equality of variance on the main variables of the study.

Table 4.1 shows that no value is higher than 0.05, implying that the variances are assumed to be approximately equal. In addition, the two groups are found to come from the same population since there are no significant differences between early and late respondents for the main variables ( $p < 0.05$ ).

Table 4.1  
*Test of non-respondent bias*

variables		Levene's test for equality of variances			T-test for equality of means	
		N	mean	F	Sig.*	Sig*(22-Tailed)
Customer loyalty	Early	250	3.2487	.736	.391	.343
	Late	291	3.3179			.343
Customer satisfaction	Early	250	3.6128	2.657	.104	.580
	Late	291	3.6569			.582
Trust	Early	250	3.3832	.239	.625	.343
	Late	291	3.4538			.345
Service quality	Early	250	3.4816	.780	.378	.871
	Late	291	3.4912			.871
Perceived enjoyment	Early	250	3.3298	1.036	.309	.066
	Late	291	3.4832			.067
Perceived value	Early	250	3.3211	1.489	.223	.323
	Late	291	3.3996			.324
Technology perceptions	Early	250	3.5499	.290	.590	.139
	Late	291	3.6584			.139

\* $p < 0.05$

#### **4.2.3 Profile of the Respondents (N=541)**

Table 4.2 shows the background information of sampled respondents. In terms of gender, majority of the postpaid mobile phone operator subscribers (62.8%) are male, whereas 37.2% are female. That means large segments of subscribers that use postpaid mobile phone operator are male respondents. This result is related to the study conducted in Jordan by Akroush *et al.* (2011) on the mobile phone operator. In terms of the marital status of the respondents, more than half of them (52.3%) are unmarried while 46.2% are married. This indicates Generation Y unmarried respondents use postpaid mobile phone operator more than married respondents.

In addition, in terms of age distribution, 30.9% of respondents are between 18-23 years, 25.1% between 24-29 years, 23.8% between 30-35 years, and 20.1% between 36-38 years. Overall, the highest age distribution of respondents is between 18-23 ages. The ages between 24-29 years is in second-place. The ages between 30-35 years is third, while the ages between 36-38 years is lowest. Of the 541 respondents, the majority of the postpaid mobile phone subscribers use Zain (39.9%); followed by Orange (33.1%); and the lowest percentage of respondents use Umnaih (27%). This shows that Zain is the mobile phone operator with the biggest market size while Umnaih has the lowest portion of the market. The result is similar to the result of Akroush *et al.* (2011) conducted in Jordan on the mobile phone operator.

With respect to the length of experience in postpaid mobile phone subscription, 31.6% of the respondents have six years and above; 25.3% between four to six years; 30.5% between one to three years; and 12.6% have less than one year. Meanwhile, the respondents with six years and above experience and one to three years are similar in terms of percentage. The lowest percentage experience is respondents with less than one year of experience in using postpaid subscription. This means that most of the respondents are mature and satisfied with postpaid subscription in their relationships with mobile phone operators. This result conforms with the study conducted on the mobile phone operator by Akroush *et al.* (2011) in Jordan.

Similarly, on the basis of highest level of education, Table 4.2 shows the highest percentage (45.7%) of postpaid mobile respondents have bachelor's degree, followed by high school certificate, diploma, others, master's and PhD with 15.3%, 15.2, 10.4%, 9.1% and 4.3%, respectively. Generally, more than 45.7% of the postpaid mobile phone subscribers have bachelor's degree. This means that most of the respondents are educated. This result is similar to the study conducted in Jordan by Akroush *et al.* (2011) on the mobile phone operator. The results of the descriptive analyses are depicted in Table 4.2.

Table 4.2

*Profile of the Respondents (N=541)*

<b>Profile of the Respondents</b>		<b>Number</b>	<b>Percentage</b>
<b>Gender</b>	Male	340	62.8
	Female	201	37.2
<b>Status</b>	Married	250	46.2
	Unmarried	283	52.3
<b>Age</b>	18-23	167	30.9
	24-29	136	25.1
	30-35	129	23.8
	36-38	109	20.1
<b>Operator</b>	Zain	216	39.9
	Orange	179	39.9
	Umnaih	140	27.0
<b>Experience</b>	Less than 1 year	68	12.6
	1-3	165	30.5
	4-6	137	25.3
	6 and above	171	31.6
<b>Level of education</b>	Higher school	83	15.3
	Diploma	82	15.2
	Degree	247	45.7
	Master	49	9.1
	PhD	23	4.3
	Others	57	10.4

### 4.3 Data Coding and Entering

Items in the questionnaire were coded using easily identifiable codes. This was succeeded by coding each of the variables based on the questionnaire items with one or two or three or four letters and a particular number. For example, a questionnaire from customer satisfaction treatment site was coded as CS1 for the first questionnaire item 1 from the customer satisfaction treatment site. Trust was coded as T; level of education attained was coded as Education. The first item relating to perceived value was coded as PV1. This data coding ensures that the questionnaires can be easily referred to and mistakes are avoided.



Upon completion of the above process, all the retrieved questionnaires were ready for entering and were then entered accordingly by the researcher into SPSS version 20.

#### **4.4 Data Screening and Cleaning or Treatment**

After the raw data had been entered in the SPSS 20, the next line of action done by the researcher was data screening and cleaning or treatment. This involves checking for errors in the data collected (Byrne, 2013; Pallant, 2007). These errors take the form of missing data or out of range data (values that fall outside the range of possible values for a scale). It was therefore important for the researcher to check on these and handle them accordingly (Appendix C-1). According to Pirker (2009), it is recommended that missing values be handled with imputation by replacing missing values using the remaining values of the data. To obtain accurate model specifications, the mean can be used for the imputation (Lernieux & McAlistet, 2005; Sekaran, 2003). Using the mean to replace missing values also leads to more reliable results than case-wise deletion (Parwoll & Wagner, 2012). This is because for pre-processed data that is intended to be exported to the PLS path modeling software, case-wise deletion will throw away a lot of useful information, which will in turn lead to lower efficiency, and thus is not recommended (Temme, Kreis & Hilderbrandt, 2006).

Based on this recommendation, a few cases of missing values which were identified were replaced accordingly using the mean values of the items (in total, there were 75 missing values, ranging from one to nine in each questionnaire). This was done as the number of missing values did not pose any statistical threat to the analytical phase of this study

(Appendix C-2). The non-integer values which were not compatible with the scale of the data were rounded up to the nearest integer in order to get an integer value by using one as the rounding denomination (Enders, 2010; Allison, 2001). For other treatment of missing values especially as it related to the use of the PLS path modeling technique, referrals can be made to Tenenhaus, Vinzi, Chatelin, and Lauro (2005). In addition to the above treatment, test on normality was not done because the PLS is a distribution-free approach. It also uses the usual maximum likelihood estimation method, which assumes multivariate normality (Lohmellar, 1989). Also, since the PLS factors are orthogonal, the issue of multicollinearity does not arise. Similarly, since this study examined data from a large sample (541), this condition may not distort the results as significant departure from non-normality may be negligible for a sample size of 200 or more (Hair *et al.*, 2006).

#### **4.4.1 Descriptive Analysis**

A descriptive analysis was then conducted to describe the general situation of customer loyalty, customer satisfaction, trust, service quality, perceived enjoyment, perceived value and technology perceptions among Jordanian Generation Y postpaid mobile phone operator users. In Table 4.3, the mean, standard deviation, maximum and minimum values of the constructs are reported. For ease of interpretation of the five-point Likert scale, the current study used three equal sized categories as follows: scores less than 2.33 [ $4/3 +$  lowest value (1)] were considered low; scores of 3.67 [highest value (5) -  $4/3$ ], high, and those in between, moderate. Other studies, such as Alshourah (2012) also used similar approach in interpreting the mean value of a five-point Likert scale.

Table 4.3 shows that the minimum value of most of the constructs is 1.00 and the maximum value is 5.00, which are the minimum and maximum levels of the Likert scale used in this study. In addition, the data reveal that customer satisfaction has a maximum mean value of 3.63 with the standard deviation of 0.92. On the other hand, customer loyalty has a minimum mean value of 3.28 with the standard deviation 0.84. In general, these results indicate that the respondents tend to exhibit high levels of customer satisfaction and technology perceptions and service quality with their operator. Overall, the mean score of the constructs range between 3.28 to 3.63. Hence, it shows that there is a moderate level of responses by the subscribers on the constructs.

Table 4.3  
*Descriptive Statistics of the Constructs (n=541)*

<b>construct</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Minimum</b>	<b>Maximum</b>
Customer loyalty	3.28	0.84	1.00	5.00
Customer satisfaction	3.63	0.92	1.00	5.00
Trust	3.42	0.86	1.00	5.00
Service quality	3.48	0.67	1.36	5.00
Perceived enjoyment	3.41	0.96	1.00	5.00
Perceived value	3.36	0.91	1.00	5.00
Technology perceptions	3.60	0.84	1.00	5.00

#### **4.4.2 Multicollinearity Test**

Testing of multicollinearity among independent variables is greatly recommended before testing the proposed model (Hair *et al.*, 2010). Multicollinearity indicates the existence of a setback in correlation matrix when an independent variable is significantly correlated with another independent variable. Additionally, based on the recommendation of Hair *et al.* (2010), the detection of multicollinearity arises when correlation value is over 0.90.

Table 4.4  
*Correlation of the Variables*

	<b>CL</b>	<b>CS</b>	<b>EY</b>	<b>PV</b>	<b>SQ</b>	<b>TG</b>
<b>CL</b>	<b>1</b>					
<b>CS</b>	0.596	<b>1</b>				
<b>EY</b>	0.467	0.417	<b>1</b>			
<b>PV</b>	0.437	0.440	0.538	<b>1</b>		
<b>SQ</b>	0.492	0.391	0.504	0.474	<b>1</b>	
<b>TG</b>	0.465	0.363	0.563	0.622	0.562	<b>1</b>

From Table 4.4 above, it is clear that there is no high correlation among the variables of this study, as all correlations are below the maximum threshold of 0.90.

This test was facilitated by examining the tolerance value and the variance influence factor (VIF). According to Hair *et al.* (2010), tolerance value is the amount of variability of the chosen independent variable that is not explained by other independent variables, whereas VIF is the inverse of tolerance. The tolerance value and VIF cut-off points are 0.10 and 10, respectively, indicating that VIF value should be closer to 1.00 in order to indicate little or no multicollinearity.

Table 4.5 highlights multicollinearity statistics for all the independent variables in the two models. Basically, the correlations between the variables are below 0.90, denoting no problem of multicollinearity. Tolerance values range between .438 and .671, while VIF values range between 1.491 and 2.285. Thus, the result signifies no violation of multicollinearity assumption.

Table 4.5  
*Multicollinearity Test*

	<b>Collinearity Statistics</b>			
	<b>Customer Satisfaction</b>		<b>Customer Loyalty</b>	
	<b>Tolerance</b>	<b>VIF</b>	<b>Tolerance</b>	<b>VIF</b>
Service Quality	.520	1.922	.477	2.095
Perceived Enjoyment	.571	1.753	.543	1.841
Perceived Value	.547	1.828	.515	1.940
Technology Perceptions	.474	2.109	.471	2.125
Customer Satisfaction			.686	1.457
Trust			.517	1.934

#### 4.5 Data Analysis

Since the constructs have been defined and appropriate items have been adapted and modified from adapted instruments, a suitable data analysis method was chosen. SPSS version 20 was used for the preliminary analysis, especially for the description of the sample of the study. It was also used to compute the variables which were used to determine the level of customer loyalty among the study respondents. Also, the mean for each of the items representing the constructs was computed with the SPSS. For the main analyses, the PLS path modelling technique approach was used. The researcher decided to use the PLS path modelling technique for reasons adduced by some researchers in the behavioral sciences. Firstly, the technique is most appropriate when assumptions of multivariate normality and interval scaled data cannot be made, and when the researcher is primarily concerned with prediction of the dependent variable (Hulland, 1999). Secondly, the PLS parameter estimates better the strength and direction of the relationship among variables compared to correlation coefficients. It also avoids parameter estimation biases common in regression analysis (Calontone, Graham & Mintu-Wimsatt, 2007). Thirdly, the PLS is most flexible when measuring constructs (Falk & Miller, 1992; Graham, Minton &

Rodgers, 1994) and the relationships are modelled simultaneously, eliminating concerns about multicollinearity (Inkpen & Birkenshaw, 1994). Fourthly, it is more appropriate for a study of an exploratory nature (Lee, Yang & Graham, 2006b) and is very suitable for a non-parametric analysis (Chin & Newsted, 1999).

#### **4.5.1 Evaluation of the Model Quality**

This study used SmartPLS in line with previous studies (Al-Refai & Noor, 2014a.c; Goaiil *et al.*, 2014; Al-Swidi and Al-Hosam, 2012). The software package (SmartPLS), Version 2.0 M3 (Ringle, Wende & Will, 2005) was used to perform data analysis. This software is widely used in marketing and management science (Henseler *et al.*, 2009). A PLS model is normally analyzed and interpreted using measurement instrument validity and reliability (structural models) (Hair *et al.*, 2013). However, Hair *et al.* (2014) suggest that the model should be specified before proceeding to assess these models. The measuring instrument validity and reliability (measurement model) was tested to ensure its validity and reliability. Also, the measurement properties of multi-item constructs, including convergent validity, discriminant validity, reliability, and goodness of measure were examined by conducting factor analysis (CFA). Assessment of PLS-SEM structural model evaluation is analyzed by R square value, effect size and predictive relevance of the model. Also, bootstrapping is performed to test the study hypotheses.

#### 4.5.2 Model Specification

The original study model included 55 reflective measurement items (manifest variable or indicator) for seven variables (latent variables) including service quality, perceived value, perceived enjoyment, technological perceptions and customer satisfaction as independent variables and customer loyalty as dependent variable. In addition, customer satisfaction is hypothesized to mediate the relationship between the factors in the relationship above, and trust moderates the relationship between customer satisfaction and loyalty.

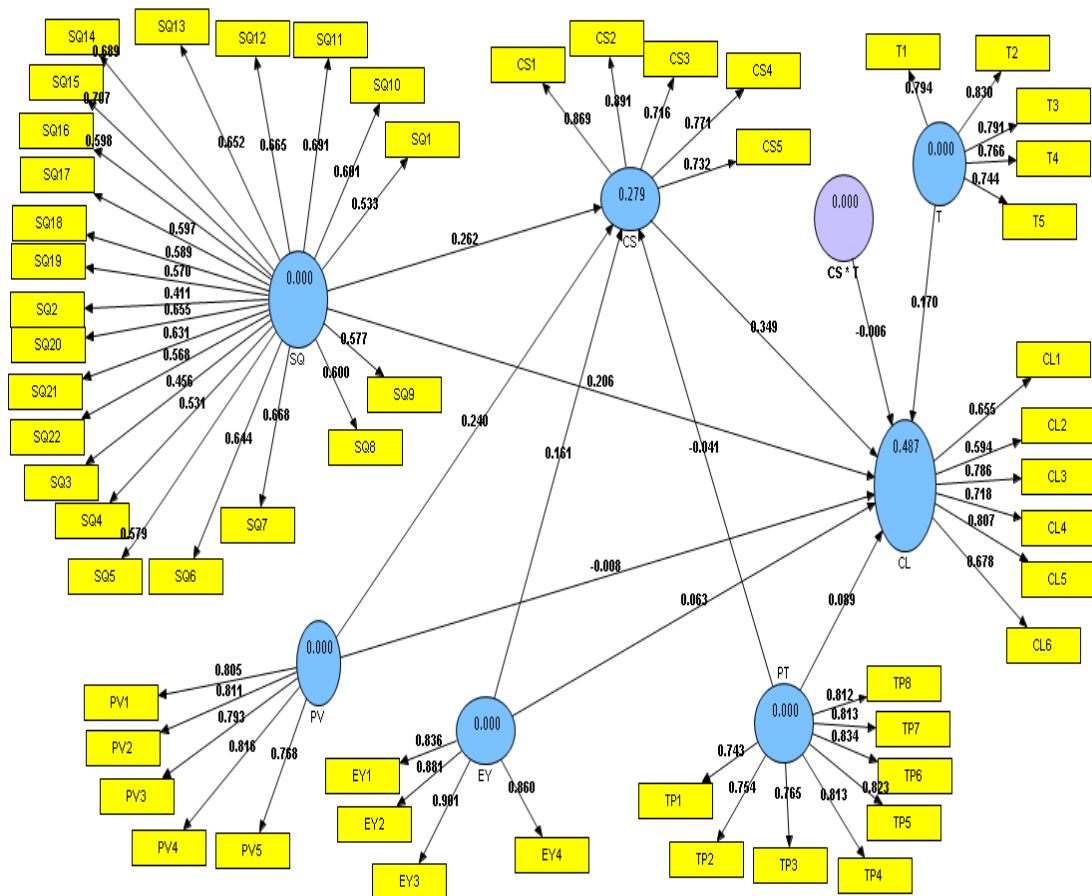


Figure 4.1  
Original Study Model

### **4.5.3 Measuring Instrument Validity and Reliability**

The key criteria used to evaluate the measurement models are validity and reliability. Reliability is a test of how consistently a measuring instrument measures whatever concept it is measuring, whereas validity is a test of how well an instrument that is developed measures the particular concept it is intended to measure (Sekaran & Bougie, 2010). Generally, in assessing the reflective measurement items, the researcher followed the guidelines suggested by Hair *et al.* (2011); and Gotz, Liehr-Gobbers and Krafft (2010). The construct, convergent and discriminant validities were assessed followed by reliability analysis.

#### **4.5.3.1 Construct Validity**

Construct validity affirms how well the results obtained from the use of the measure fit the theories around which the test is designed (Sekaran & Bougie, 2010). The issue to be addressed here is if the instrument explains or has a strong connection with the concepts as theorized. The researcher examined the factor loadings and cross-loadings to ascertain if there are issues with any particular item. A cut-off value of 0.5 (being significant) as suggested by Hair *et al.* (2010) was used in this regard. According to the recommendations by Hair *et al.* (2010); and Chin (1998), in order to confirm the construct validity of the measurement model, researchers can use factor loading of the items. Specifically, in order to measure a particular construct, all items meant for that should be loaded highly on the construct, which they are deliberately constructed to measure. When the PLS algorithm was run, the loadings of 12 items were removed before further analysis was done. All the



items load significantly on the constructs they were intended to measure (see Appendix D).

In Appendix (D), one of the items has loading of 0.901, 14 items have loadings of at least 0.80, 21 items have loadings of just over 0.70, eight of the items have loadings of 0.60, while the remaining have loadings of above 0.50. This is an indication that the measures are adequate in their individually validity. Also, the loadings of items on each of the constructs (see Appendix D) are in line with the suggestion of Chin (1998); and Hair *et al.* (1998, 2010). Thus, the results are said to be reliable, valid and suitable for further analysis.

#### **4.5.3.2 Convergent Validity**

The next analysis done by the researcher was to test the convergent validity. This is the extent to which the items measuring the same concept agree. As recommended by Hair *et al.* (2010), the factor loadings, composite reliability (CR) and average variance extracted (AVE) was used to assess convergent validity. Based on the presentation in Table 4.6, the loadings converge very well and exceed the 0.5 value as recommended by Hair *et al.* (2010). Also, the CR values in Table 4.6 which range from 0.857 to 0.932 surpass the recommended value of 0.707 by Hair *et al.* (2010); and Chin (1998). Also the AVE which measures the variance captured by the indicators relative to measurement error, which should be 0.50 and above (Hair *et al.*, 2011; Valerie, 2012; Barclay *et al.*, 1995) are in the range of 0.50 to 0.75 as in Table 4.6.

Table 4.6  
*Results of Measurement Model*

<b>Construct</b>	<b>Item</b>	<b>Loadings</b>	<b>Weights</b>	<b>AVE</b>	<b>CR</b>
Customer loyalty	CL1	0.656	0.220	0.504	0.857
	CL2	0.594	0.184		
	CL3	0.785	0.246		
	CL4	0.717	0.225		
	CL5	0.806	0.284		
	CL6	0.678	0.236		
Customer satisfaction	CS1	0.864	0.289	0.639	0.897
	CS2	0.889	0.310		
	CS3	0.720	0.185		
	CS4	0.771	0.275		
	CS5	0.736	0.173		
Perceived enjoyment	EY1	0.836	0.280	0.756	0.925
	EY2	0.880	0.274		
	EY3	0.901	0.320		
	EY4	0.859	0.272		
Perceived value	PV1	0.798	0.273	0.638	0.898
	PV2	0.811	0.259		
	PV3	0.796	0.250		
	PV4	0.819	0.251		
	PV5	0.768	0.215		
Service quality	SQ11	0.691	0.156	0.500	0.908
	SQ12	0.714	0.152		
	SQ13	0.719	0.145		
	SQ14	0.769	0.144		
	SQ15	0.778	0.146		
	SQ16	0.686	0.124		
	SQ17	0.655	0.132		
	SQ18	0.659	0.142		
	SQ20	0.694	0.135		
	SQ21	0.692	0.133		
	T1	0.794	0.296		
Trust	T2	0.830	0.295	0.617	0.889
	T3	0.790	0.264		
	T4	0.765	0.201		
	T5	0.743	0.208		
Technology perceptions	TP1	0.742	0.147	0.632	0.932
	TP2	0.754	0.149		
	TP3	0.765	0.133		
	TP4	0.813	0.184		
	TP5	0.822	0.167		
	TP6	0.832	0.158		
	TP7	0.815	0.168		
	TP8	0.812	0.146		

#### 4.5.3.3 Reliability Analysis

Cronbach's alpha coefficient was utilized in the present study along with CR values to examine the inter-item consistency of the measurement items. The Cronbach's alpha and CR values should be higher than 0.70 (Hair *et al.*, 2011; Valerie, 2012). Table 4.7 presents the values of Cronbach's alpha and CR of all constructs. It is evident that all exceed the recommended value of 0.70. Hence, construct validity is confirmed.

Table 4.7

*Cronbach's Alpha and Composite Reliabilities of Constructs*

Constructs	Number of Items	Cronbach's Alpha	Composite Reliability
Customer loyalty	6	0.800	0.869
Customer satisfaction	5	0.860	0.902
Service quality	10	0.888	0.922
Perceived value	5	0.858	0.918
Perceived enjoyment	4	0.892	0.935
Technology perceptions	8	0.916	0.944
Trust	5	0.846	0.900

Based on the CR values as presented in Table 4.8 above, and in agreement with the suggestion of Fornell and Larcker (1981); and Hair *et al.* (2010), all the constructs are individually reliable. The CR values were determined when the items that did not meet the minimum loading factors were removed. The items that were removed from the factors are: service quality (items one, two, three, four, five, six, seven, eight, nine, ten, nineteen and twenty-two only).

#### 4.5.3.4 Discriminant Validity

Discriminant validity of the measures is the degree to which items differentiate among constructs or measure distinct concepts. Hair *et al.* (2011) state that discriminant validity

stipulates that each latent constructs' AVE should be higher than the construct's highest squared correlation with other latent constructs (Fornell–Larcker's [1981] criterion) and the indicator's loadings should be greater than all its cross-loadings.

In the present study, discriminant validity of the measures was assessed through the Fornell and Larcker's (1981) criterion. Similar to correlation matrix depicted in Table 4.8, the diagonal elements are the average variance square root extracted from the latent constructs. Discriminant validity exists if the diagonal elements are greater than other off-diagonal elements in the rows and columns. This is evidently the case in the correlation matrix, and hence, discriminant validity is confirmed.

Table 4.8

*Correlations among Constructs and Discriminant Validity*

	CL	CS	EY	PV	SQ	T	TP
CL	<b>0.710</b>						
CS	0.596	<b>0.799</b>					
EY	0.468	0.418	<b>0.933</b>				
PV	0.438	0.442	0.539	<b>0.894</b>			
SQ	0.492	0.393	0.503	0.474	<b>0.707</b>		
T	0.562	0.558	0.541	0.530	0.492	<b>0.886</b>	
TP	0.465	0.364	0.563	0.622	0.562	0.511	<b>0.795</b>

#### 4.5.3.5 Goodness of Measure of the Model

Tenenhaus et al. (2005) asserted that PLS Structural Equation Modeling has only one measure of goodness of measure with the global fit measure. This measure is the

geometric mean of the average variance extracted and the average  $R^2$  for the endogenous variables. Goodness of measurement is represented by the following formula:

$$\text{Goodness of measure} = \sqrt{(\overline{R^2} \times \overline{AVE})}$$

Based on the outcomes, the goodness of fit value was 0.493, which calculated as in the following:

$$\text{Goodness of measure} = \sqrt{(0.483 \times 0.504)} = 0.493$$

Thus, suggestion made by Wetzels et al. (2009) was taken into consideration when the comparison was made with the baseline values of Goodness of measure. The outcomes (small =0.1, medium=0.25, large =0.36) revealed that the model goodness of measure is large and proper for validity of global PLS model.

#### **4.5.4 Assessment of PLS-SEM Structural Model**

After analyzing the measurement model, the next step in the PLS Analysis was to evaluate the structural model, i.e., by analyzing the inner model. To do this, the researcher depended on requirements mentioned by Chin (2010); and Hair *et al.* (2011, 2013); Hair *et al.* (2011), and Valerie (2012), by considering the  $R^2$  values, effect size ( $f^2$ ) and predictive relevance of the model. The level and significance of the path coefficients and bootstrapping were employed to test the study hypotheses.

#### **4.5.4.1 Assessment of Coefficient of Determination ( $R^2$ value)**

The quality of the structural model can be assessed by  $R^2$  value which shows the variance in the endogenous variable that is explained by the exogenous variables. According to Wegner (2011),  $R^2$  values for endogenous latent variables are assessed as follows:

When  $R^2$  lies closer to 0 (or 0%), it indicates a weak level.

When  $R^2$  closer with center 50 (or 50%), it indicates a moderate level.

When  $R^2$  lies closer to 1 (or 100%), it indicates a strong level.

Based on the results of the path model reported in Figure 4.2 and Wegner (2011) criteria,  $R^2$  for customer satisfaction is found to be 0.262, indicating that service quality, perceived value, perceived enjoyment and technological perception can account for 26.2% of the variance in the customer satisfaction, which is weak. The  $R^2$  of customer loyalty is 0.483, indicating that customer satisfaction, service quality, perceived value, perceived enjoyment, technological perceptions and trust can account for 48.3% of the variance in the customer loyalty, which is moderate.

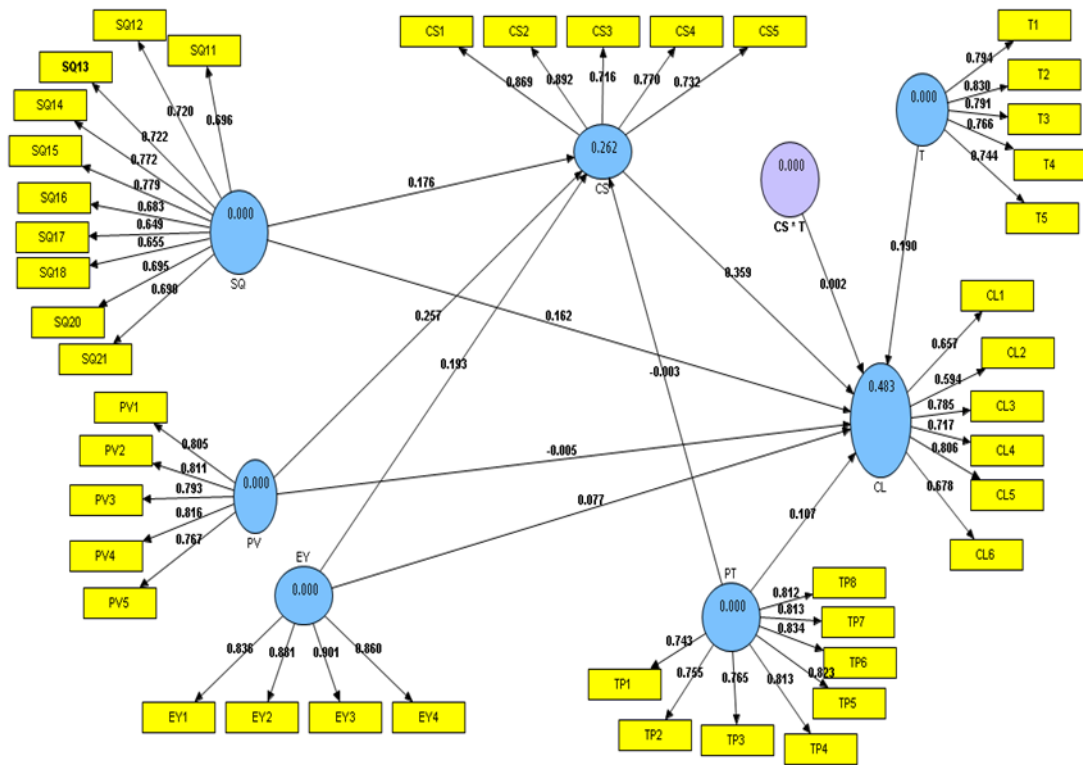


Figure 4.2  
Items Loadings, Path Coefficient and  $R^2$  Values

#### 4.5.4.2 Effect Size ( $f^2$ )

It is also good to determine the impact of effect sizes of specific latent variables on the dependent variables with the help of  $f^2$  analysis, which is complementary to  $R^2$  (Chin, 2010). The  $f^2$  effect size must be calculated as it is not automatically provided in PLS. The researcher manually, and using excel spreadsheet, calculated the  $f^2$  with the help of the formula;  $f^2 = (R^2_{\text{included}} - R^2_{\text{excl}}) / (1 - R^2_{\text{included}})$  represented by:

$$\text{Effect size: } f^2 = \frac{R^2_{\text{incl}} - R^2_{\text{excl}}}{1 - R^2_{\text{incl}}}$$

The  $f^2$  values of 0.02, 0.15 and 0.35, respectively, were used to interpret small, medium and large effect sizes of the predictive variables, as recommended by Cohen (1988). Based on the proposed model of the study, the effect sizes of specific latent variables and the moderator's role were evaluated by the same formula proposed by Cohen (1988). Various researchers have made use of such assessment in the PLS analysis (Landau & Bock, 2013; Lew & Sinkovics, 2013).

As for the moderator model, the moderating impact can be assessed by comparing the proportion of variance explained (expressed by  $R^2$  of the main effect model the model without moderating effect) along with the  $R^2$  of the full model (the model with moderating effect). This premise was made on the basis of the effect size. According to Cohen (1988), as cited in Henseler and Fassott (2010), the effect size  $f^2$  was calculated using the formula provided below. Hair *et al.* (2013); and Henseler and Fassott (2010) recommend that the main effects be changed into simple/single effects when analyzing the moderator model.

$$f^2 = \frac{R^2 \text{ of overall model} - R^2 \text{ of model without moderator and mediation}}{I - R^2 \text{ of overall model}}$$

Table 4.9 shows small effect size of service quality, perceived value and perceived enjoyment ( $f^2=0.025$ ,  $0.048$ ,  $0.029$ , respectively) but no effect size of technological perception ( $f^2=0.000$ ) on customer satisfaction. Perceived enjoyment, technological perception and service quality have very small effect on customer loyalty ( $f^2=0.005$ ,  $0.009$ ,  $0.029$  respectively), while, perceived value has no effect on customer loyalty ( $f^2=0.000$ ).



Meanwhile, customer satisfaction has medium effect on customer loyalty ( $f^2 = 0.15$ ). Table 4.9 also shows the small effect size of trust on the relationship between customer satisfaction and loyalty ( $f^2=0.0034$ ).

Table 4.9  
*Effect Sizes of Latent Variables*

	<b>R<sup>2</sup></b>	<b><math>f^2</math></b>	<b>Effect size rating</b>
<b>Customer satisfaction</b>	0.262		
Service quality	-	.025	Small effect
Perceived value	-	.048	Small effect
Perceived enjoyment	-	.029	Small effect
technological perception	-	.0000	Non effect
<b>Customer loyalty</b>	0.483		
Service quality	-	.029	Small effect
Perceived value	-	.0000	Non effect
Perceived enjoyment	-	.005	Vary small effect
Technological perception	-	.009	Vary small effect
Customer satisfaction	-	.15	Medium effect
Trust	-	.0034	Small effect

#### 4.5.4.3 Predictive Relevance of the Model

In addition to assessing the quality of the structural model by considering the R<sup>2</sup> values and effect sizes, it can also be assessed by using a blindfolding procedure to generate the cross-validated communality and cross-validated redundancy. Based on the recommendation of Hair *et al.* (2011), cross-validated redundancy is assessed by the PLS-SEM estimates of both the structural model and the measurement models to predict data, which perfectly fit the PLS-SEM approach. If an endogenous construct's cross-validated redundancy measure value (i.e., Q<sup>2</sup>) for a certain endogenous latent variable is larger than zero, its explanatory latent constructs exhibit predictive relevance.

$Q^2$  is a criterion to evaluate how well the model predicts the data of omitted cases which is referred to as predictive relevance (Hair *et al.*, 2013). According to Valerie (2012), Stone-Geisse's test is calculated by the following formula:  $Q^2=1-SSE/SSO$ . To use blindfolding to obtain  $Q^2$ , Hair *et al.* (2011) recommend that the number of cases in the data must not be a multiple integer number of the omission distance  $d$ , “otherwise the blindfolding procedure will yield erroneous results”, and they suggest choosing a value of  $d$  between five and 10. Therefore, this study used seven as a value for  $d$  to obtain cross-validated redundancy measures for each dependent variable.

As suggested by Hair *et al.* (2011), the model will have predictive quality if the cross-redundancy value is more than zero; otherwise the predictive relevance of the model cannot be concluded. Table 4.10 shows that the cross validated redundancy values obtained for customer loyalty and satisfaction at 0.238 and 0.151, respectively. These results support the claim that the model has adequate prediction quality.

Table 4.10

*Predictive Relevance of the Model*

<b>Total</b>	<b>SSO</b>	<b>SSE</b>	<b>1-SSE/SSO</b>
Customer loyalty	3246.000000	2473.469347	0.237995
Customer satisfaction	2705.000000	2296.878063	0.150877

#### 4.5.5 Hypotheses Testing

The final step was to test the hypothesized relationships by running PLS algorithm and bootstrapping algorithm in Smart PLS 2.0. Although path coefficients are very important in PLS analysis, Hair *et al.* (2011) confirm that when paths are non-significant or reveal signs that are against the hypothesized direction, the prior hypotheses should be rejected.

On the other hand, significant paths showing the hypothesized direction support the proposed causal relationship empirically. Further, they state that each path coefficient's significance, just as with the indicators' weights and loadings, can be assessed by means of a bootstrapping procedure.

Using the bootstrapping method in the assessment of path coefficients entails a bootstrap sample of at least 5,000 and the number of cases should be equal to the number of observations in the original sample (Hair *et al.*, 2011). Moreover, the critical t-values for a one-tailed test must be over 2.33 (with a significance level of 1%), 1.645 (with a significance level of 5%), and 1.28 (with a significance level of 10%) (Wegner, 2010). Along this line, the researcher set 5,000 subsamples with a replacement number from the bootstrap cases equal to the original number of samples (541) in order to produce standard errors and obtain t-statistics. Figure 4.3 and Table 4.11 contain the path coefficient and the bootstrapping results.

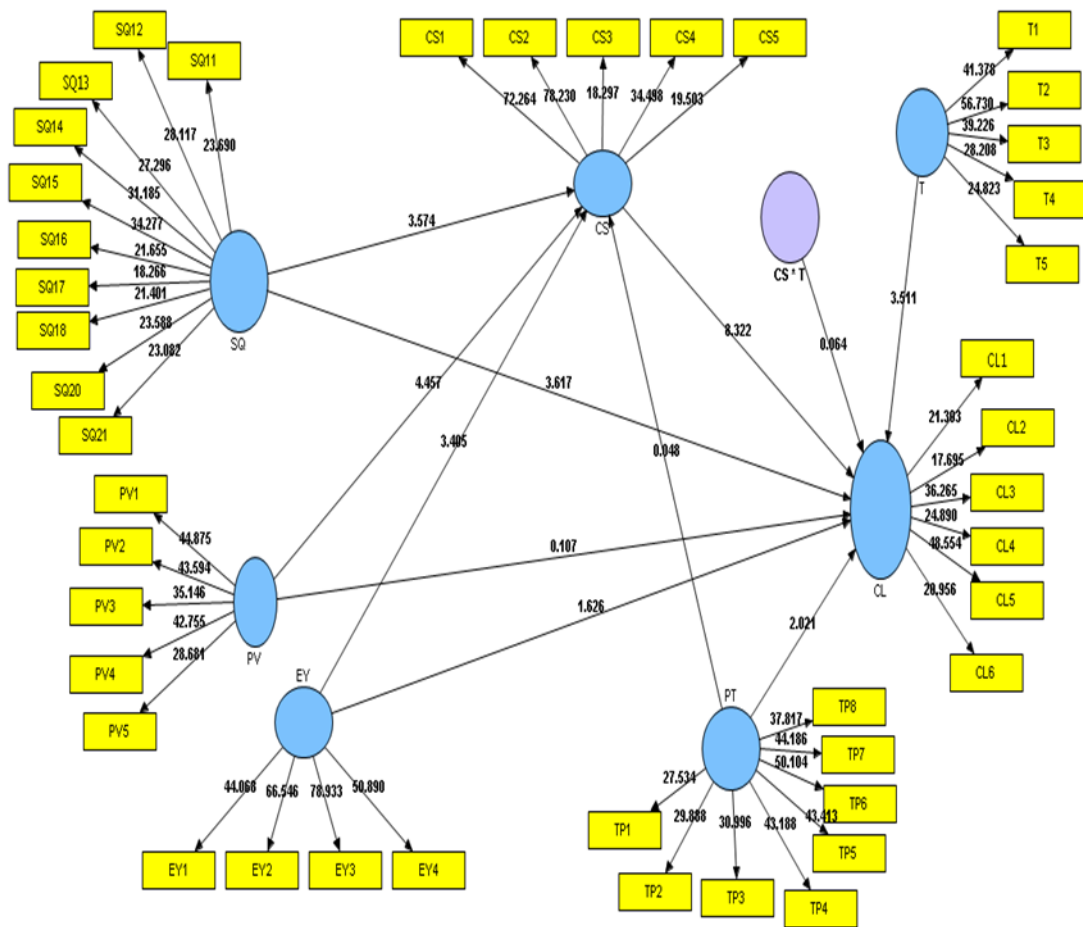


Figure 4.3  
PLS Bootstrapping (t-values) for the Study Model

Table 4.11

*Result of Hypotheses Testing*

NO	Hypothesis	Path coefficient	Standard error	t-value	P- Value	Supported
<b>H1</b>	Service quality → customer loyalty	0.162 ***	0.035	3.617	0.000	Yes
<b>H2</b>	Perceived value → customer loyalty	-0.005	0.043	0.107	0.458	No
<b>H3</b>	Perceived enjoyment → customer loyalty	0.077 *	0.057	1.626	0.052	Yes
<b>H4</b>	Technological perceptions → customer loyalty	0.107 **	0.037	2.021	0.021	Yes
<b>H5</b>	Customer satisfaction → customer loyalty	0.359 ***	0.041	8.322	0.000	Yes
<b>H7</b>	Customer satisfaction * trust → customer loyalty	0.002	0.046	0.64	0.257	No

Note. \*(p < 0.10); \*\* (p < 0.05); \*\*\* (p < 0.01)

The hypothesized relationships according to Table 4.11 are explained below:

H1. Result reveals that the proposed relationship between service quality and customer loyalty is highly significant ( $\beta = 0.162$ ,  $t\text{-value} = 3.617$ ,  $p < 0.01$ ) and hence the hypothesis is supported.

H2. Perceived value does not show any association with customer loyalty ( $\beta = 0.005$ ,  $t\text{-value} = 0.107$ ,  $p < 0.458$ ) and therefore the hypothesis is not supported.

H3. Support is found for H3 because perceived enjoyment is positively associated with customer loyalty ( $\beta = 0.077$ ,  $t\text{-value} = 1.626$ ,  $p < 0.10$ ).

H4. Result provides support for H4 ( $\beta = 0.107$ ,  $t\text{-value} = 2.021$ ,  $p < 0.05$ ). This implies that the extent of customer loyalty is influenced by technological perceptions.

H5. Result shows a strong positive association between customer satisfaction and loyalty ( $\beta = 0.359$ ,  $t\text{-value} = 8.322$ ,  $p < 0.01$ ) and hence the hypothesis is supported.

H7. Result provides no support for H6 ( $\beta = 0.002$ ,  $t\text{-value} = 0.64$ ,  $p < 0.257$ ). This implies that the trust has no moderating effect on the relationship between customer satisfaction and loyalty.

#### **4.5.5.1 Additional Analysis**

##### **4.5.5.1.1 Analysis of the Effect of Trust as a Moderator**

Moderation can help us to understand how a process operates if the moderator places constraints on how or when that process can function (see Muller, Judd, & Yzerbyt, 2005). Therefore, moderation model conceptualizes an interaction between independent (X) and moderator (W) variables on dependent (Y) variable (Hayes, 2009).

The researcher tested the moderating effect of trust on the relationship between the mediation variable (customer satisfaction) and dependent variable (customer loyalty). As suggested by Henseler and Fassott (2010), in the PLS path modeling algorithm, both the exogenous variable and the moderating variable are considered as independent latent variables in the model. Once the latent variable scores were estimated, the product term was then computed as the element wise product of the exogenous latent variable scores and the moderating latent variable score. This was followed by the performance of a multiple linear regression (using the bootstrapping technique) between the variables.

In Table 4.11, result of hypotheses testing shows that the moderating effect of trust on the relationship between customer satisfaction and loyalty is not supported. However, to get more details of this relationship, the researcher used excel to explain the relationships as reflected with a blue line in Figure 4.4 below. This implies that

trust does not moderate the relationship between Jordanian Generation Y postpaid customers and mobile phone operators.

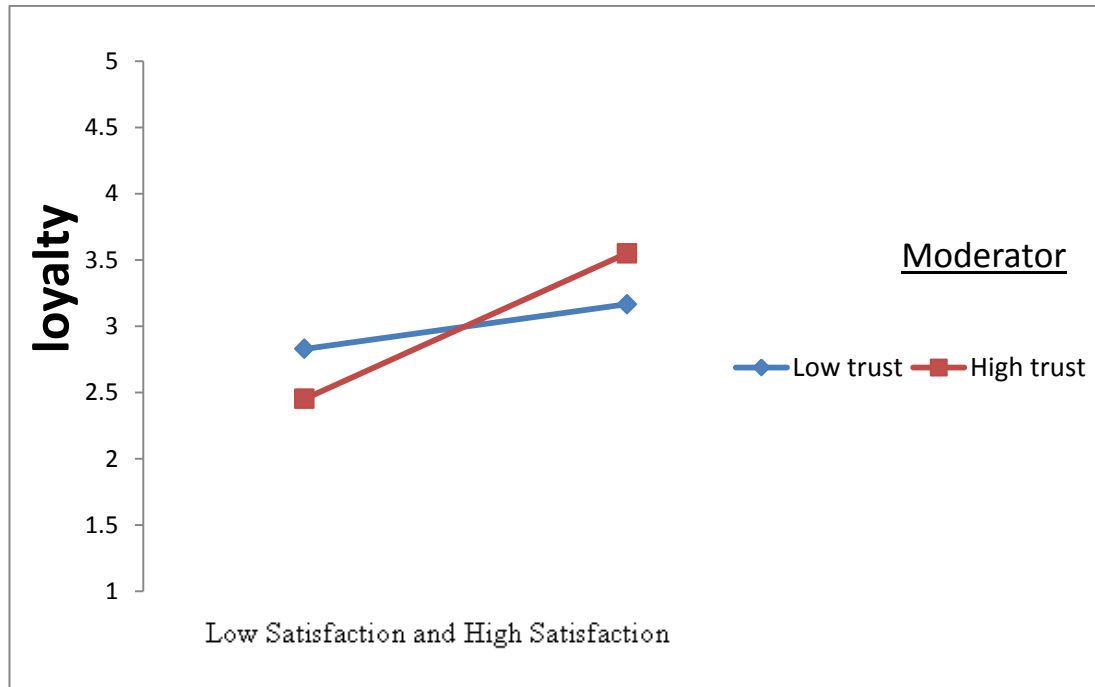


Figure 4.4  
*The Moderating Effect of Trust on Customer Satisfaction-Loyalty Relationship*

#### 4.5.5.1.2 Analysis of the Effect of Customer Satisfaction as Mediators

The analysis process consisted of assessing the mediation effects hypothesized in H6. The conditions defined by Baron and Kenny (1986), as necessary for mediation, were tested. This is to explain how and why there exists a relationship between the independent (X) and dependent (Y) variables after mediation. The bootstrapping test described by Preacher and Hayes (2008) was used to evaluate the effect of the mediation relationships. The analysis for H6 was performed using information from SmartPLS, and is reported in Table 4.12



H6a. Customer satisfaction mediates the relationship between perceived service quality and customer loyalty.

H6b. Customer satisfaction mediates the relationship between perceived value and customer loyalty.

H6c. Customer satisfaction mediates the relationship between perceived enjoyment and customer loyalty.

H6d. Customer satisfaction mediates the relationship between technological perceptions and customer loyalty.

To test the above hypotheses, the researcher used PLS, particularly bootstrapping, to examine whether customer satisfaction (as a mediator variable) is significantly influenced by service quality, perceived value, perceived enjoyment and technological perceptions (independent variables) and hence, customer loyalty (dependent variable). Table 4.12 shows the results of additional hypotheses. In sum, the results are as follows:

H6a. In the relationship between service quality → customer satisfaction → customer loyalty, results indicate that customer satisfaction is mediates the relationship ( $\beta = 0.063$ ,  $t\text{-value} = 3.468$ ,  $p < 0.01$ ). In the other words, service quality has an indirect effect on customer loyalty via customer satisfaction. This provides support for H6a.

H6b. In the relationship between perceived value → customer satisfaction → customer loyalty, the effect of perceived value on customer loyalty is mediated by customer satisfaction ( $\beta = 0.0922$ ,  $t\text{-value} = 3.767$ ,  $p < 0.01$ ) and hence the hypothesis is supported.

H6c. In the relationship between perceived enjoyment → customer satisfaction → customer loyalty, customer satisfaction is mediator ( $\beta = 0.069$ ,  $t\text{-value} = 3.144$ ,  $p < 0.01$ ) and the hypothesis is therefore supported, meaning that perceived enjoyment has a direct effect on customer loyalty and an indirect effect on customer satisfaction.

H6d. Result provides no support for H6d regarding the relationship between technological perceptions → customer satisfaction → loyalty ( $\beta = -0.001$ ,  $t\text{-value} = -0.047$ ,  $p < 0.518$ ), because technological perception does not have an indirect effect on customer loyalty via customer satisfaction. This means customer satisfaction is not a mediator between technological perceptions and customer loyalty.

Table 4.12

*Mediating Effect of Customer Satisfaction*

Hypothesis	c		C'		a		b		a×b		Standard error	P- value	Supported
	$\beta$	t	$\beta$	t	$\beta$	t	$\beta$	t	$\beta$	t-value			
SQ-CS-CL	0.163	3.511	0.162	3.617	0.176	3.574	0.359	8.322	*** 0.063	3.468	0.018	0.00	Yes
PV-CS-CL	-0.005	0.102	-0.005	0.107	0.257	4.457	0.359	8.322	***0.0922	3.767	0.024	0.00	Yes
EY-CS-CL	0.076	1.638	0.077	1.626	0.193	3.405	0.359	8.322	*** 0.069	3.144	0.021	0.00	Yes
TP-CS-CL	0.107	1.977	0.107	2.021	-0.003	0.048	0.359	8.322	-0.001	-0.047	0.047	0.51	No

Note. \* (p < 0.10); \*\* (p < 0.05); \*\*\* (p < 0.01)

c= the relationship between IV and DV before introducing mediation (total effect).

c' = the relationship between IV and DV after introducing mediation (direct effect).

a= the relationship between IV and ME after introducing mediation.

b= the relationship between ME and DV after introducing mediation.

#### **4.6 Chapter Summary**

This chapter reports the findings of this study. It also presents findings on the response rate and characteristics, techniques employed in measurement refinements, and analyses run to examine the instrument's validity and reliability, among others. In general, descriptive statistics shows that respondents indicate moderate level of customer loyalty towards their mobile phone operator. More importantly, this chapter offers results of PLS analysis obtained from evaluation of the measurement model, structural model and hypotheses testing.

As indicated in the various analyses above, four of seven key hypotheses are accepted as being significant. Two hypotheses are rejected because of insignificant findings. In addition to seven hypotheses, four additional hypotheses were tested and out of these, three are supported, while one is not supported.

## **CHAPTER FIVE**

### **DISCUSSION AND CONCLUSION**

#### **5.1 Introduction**

The comprehensive summary of this study is elucidated in this chapter. It includes the discussion on the findings and emphasizes on the empirical, theoretical and methodological contributions of this study. In addition, sound recommendations are provided for operators, while limitations and suggestions for future studies are also highlighted. Finally, a conclusion of what the whole study entails is made to encapsulate the study.

#### **5.2 Recapitulation of the Study Findings**

Based on the perspective of the Reciprocity Theory and prior studies on customer loyalty, the focus of this study is to examine the factors that influence customer loyalty in the Jordanian mobile phone operators. In the context of this study, customer loyalty is regarded as the tendency or intention of customers to continuously acquire or repurchase services from the same company. Meanwhile, mobile phone providers are the services delivered by the mobile phone providers to mobile phone subscribers.

The purpose of this study is to achieve four major objectives. The first of the objectives is to determine the level of customer' loyalty of mobile phone service providers. The second objective is to investigate the relationship between service quality, perceived value, perceived enjoyment and technological perceptions and

customer loyalty of mobile phone service providers. The third objective is to examine the mediating effect of customer satisfaction between service quality, perceived value, perceived enjoyment and technological perceptions and customer loyalty. The last objective is to examine the moderating effect of trust the between customer satisfaction and loyalty. To achieve these objectives, a quantitative approach was utilized.

Reconsidering the research questions, this study attempts to find solutions to numerous research questions, such as: (a) what is the level of customer loyalty of mobile phone service providers? (b) Do the service quality, perceived value, perceived enjoyment, technological perceptions and customer satisfaction influence customer' loyalty of mobile phone service providers? (c) Does satisfaction mediate the relationship between service quality, perceived value, perceived enjoyment, and technological perceptions on customer loyalty? And (d) Does trust moderate the relationship between customer satisfaction and loyalty?

As indicated in chapter 3, the data applied for this study was retrieved by assigning 786 questionnaires to Jordanian Generation Y postpaid mobile phone customers, out of which 541 were usable for the analysis, representing 70.4% of the population.

To examine the research questions, this study applied the PLS approach. The significant path relationships between factors involved in determining customer loyalty among the Jordanian postpaid mobile phone operators, care and support were

distinguished by the structural model. For decision making relating to the hypotheses, one tailed (0.01, 0.05 and 0.1) level of significance was applied.

In response to the first research question on the level of customer loyalty, the result of the findings indicates that customer loyalty among Jordanian postpaid mobile phone users are at a moderate level. On the second research question on whether service quality, perceived value, perceived enjoyment, technological perceptions and customer satisfaction influence loyalty among Jordanian postpaid mobile phone operator customers, findings of the PLS method indicate that four of the variables have significant relationship with customer loyalty. These variables include service quality, perceived enjoyment, technological perceptions and customer satisfaction. The expounding power of the four variables to predict customer loyalty is reflected in the  $R^2$  with 48.3%. On the other hand, perceived value is found to be insignificant associated with customer loyalty.

In line with the third research question, the analysis of mediation indicates that customer satisfaction mediates the relationship between: (a) service quality and customer loyalty; (b) perceived value and customer loyalty; and (c) perceived enjoyment and customer loyalty. Inversely, customer satisfaction does not mediate between: (d) technological perceptions and customer loyalty.

Based on the fourth research question which is related to the moderating effect of trust, the findings show that trust has no moderating effect on the relationship between customer satisfaction and loyalty. Thus, this study rejects the hypothesis on the moderating effect of trust.

### **5.3 Discussion**

To discuss the empirical findings, the sub-sections are organized to answer the four main research questions set earlier, and to achieve the research objectives.

#### **5.3.1 Level of Customer Loyalty of Mobile Phone Service Providers**

The focus of the first research question is on the level of customer loyalty of mobile phone providers. Customer loyalty shows the attitudinal and behavioral loyalty of customers towards the service of the provider. It entails the possibility of the customer still sticking to the same service provider, possibility of giving encouraging words or the possibility of paying for added services. With regards to the findings, it indicates that the level of customer loyalty of the designated respondents is moderate. This can be observed from the mean of customer loyalty analyzed also. This result is in line with previous studies, such as Abu-ELSamen *et al.* (2011); Akroush *et al.* (2011); and Alrubaiee and Al-Nazer (2010). Abu-ELSamen *et al.* (2011); and Alrubaiee and Al-Nazer, (2010) are the two major studies that have found that there is moderate level of customer loyalty in the Jordanian mobile phone operators and banking sectors customers, respectively. However, despite that, the mean of customer loyalty is similar to some other studies. The present study is quite different from prior



studies (Yang & Jolly, 2008; Booker & Serenko, 2007; Littrell *et al.*, 2005), because it focuses on Generation Y postpaid mobile phone subscribers in Jordan. Generation X constitutes a group of individuals born between 1965-1976 (Bakewell & Mitchell, 2003) as against Generation Y which consists of age group born between 1977-1996 (Erickson, 2008).

This study has shown that there is a moderate level of customer loyalty towards service operators, which indicates that the level to which existing customers constructively encourage and recommend their service operators to others is moderate, and dedicated to re-patronizing their preferred service provider.

Customer loyalty is very imperative to business firms' success since it is expensive to attract new customers compared to retaining the existing ones (Dekimpe *et al.*, 1997). Ganesh, Arnold and Reynolds (2000) state that loyal customers build businesses by using the service more, paying premium prices and providing new referrals through positive word-of-mouth over time. Taylor and Hunter (2002) find that word-of-mouth behaviors, behavioral intentions and customer loyalty have positive relationship.

Moderate customer loyalty level indicates that the level to which customers subscribe to a particular mobile phone operator is moderate; this it is sufficient and not as predicted by the mobile phone operators. This gap indicates that customers may be looking around for an improved alternative or making use of multiple service

operators to achieve their desires. They may also reluctantly refuse recommending their service operators to people who seek their view. This result is an indication that mobile phone operators in Jordan have a possibility of a longer customer life cycle for every customer if they (the customers) remain loyal with the mobile phone operator.

One possible reason to explain the moderate level of customer loyalty among the respondents is due to the tight competitiveness of the mobile phone operator market in Jordan, where the service operators in Jordan provide services that are on par with each other. They virtually provide the same services; hence there is no exceptional features in terms of service provision which none of the operators has over others. This certainly justifies why customer loyalty is at a moderate level. Similarly, all Jordanian mobile phone operators are evaluated in the same way by the mobile subscribers (Kardoosh & Steityeh, 2009) and they use price as the only variation tool (Mobile Syndicated Study Report, 2008). Customers' expectations on how mobile phone operators should reward and recognize customer loyalty have been comprehensively shown by the mobile phone operators through aggressive promotions and marketing. This can also be supported by the Reciprocity Theory which assumes that people reward kind action and reciprocate only expected kind action (Falk & Fischbacher, 2006). Particularly, for customer loyalty to the same service provider, they need faster and easier communication, features, and other additional services.

Furthermore, customers view reward to loyal customers in their own perspective which is based on their experience from other industry such as retail shopping industry or credit card industry. Mobile phone providers have to make a very good stand on customers' expectations based on loyalty recognition and reward; because if they failed to meet up with customers' expectations, they may either change to a better provider or stay put, but discourage people from patronizing the company. Thus, it is essential for service providers to know and achieve customer expectations.

### **5.3.2 The Effects of Loyalty Determinants on Customer Loyalty**

The second research question is based on determining customer loyalty. However, the results show that four of the factors are significantly related with customer loyalty, while one factor is insignificant. It can be contended that these results are meaningful due to the fact that the main focus of this study is on the major factors and salient effects that influence customer loyalty. The results of this study show that customer loyalty and four customer loyalty determinants are significantly related. It shows that service quality, perceived enjoyment, technological perceptions and customer satisfaction support constitute a large percentage of explanation on the difference in customer loyalty, indicating that customer loyalty can be predicted by the four variables with a large explanatory power, explaining 48.3% of the difference. Out of the four variables, customer satisfaction has the highest contribution, followed by service quality, technological perceptions and lastly perceived enjoyment.

### 5.3.2.1 Service Quality

It has been established that significant relationship exists between service quality and customer loyalty, meaning that the more a customer develops positive perceptions of the service quality, the more the increase in usage of all the services provided by the mobile phone operator. Therefore, service quality, which is delivered in terms of customer support, always contributes to customers' inclination for repeat purchase, frequent and increased use as well as the urge to use other services from that service provider.

There is the likelihood that once the subscribers develop favorable perceptions about the quality of service enjoyed, they will remain loyal and stick to the provider instead of moving to other service providers. For this reason, as the subscribers enjoy quality service, the more their loyalty to the service provider increases. Therefore, this study's result is in support of Reciprocal Theory, which states that people's behavior is a reaction of perceived kindness or otherwise. They reciprocate when they are rewarded with kind actions or punished by unkind ones (Falk & Fischbacher, 2006).

The findings obtained in this study further corroborate the previous research finding that examined the relationship between service quality and customer loyalty across different work settings and cultures. For instance, it has been revealed that service quality positively motivates customer loyalty to the mobile phone operator (Boohene & Agyapong 2011; Edward *et al.*, 2010; Ishaq, 2012). However, findings from this

study contradict the results of a study by Gorodutse and Hilman (2013) on the food and beverages industry in Nigeria, in which it was discovered that there is no significant relationship between service quality and customer loyalty.

Meanwhile, in line with the finding of this study, Al-Refai and Noor (2014b) establish that effective service quality from an organization is an essential strategy for attaining competitive advantage in the global services economy. Based on many assessments that have been carried out over the years, it has been found that efficient service quality supports the retention of existing customers and at the same time attracts new ones, enhancing profitability, realizing reduction in cost, improving corporate image and enjoying positive word-of-mouth recommendation from customers. In the same vein, Oliver and Swan (1989) maintain that the central objective of service providers and marketers is correlated, i.e., basically, for the improvement and delivery of services that meet the desires and expectations of customers. Similarly, based on Gilbert and Veloutsou's (2008) submission, customers' expectations usually originate from the accumulation of their usage and contacts with services provided them in every facet of life.

Hence, from such contacts, customers envisage a comprehensive service expectation upon their daily experiences as customers. In that light, Aydin and Ozer (2005) further disclose that the more the customer finds that the company has met his or her expectations, the more he or she would likely be gratified. This study is similar to the study carried out by Mostafa (2005); and Strawderman and Koubek (2006) who

reveal that the more the aspirations of customers are met, the happier they would be with the company. Similarly, Kandampully and Hu (2007) indicate that one of the significant factors that energizes customer loyalty is the improvement in service quality. More so, service quality is an important predictor of customer loyalty (Pollack, 2009; Ramzi & Mohamed, 2010), just as Kim and Lee (2010) state that service quality is an important motivator for building customer loyalty in the mobile phone operator.

Meanwhile, based on the findings of this study and several other similar discoveries, some reliable reasons can be advanced for obtaining significant relationship between service quality and customer loyalty. Firstly, high quality services can greatly influence customer loyalty. That is, if customers observe a high-quality mobile phone provider, there is high probability that they will be more likely to stick with their existing service provider and recommend the provider to others (Lee, 2010). In the same vein, customer' assessment of overall quality or service excellence may probably influence their resolutions to continue with or switch service providers (Bitner & Hubbert, 1994; Zeithaml, Berry & Parasuraman, 1996). Secondly, the valuable and tangible services (service experience) delivered by the providers are usually appreciated by the subscribers (Chahal, & Kumari, 2011b). This occurs specifically when the customers have not experienced problems with their service providers (Kumar & Lim, 2008). As a result, when Generation Y's aspirations and desires are met, they show a disposition to stick with their existing service provider (Cruz, 2007; Felix, 2007). Furthermore, postpaid customers are important to service provider, for the reason that they have a contract between themselves and the mobile

phone operator (Nguyen, 2011). That is why service providers make available better and superior services in order to earn customer loyalty and also obtain better word-of-mouth public relations.

Furthermore, distinguished services and the superior quality standards of these services will not only increase trust in the operator, but will also facilitate the formation of a positive corporate entity (Aydin & Ozer, 2005). However, in spite of this, Al-Refai and Noor (2014b) disclose that in the mobile phone operator, service quality is highly challenging for an operator to distinguish itself from rivals. Meanwhile, as the aspirations and desires of the subscribers are getting more advanced on the kind of services and reliability of services being offered to them, the situation gets even more difficult. That is why Generation Y customers are prepared to pay even a higher price for service as long as they can get better quality for the service they obtain. Having more disposable income than any other group, it has been established that Generation Y has no reason not to use the exact service they want (Goldgehn, 2004).

It is noted that Jordanian mobile phone operators provided varieties of service to their customers like online calendar, online gaming, text messaging, faster web browsing, streaming music, full motion video, etc (Bloomberg, 2011). These services attract interests of Generation Y youths who display very mature financial and purchasing behaviors (Kumar, & Lim, 2008). This is evident by the fact that,

though Generation Y youths have money to spend, yet they look for quality in their purchasing behaviors as they do not spend money just for nothing (Goldgehn, 2004).

#### **5.3.2.2 Perceived Enjoyment**

The second significant association shows that perceived enjoyment and customer loyalty are significantly related. It indicates that if Generation Y subscribers achieve significant enjoyment (in terms of extra enjoyment), they will be motivated to use more services provided by their service provider. On the one hand, customers will continue to make use of the services provided by the same operator if they perceived that they are delighted when utilizing the services rendered by a specific operator. On the other hand, if Generation Y subscribers perceived that they are not receiving adequate enjoyment, they will be inclined to change to other service providers in order to receive better enjoyment which will result in a decline in customer loyalty. This study's result is also in line with the Reciprocal Theory, which states that people's behavior is a reaction of either perceived kindness or otherwise (Falk & Fischbacher, 2006).

The finding of this study further substantiates prior studies that examined the association between perceived enjoyment and customer loyalty across numerous study settings as well as various cultures (Chiu *et al.*, 2009a; Cyr *et al.*, 2010; Ku, 2011; Wang & Li, 2012; Chemingui & Lallouna, 2013; Zhou, 2013). Some instances are the studies of Wang and Li (2012); Chemingui and Lallouna (2013); and Zhou (2013) that found that perceived enjoyment influences continuance usage (customer



loyalty) positively. Contrarily, this result is not in line with some prior studies such as Shun and Yunjie (2006), Lee and Murphy (2008) and, Al-hawari and Mouakket (2010). An instance is the case of Lee and Murphy (2008) that finds that there is insignificant relationship between student enjoyment and loyalty in the mobile phone operator.

Deci, Koestner, and Ryan (1999); and Deci and Ryuo (1985) stress that where inherent motivational feelings inspire individuals' behavior, there are more possibilities to remain in the same behavior in the future. Triandis (1980) also states that the feelings of excitement and joy have an influence on an individual's behavior. According to Davis *et al.* (1989), perceived satisfaction influences behavioral intention directly. Some of the notable studies that support the important role played by enjoyment on repurchase intention are Chiu *et al.* (2009a); Cyr *et al.* (2006), Bart *et al.* (2005); and Koufaris (2002). Lee *et al.* (2005) find that enjoyment has positive relationship with both behavioral intention and attitude. However, Lee *et al.* (2006) stress that perceived enjoyment serves as a radical factor that improves behavioral intention and customer attitude.

Meanwhile, there are a few reliable reasons for attaining significant association between perceived enjoyment and customer loyalty. Firstly, according to Huang and Cappel (2005), enjoyment of mobile phone operator is more experience-oriented. Secondly, assessments of other peoples' opinion influence younger people. This reveals the common tendency of more grown up people to depend on their own

experience, while peer groups have more influence on young people (Spero & Stone, 2004). Thirdly, younger people prefer enjoyment better than older people (Al-Maghrabi *et al.*, 2011). According to Lee and Murphy (2008, 2006); and Wilska (2003), the attraction of the younger generation towards mobile services is based on seeking pleasure, such as ring tones downloading, music and exchanging jokes; these could motivate young people to use the same service provider. Lee and Murphy (2008) also suggest that in order to motivate and entice sales from young people, there is need for mobile phone providers to introduce new enjoyable applications, such as various interactive games and other fun related applications. Perceived enjoyment is identified as a significant instance of repurchase intention as stated by Cyr *et al.* (2006); Bart *et al.* (2005); and Koufaris (2002). Childers *et al.* (2001) stress that enjoyment serve as a strong predictor of attitude.

Fourthly, Lu and Su (2009) stress that mobile phone operator users use it throughout the whole day and night which is not like the traditional personal computers. Specifically, Generation Y users enjoy a deep relationship with their mobile phone operators. Wajcman and Beaton (2004) confirm this in their study on mobile providers in Australia that young Australians are more inclined to use mobile services for leisure than their older counterparts. Similarly, the study of Lee and Murphy (2008) in Macquarie University shows that Australian youth frequently send romantic, flirtatious and sexual messages through mobile phone operators.

Finally, mobile service providers discourage youth from switching through provision of hedonic content (Barnes, 2001). In other words, mobile service users with hedonic content could be less motivated to switch. This finding recommends that service providers should work towards stimulating customers' intrinsic motivation, specifically their experiences on enjoyment. According to Nguyen (2011), customers postpaid are identified with their excess usage. Thus, service operators provide to their postpaid customers segment varieties of enjoyment to their appeal. Therefore, Jordanian mobile phone operators provide generation network (Arab Advisors Group, 2012). This allows Generation Y to download what they need and for leisure more than others customers using mobile services (Lee and Murphy, 2008). Also, they rely heavily on technology for entertainment and interaction with others (Park & Gursoy, 2012). Therefore, they have high tendency to splurge in the consumption/purchase of leisure and entertainment products (Goldgehn, 2004).

### **5.3.2.3 Technological Perceptions**

The third significant relationship is between technological perceptions and customer loyalty. This indicates that if subscribers possess significant technology relating to information and systems (i.e., internet facilities), they will make use of more services delivered by the service provider. Thus, when customers receive better technology (information and system) from the services delivered by specific service provider, they will remain loyal and continue to use more services delivered by the same service provider. On the other hand, if they observe that they receive poor or inadequate information and system, subscribers will assume that their service

providers lack expertise and ability to deliver quality system and information to them. In other words, they will compare the information and system delivered by their own service provider with another provider to ascertain whether to change to other service providers in order to get the desired technology. This behavior is explained by Reciprocal Theory, which assumes that people's behavior is a reaction of either perceived kindness or otherwise (Falk & Fischbacher, 2006)

This finding is in line with previous studies (Zhou, 2013; Ganguli & Roy, 2011). For example, Ganguli and Roy (2011) find that technological perceptions influences customer loyalty positively. On the other hand, this finding is not in line with the study of Khayun *et al.* (2012), where they find that information quality is insignificant to intention to use (loyalty in this context).

Prior studies of Nelson *et al.* (2005); and Gebauer and Shaw (2004) indicate that the satisfaction and utilization of the latest mobile technologies by customers depends on the degree to which the information system is able to supply them data access stored in the centralized databases. The empirical study of Lee *et al.* (2007) which relates to mobile technologies indicates that the technological capacity of users in downloading any required information directly from the service provider databases improves the utilization of technology. In addition, Hill and Roldan (2005) reflect that mobile technology service provides an improved face-to-face chat opportunity among participants from anywhere. The same ideas have been experienced by other scholars, such as Cousins and Robey (2005); and Kakiyama and Sorensen (2001),

where they reiterate that mobile devices perform tasks of acquiring immediate access to the required data better than other devices. Glaser and Strauss (2009) attribute this to quality due to the technological capabilities of mobile phone providers to support the task performance at any time and from anywhere it is needed.

DeLone and McLean (1992) carried out an extensive study relating to information quality success. They find that information quality success can be described by the quality structures of information and system quality; the output quality of the information quality; utilization of information quality output; satisfaction of customers on the information quality; influence of information quality on customers' behavior; and the impact of information system on organizational performance (McGill & Hobbs, 2003). Chatterjee *et al.* (2009); and Sheng *et al.* (2005) argue that some mobile technologies can provide quite a number of benefits to organizations, which include: interactivity, flexibility and connectivity. Epistemic value is associated with inquisitiveness, novelty or acquired knowledge which comes out to be a substantial motivator behind the purchase of a specific product and service as expressed by Sheth *et al.* (1991) and, Duman and Mattila, (2005). According to Sigala (2006), the intention of customers to purchase technology is based on their products' novelty and curiosity, and not for any other specific reason.

According to Surjadjaja *et al.* (2003), the advancements in technology have enabled the service providers to be equipped with techniques that facilitate the design and provision of more services to their users in order to improve their confidence in the

service providers. While deliberating on numerous competitive benefits closely related to adoption criteria of technology by service providers, Fitzsimmons and Fitzsimmons (1997) describe them as revenue enhancement, productivity enrichment and creation of entry barriers.

Meanwhile, there are some reliable reasons for attaining significant association between technological perceptions and customer loyalty. Due to high technology usage by mobile phone customers, specifically Generation Y in this modern world, customer service role has now become more imperative as customers interact through some applicable technology and not with any individual (Park & Gursoy, 2012; Ganguli & Roy, 2011). When customers perceive the technology channel as an easy and reliable access, they will have a positive consumption experience and deem their use of technology as satisfactory, therefore boosting their confidence. In other words, technology usage easiness and reliability and technology convenience also have positive and significant effect on customer loyalty. This indicates that the loyalty of customers on a service (an indication of changing customer behavior pattern) is based on the easy access, the reliability and the convenience of the technology provided (Ganguli & Roy, 2011).

Generally, the Generation Y makes use of mobile phone operators: for computer games, download music, libraries, youtube, facebook, sports and other internet services; they make use of the phone mostly for reasons other than making and receiving calls, for academic discussion and text messaging. They cannot do without

digital technology (Frاند, 2006). Moreover, based on research experience and observations, most of the postpaid subscribers now make use of new mobile phones that have internet facilities. Therefore, mobile phone operators in Jordan provide generation network (Arab Advisors Group, 2012). That generation network meets the needs of Generation Y in terms of access to internet network any time and any where. In addition, Generation Y has characteristics of intense exposure to the internet (and other modern technologies) that distinguishes it from other generational cohorts from a very young age (Bolton et al., 2013).

#### **5.3.2.4 Customer satisfaction**

The fourth significant relationship is between customer satisfaction and loyalty. This indicates that when customers feel significantly satisfied with a service provider, they will make use of more services delivered by that operator. When customers are satisfied with the services delivered by a specific operator, they will continue to make use of the services delivered by the same operator. On the other hand, if they observe that they are not receiving adequate satisfaction, they will be inclined to change to other service providers in order to get satisfaction, which will lead to a drop in customer loyalty. This result is conformed with the idea of Reciprocal Theory, which propounds that peoples behavior reflect either perceived kindness or otherwise. Meaning, people reciprocate reward with kind actions while punished with unkind ones (Falk & Fischbacher, 2006).

This finding is supported by the findings of Gorondutse and Hilman (2013); Stan *et al.* (2013); Tabassum *et al.* (2013); Tu *et al.* (2013), Tu *et al.* (2011a); Chang and Chong, (2011); and Deng *et al.* (2010). Chang and Chong's (2011) findings indicate that customer satisfaction is a key variable to create and appreciate customer loyalty. On the other hand, this finding is not in line with some previous studies, such as Auh and Johnson (2005), Omar *et al.* (2011), and Boohene and Agyapong (2011), which show that customer satisfaction and customer loyalty are negatively correlated.

Furthermore, Rust and Oliver (1994) recommend that customer satisfaction reveals the level to which a customer believes that the possession or use of a service evokes positive feelings. Kotler (2003) states that satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations. If satisfaction is perceived as an emotional reaction to performance on specific attributes of a service encounter, it is conceptualized as transaction- specific satisfaction. On the other hand, if there is possibility for satisfaction to depend on factors that happen over repeated transactions, it is conceptualized and named as overall satisfaction or cumulative outcome (Shankar *et al.*, 2003). Thus, satisfaction has close relationship with customers' expectations. More specially, the narrower the gap is between the expectations of customers and the actual product or service performance, the higher is the satisfaction of customers (Hutcheson and Moutinho, 1998). Customers with satisfaction have a higher level of usage of a service compared to those without satisfaction (Bolton & Lemon, 1999). They have possibility of possessing a robust



repurchase intention and recommend the service or product to their associates (Zeithaml *et al.*, 1996). Satisfaction is regarded as a transaction-specific construct which ensues from affective reaction or immediate post- purchase judgment (Oliver, 1993).

Meanwhile, there are reliable reasons for attaining significant relationship between satisfaction and customer loyalty. Firstly, the operators meet the needs of the customers (Roig, Garcia, Tena & Monzonis, 2006). In other words, the focus and interest of firms is to adapt their services and products to customers' requirements in order to attain their complete satisfaction from obtainable utility (Eggert and Ulaga 2002). Secondly, Woodruff (1997) further acknowledges that measuring customer satisfaction without fulfilling customer value cannot actually meet the expectations of customers. Finally, operators offer high cumulative level of service in order to attain the satisfaction of their customers (Dube & Maute, 1996). Cronin and Taylor (1992) and, Parasuraman, Zeithaml and Berry (1988) view overall satisfaction to be mainly a function of perceived service quality. This is probably due to the fact that customers who feel highly satisfied with successful usage experiences may exaggerate the influence of the factors that are strictly associated with their satisfaction and loyalty (Lai *et al.*, 2009).

In addition, based on this study's finding, the Jordanian postpaid segment subscribers are generally satisfied with the services they receive from their Jordanian service providers. Determining factors that appeal to the psyche of Generation Y include: technology, service quality and enjoyment in using mobile services which

have all led to both customer satisfaction and their loyalty to their various service providers. Therefore, the full expectations of Jordanian postpaid segment subscribers have been actualized. This has resulted in satisfied and loyal Generation Y subscribers. This satisfaction and loyalty justifies that with expectations Generation Y met, they will show a willingness to stay with same service provider where they perceive they will be more appreciated (Cruz 2007; Felix 2007). According to the findings of this study, it can be concluded that operators in Jordan provide to Generation Y various service expectations needed such as faster music downloads, ability to instant message, and internet friendly applications that interest the youth psyche (Bloomberg, 2011). Therefore, Generation Y subscribers are satisfied with their service providers.

#### **5.3.2.5 Perceived Value**

The finding of this study shows that perceived value and customer loyalty of mobile phone service users are negatively related. Customers usually remain loyal to their service provider if there is no change in the perceived value that they achieve from an alternative service provider or they do not receive adequate value from an alternative service provider. Therefore, customer loyalty is not influenced and there is no valid excuse or strong reason for customers to change to alternative service providers based on the issue of perceived value. Perceived value in mobile phone operators establishes suitable setting in the thoughts of the projected customer compared to competitors. Changing from one mobile phone provider to another is the decision made based on customers' perceived value of the services rendered to

them. This finding is in line with some previous findings, such as Kassim *et al.* (2014); and Jumaev *et al.* (2012) who find that there is a negative relationship between perceived value and customers' loyalty. Meanwhile, this finding is not in line with some previous studies that find significant influence of perceived value on customer loyalty (Floh *et al.*, 2013; Tu *et al.*, 2013; Ishaq, 2012; Edward *et al.*, 2010; Lai *et al.*, 2009).

Day (1990), stresses that all businesses have similar motive which is the creation of superior customer value. He is of the opinion that each business should focus on significant value for customers; otherwise, irrespective of the businesses undertaken, they will fail to achieve market leadership. If customers have a low perceived value, they will be more prone to change to competing businesses in order to increase perceived value, thereby leading to loyalty decline. Satisfied customers are not likely to patronize a business, when they perceive that they are not receiving the best value for the money they have paid; instead, they will look out for other sellers in an effort to get better value (Anderson & Srinivasan, 2003; Chang, 2006b).

According to Chang (2006b); and Anderson and Srinivasan (2003), perceived value is an addition to the loyalty attained in a business by reducing an individual's desire to search for alternative service providers. As a result of low perceived value, customers are more eager to change to rival businesses in order to increase perceived value, hence contributing to failing loyalty. In some other situations, happy customers may not continue to patronize a business, if they feel that they are not getting the best value for their money spent. As an alternative, they will look for

other traders in an attempt to achieve greater value. The association between perceived value and customer loyalty appears to be strong when customers feel that their current business dealer gives greater total value than the one offered by competitors (Chang et al., 2009).

Meanwhile, there are some reliable reasons for attaining insignificant association between perceived value and customer loyalty. A probable reason for this result can be traced to lack of additional services not rendered by the service providers. Some of the services that may be expected by the Generation Y may include free online calendar, free online gaming, text messaging, etc. (Kumar, & Lim, 2008). In other words, Generation Y feels that the value gained from service providers is less than the cost. This result is similar to previous studies on perceived value delivered by mobile phone operators. For example, Jordanian mobile subscribers have similar evaluation of all mobile operators (Kardoosh & Steityeh, 2009) and they use price as the only variation tool (Mobile Syndicated Study Report, 2008). Loke *et al.* (2011) reveal that customers appear to have underscored the physical aspects delivered by the service providers.

In addition, the finding could be due to different market situations and different services provided by the operators. Perceived quality influences value positively, while price or cost influences value negatively (Hellier et al., 2003; Chang and Wildt, 1994). Customer also assess emotional and economic value rather than social value when it comes to the usage of mobile services (Lim *et al.*, 2006). In the case of

Jordanian mobile phone operators, they do not provide additional value to their customers for free (Mobile Syndicated Study Report, 2008). On the other hand, Generation Y is interested in such free services to be provided by mobile phone operators given their display of very mature financial and purchasing behaviors (Goldgehn, 2004).

Abu-ElSameen *et al.* (2011) argue that what is relevant and applicable in developed countries may not be relevant and applicable to a developing country, like Jordan. Besides, most of the previous studies have been done in the Western countries (Tu *et al.*, 2013; Wang, 2010; Roig *et al.*, 2009), but only little or none of the studies has been conducted in the Middle East, specifically Arab countries. In other words, culture plays a role in elucidating why there is insignificant association between perceived value and customer loyalty. In addition, this finding also shows that specific attention has been given to postpaid subscribers by the operators, with less attention to the prepaid subscribers, because the basic customers for each operator is postpaid customers (postpaid customers have a contract between themselves and the mobile operator) and also due to their excessive usage (Nguyen, 2011).

### **5.3.3 Mediating Effect of Customer Satisfaction**

Based on the third research question that focuses on the mediating effect of customer satisfaction in the association between service quality, perceived value, perceived enjoyment and technological perceptions and customer loyalty, the study's finding shows that there is mediating effect of customer satisfaction on the relationship and

it is supported by previous findings. One of the significant contributors to customer loyalty is customer satisfaction because it encourages and motivates happy customers to remain with their service providers. The relationship between: (a) service quality and customer loyalty; (b) perceived value and customer loyalty; (c) perceived enjoyment and customer loyalty; and (d) technological perceptions and customer loyalty, is mediated by customer satisfaction.

With regards to service quality that is examined in hypothesis 6a, it is recommended, based on the findings, that customer loyalty can be achieved by improving customer satisfaction by delivering high quality support services and good service quality. Operators can provide high services quality by improving services to meet customer needs or customer expectations. In other words, if customers achieve the needed service from service providers, they will have satisfaction with their service provider and be loyal to them afterwards.

The results of the study are in support of Expectation-confirmation Model, which stipulates that satisfied customers form a repurchase intention while dissatisfied subscribers discontinue its subsequent use (Oliver 1980). On the other hand, if the service delivered by the service providers does not satisfy customers, they will change to another alternative service provider to get the required service. This finding is also in line with the study of Gorondutse and Hilman (2013); Stan *et al.* (2013); Chang and Chong (2011); and Santouridis and Trivellas (2010) who find that

customer satisfaction has a mediating effect between service quality and customer loyalty.

Service providers and managers progressively admit the necessity to create service quality in order to counter some issues on performance that have been brought up in the market by mobile phone operators. Service providers have dedicated huge amounts of resources to increase their service quality and improve customer satisfaction and loyalty. Service providers deliver service with dependable quality without charging. This clearly shows that customer satisfaction and loyalty depend on honesty and reliability on the side of the service provider (Gupta & Sharma, 2009). Furthermore, through improvement in service quality, firms can satisfy and retain their customers (Lee & Murphy, 2008). Therefore, the provision of high service quality to subscribers, specifically the Generation Y postpaid segment customers, makes them satisfied and loyal.

Secondly, with regards to perceived value examined in hypothesis 6b, when there is significant perception of customers on perceived value, their satisfaction level and customer loyalty level will increase and improve. Based on positive perceived value, customers feel good and accepted by others when they are satisfied with the subscribed services. Then, based on positive convenience experiences, customers feel that mobile phone service is user friendly and assist in managing their time efficiently. It very easy for the customers to make value and service comparisons among the service providers. Thus, value-added services are provided to the customers, particularly the Generation Y postpaid segment users by the service

providers in order to enhance their competitive advantage that leads to satisfaction, and then loyalty.

This finding is in line with some previous studies (Alireza, 2011; Fathollahzadeh, 2011; Deng *et al.*, 2010; Roig, 2009; Lai *et al.*, 2009), which find that perceived value indirectly influences customer loyalty through customer satisfaction. The result of this study, which is in the proposition of Expectation-confirmation Model demonstrated that satisfied customers form a repurchase intention while dissatisfied subscribers discontinue subsequent use (Oliver 1980).

The association between customer satisfaction and loyalty seems durable when customers have the feeling that their present business vendor delivers higher general value than that of competitors (Chang *et al.*, 2009). These study findings recommend that the inter-relationship between value dimensions and the introduction of emotional response result in a very strong customer satisfaction prediction and further behavioral responses (Lim *et al.*, 2006). The reason for creating customer value is to meet targeted customers' needs and increase customer satisfaction. Therefore, it can be contended that the aim of loyalty marketing that is attained through nurturing and keeping customers, depends on providing customer value and customer satisfaction (Fathollahzadeh *et al.*, 2011). In the other words, the existence of value is to provide satisfaction to customers and for customers to be loyal to their service providers. Thus, it is important for Jordanian operators to provide improved



value to Generation Y, in order to enable them to be satisfied and loyal to their current service provider, and to create a long-term relationship.

Thirdly, with regards to perceived enjoyment which is examined in hypothesis 6c, when customers enjoy and have fun through their service providers, the satisfaction level will increase and result in loyalty. In other words, enjoyment indicates that customers will continue with the service, apply more of it or recommend the service providers to others and give positive opinion about them. In addition, satisfied customers have lower possibility of changing to alternative service providers; thus, they remain loyal to their service provider. The finding recommends that service providers should deliver different or latest enjoyable applications, such as different interactive fun and games related downloads in order to inspire and entice sales from Generation Y. This result is in line with Expectation-confirmation Model postulating that satisfied customers form a repurchase intention, but dissatisfied subscribers discontinue subsequent use (Oliver 1980).

This is due to the fact that usability assists in satisfying customer needs based on service manageability, which leads to greater customer satisfaction and loyalty levels, as well as positive opinion. Customers are ready to interrelate with service providers only if they feel that they receive value during their various exchanges with the company. Moreover, users who perceive mobile phone services as pleasant and enjoyable will possibly be satisfied. Thus, users who are satisfied possibly give high general assessments of the result of service, resulting in beneficial results. Accordingly, they develop favorable attitude towards service usage. Prior studies

suggest that enjoyment influences customers' behavioral intention directly (Prichard & Howord, 1999; Dick & Basu, 1994). Li *et al.* (2005) discover that users who perceive the use of the service as enjoyable possibly continue the use of it. The study of Koufaris (2002), shows that an important role is played by shopping enjoyment in predicting customer' intention to usage. He stresses that shopping enjoyment could be a significant construct in studying online customer behavior. Thus, the expectation of Jordanian operators is to provide different forms of enjoyment to Generation Y postpaid segment users that will eventually provide them the satisfaction they need and make them loyal to their operator.

Finally, with regards to technological perceptions which is examined and stated under hypothesis 6d, the finding shows that customer satisfaction does not mediate the association between technological perceptions and customer loyalty. In other words, technological perceptions do not affect customer loyalty through customer satisfaction. This indicates that customer satisfaction is not an intermediary to realize the technology and loyalty correlation. Furthermore, Generation Y users are recognized for their technological knowledge, and this generation is built around speed, which is considered fashionable. They always prefer quick access to information, just like using high-speed Internet (Erickson 2008; Bassett 2008; Cruz 2007). Moreover, mostly, the same technology (system and information quality) services are offered by all service providers; therefore, customers will continue to be loyal to their service provider since there is no much difference in the technology service they received from other service providers. Hence, there is no valid reason or

excuse for Generation Y postpaid segment users to change to other service providers based on technology satisfaction consideration.

#### **5.3.4 Moderating Effect of Trust**

The fourth research question is related to how trust moderates the effect of the relationship between customer satisfaction and loyalty. The result of this study indicates insignificant effect of trust on the relationship between customer satisfaction and loyalty. This result conforms to the study of Bozkurt and Ergeneli (2012); and Kalyal and Sverke (2010). For example, the study by Bozkurt and Ergeneli (2012) in Turkey finds that the relationship between the delegation of authority and subordinates' perceptions of managers' is not moderated by the level of trust. Similarly, Kalyal and Sverke (2010) examined the role of trust in management level employees as moderating variable between the relationship of qualitative job insecurity and affective commitment to change in a large public sector organization in Pakistan, and find trust as a negative moderator between the relationship of qualitative job insecurity and affective commitment to change.

On the other hand, the finding of this study does not conform to the studies of Frost and Moussavi (2011); Frost and Moussavi (2011); Innocenti *et al.* (2011); and Riemenschneider *et al.* (2009). For example, in the study by Frost and Moussavi (2011), the major factor which influences the value of leader effectiveness and leader-member relationships is trust. The objective of their study was to examine the role of trust as a moderator between leaders' powers reinforced by their ability to

impact their employees. Their findings also indicate that trust as a moderator significantly influences the associations between leaders' power-base (information, referent, expert, reward, coercive, legitimate) as independent variable and level of leaders' influence as dependent variable in the USA healthcare industry. In addition, Riemenschneider *et al.* (2009) studied the role of trust on the effect of website on individuals by evaluating a model with trust, usability, satisfaction and ease usage as direct effect on perceived individual impact. That model also evaluated trust as a moderating effect between usability and satisfaction and perceived individual impact. The findings indicate that trust controls the website's perceived individual influence directly, and serve as a moderator between usability and satisfaction.

The findings of this study show that trust does not perform any moderating role on the relationship between customer satisfaction and loyalty, which means that trust has no influence on the association between customer satisfaction and loyalty. This result is possible because scholars have argued that there could be differences in the findings due to some factors which include type of customer, products and business (Nielson, 1996). The youth are more willing to trust the accessible services (Rouibah, Khalil, & Hassanien, 2008), and they regularly indulge themselves in instant mobile messages to attain fun experiences, while older people usually use instant mobile messages mainly for business purposes. Therefore, they have different users' perceptions (Deng *et al.*, 2010). While Generation X is most conservative Generations (Foley & LeFevre 2001).

In addition to afore-mentioned, one important reason why trust does not perform the moderating role is because of customers' bad experiences with mobile phone operators. Instances have shown that most often mobile phone subscribers receives deceptive letters and emails or messages relating to wining of awards or bonuses, which later turns out to be fake (Jordanzad, 2012; Ammanjo, 2011; Ejbed, 2010). This attitude erodes confidence and trust in the mobile phone services providers by their Generation Y in spite of being the most self-assured generation (Glass, 2007).

However, Generation X is regarded as pessimistic, cynical and materialistic (Hornblower, 1997; Kinsley, 1994; Giles, 1994). Moreover, Generation X is more uncertain or, at least, not confident compared to other generations (Foley & LeFevre, 2001). On the other hand, Generation Y is described as confident, self-assured, independent and individualistic and self-reliant (Martin, 2005). Generation Y is the most self-assured generation (Glass, 2007). Djasbi, Siegel and Tullis (2010) stress that Generation Y is different from the previous generations and their mentality is quite different from other generations (Cole, Smith, & Lucas 2002). Thus, with regards to the above description of Generation Y, this study finds that trust insignificantly moderates between Generation Y postpaid subscribers' satisfaction and loyalty in the mobile phone services sector.

#### **5.4 Contributions of the Research**

Generally, this study makes several contributions to theory and methodological practice. The following sub-sections discuss each contribution.

### **5.4.1 Theoretical Contribution**

The theoretical contribution of this study is based on identifying how service quality, perceived value, perceived enjoyment, technological perceptions and customer satisfaction influence customer loyalty, and the simultaneous examining of the mediating effect of customer satisfaction between the independent variables and the moderating role of trust between customer satisfaction and loyalty, among the Jordanian postpaid segment in the mobile phone market. The main contribution of this study to the existing literature is its investigation of the above relationship on Generation Y, within the context of the mobile phone market, particularly the postpaid segment in a developing country, like Jordan. The contribution made by the findings of this study is on the empirical knowledge to improve customer loyalty towards their service providers.

This study assists in examining the Reciprocity theory regarding customers' intention to stay longer in order to create a solid relationship with mobile phone service providers. To the best of the researcher's knowledge, few studies have applied the Reciprocity Theory to examine the determinants of customer loyalty in the mobile phone operator. Based on the Reciprocity Theory, people examine the kindness of an action; they reward kind action and punish unkind action (Falk & Fischbacher, 2006). In this study, the theory is applied based on customer evaluation of service quality, perceived value, perceived enjoyment and technological perceptions which will then reflect their satisfaction and ultimately lead to loyalty. It also uses trust as moderating variable between customer satisfaction and loyalty.

Based on the Reciprocity Theory, this study shows a link in the relationships between some of service quality, perceived value, perceived enjoyment, technological perceptions and customer satisfaction and loyalty. The findings from this study support the views that an improved people's evaluation of kindness and satisfaction, will increase customer loyalty in the long run.

Another contribution of this study is its examination of customer satisfaction as a mediator between perceived enjoyment and customer loyalty. Customer satisfaction is the most significant goal of mobile service providers, because in the mobile phone operator, the level of customer satisfaction can be identified through positive feelings of customers towards their mobile service providers. Similarly, a positive impact on customer loyalty in an organization can be attained through a high level of customer satisfaction (Mittal *et al.*, 1998). This study contributes empirical knowledge towards improving the loyalty of service providers. This study finds that customer satisfaction mediates the relationship between perceived enjoyment and customer loyalty. This finding conforms to the Expectation-confirmation Model which stipulates that satisfied customers form a repurchase intention of a service, while dissatisfied subscribers discontinue its subsequent use (Oliver 1980).

In addition, another contribution of this study is its examination of customer satisfaction as a mediator between technological perceptions (include system and information quality) and customer loyalty. This study contributes empirical knowledge on improving customer loyalty towards their service providers. This study

finds that customer satisfaction has no mediating effect on the relationship between technological perceptions and customer loyalty.

According to Lee and Murphy (2006); and Wilska (2003), the younger generation appears to be attracted to mobile services just to seek pleasure, which includes objectives, such as downloading of different ring tones, music and exchanging jokes which can encourage young minds to continue to patronize the same company. The findings of this study contribute empirical knowledge towards improving customer loyalty to their service providers. This study finds that perceived enjoyment and customer loyalty are significantly related. This finding is line with proposition of Reciprocity Theory, which indicate that reciprocity serves as a behavioral reaction that perceives either kindness or otherwise. Peoples are reciprocal only when they are rewarded with kind actions or punished by unkind ones (Falk & Fischbacher, 2006).

Furthermore, according to Chen *et al.* (2012), it is highly important to recognize the behavioral stability of the role of technological perceptions include system and information quality in the context of mobile phone operator, in order to build a better foundational basis for system designers, as well as operators for building a strong customer experience and continued use of mobile services. The contribution of this study is the empirical knowledge towards improving customer loyalty towards their service providers. This study finds that technological perceptions and customer loyalty are significantly related. This finding is in conformity to the Reciprocity Theory as explained earlier by (Falk & Fischbacher, 2006).



In addition, this study contributes to the examination of trust having moderating effect between customer satisfaction and loyalty. According to Singh and Sirdeshmukh (2000), trust which is a psychological variable, focuses on the promotion of customers-provider relational exchanges and building of long-term loyalty. Similarly, trust in the economic field performs the role of influencing customer loyalty positively regarding exchanges, and the interest to promote relational exchanges and build customer loyalty (Singh & Sirdeshmukh, 2000). This study adds to the empirical knowledge towards improving customer loyalty to their service providers. However, this study finds that trust has insignificant influence on the relationship between customer satisfaction and loyalty. This finding does not support the view of the theory which states that people punish unkind action by ending the relationship if they do not trust them. In other words, customers' satisfaction will still churn even with high trust, or dissatisfied customers may not churn even if trust is low. With regards to the Jordanian mobile phone operators, customers perhaps do not care much about trust in making decision on whether to remain with the present service provider or change to another. This suggests that the influence of trust on the loyalty of customers is varied among different industries.

#### **5.4.2 Managerial Implications**

To add to the academic contributions of this study, managerial implications are derived from the findings of this study. The findings of this study have several useful implications for mobile phone operator managers with respect to improving their effective plans and efficient market services, valuable to the Generation Y postpaid

segment and for future use. It can also improve customers' loyalty to the company. Mobile phone operator managers can make use of these research findings to develop and implement successful customer loyalty strategies in order to achieve their company goals.

Valuable insights to mobile service providers with respect to perceptions of Generation Y on service delivery are provided by this study. These include suggestions on how to improve those services. Moreover, the findings of this study show that service quality, enjoyment and technology are essential core features of mobile services to Generation Y. There is need for mobile phone operator managers to provide service strategies befitting the Generation Y, pay attention to the continuous development of these strategies and make provision of multiple integrated communication channels for them since Generation Y segment uses more mobile phone operators. The mobile phone operator managers need to move ahead of modern services which adapt technology and enjoyment and differentiate them from others, in order to attract Generation Y and make them satisfied and loyal.

Since this study indicates that the customer loyalty level in this industry is moderate, there is need for the mobile phone operator managers to carefully examine the main reason for customers switching to other service providers in order to improve loyalty among them. Besides that, they should also make attempts to consider and measure other variables that impact on Generation Y postpaid segment's decision to subscribe additional services in the future, that will ultimately lead to customer loyalty. The

mobile phone operator managers could also establish a loyalty rewards program that could reward loyal customers, such as price discounts, offers of other conveniences or points redemption.

This study shows that four out of the five factors significantly influencing customer loyalty are: service quality, perceived enjoyment, technological perceptions and customer satisfaction, while perceived value insignificantly influences customer loyalty. The finding of this study lays the foundation for the establishment and execution of retention strategy. For instance, it can facilitate the operators to assign proportional amount of resources to achieve sustainable customer loyalty related to strategy, processes, people and perceived value. Moreover, given the subscribers' high level of trust relating to customer acquisition in the mobile phone operator, there is need for mobile phone operator to have great customer loyalty and minimize customers' churn.

The first factor that mobile phone operator managers have to demonstrate to the customers is the significance which can be achieved by concentrating more on service quality. The managers should ensure that the service provided is perceived as of excellent quality by customers. For them to meet up with this objective, they should have a well-trained customer support service staff who can maintain a good relationship with customers and address customers' enquiries. They need to listen to the issues of their customers, particularly issues pertaining to Generation Y postpaid segment, and respond appropriately and on a timely basis. It is imperative to sustain the quality of interactions between customer service support staff and customers as

they are the first encounter or point of contact between customers and service providers. Managers should always strive to improve the quality of their services through feedback and other methods of evaluation from customers, without waiting for formal complaints from them.

Secondly, it is imperative that they provide value-added services by managing perceived value of customers in terms of psychological and convenience value. Customers' value should not be underestimated by managers of mobile phone operators simply to discourage customers from switching to competitors; managers of service providers should strive at all times to enhance perceived value. They should try to establish a mindset that they care about the customers' feelings and convenience and that their services are user-friendly. Managers of service providers also should ensure the importance of customers according to their needs and requirements and seek to build formidable relationships with their customers. Additionally, effective marketing requires good knowledge of the needs of customers, their perceptions and expectations. This is more so as continuous reduction of customers leads to reduction in the firm's customer base and more often, a decline in its revenues. This may then require higher financial commitment to attract them back from fellow competitors.

Thirdly, managers of mobile phone operators should appreciate the positive hedonic aspects in mobile phone operator. They also should support their subscribers in providing varieties of enjoyment particularly for Generation Y, so that they feel

happy and funny. This influences the intention to use more of the mobile phone providers. In many ways, this research can help multiple to encourage customer, especially Generation Y postpaid segment from single visits to ongoing and enjoyable relationships, which could produce more profit, stable and long-run business success for mobile phone service operators.

Fourthly, managers' operators need to provide new technological services (system and information quality) to their loyal customers, especially Generation Y. The customer will feel fulfilled which lead to loyalty. For sustainable competitive advantage, they need to keep their existing customers and attract new ones. In summary, this study recommends to mobile phone provider managers that up-to-date technologies can give the mobile phone provider competitive advantage, because technology is important to Generation Y nowadays. It is also considered as one of the most important services in the mobile phone services sector.

Since customer satisfaction mediates the effect of the loyalty determinants, the mobile phone provider managers should ensure high level of customer satisfaction which translates to customer loyalty. Mobile phone subscribers, particularly Generation Y postpaid segment, always prefers to stay with their current service provider unless they are either dissatisfied with the services or have encountered some major setback (Kim & Yoon, 2004). Thus, mobile phone operators' managers should always emphasize on total satisfaction agenda if they are to retain customers in the highly competitive mobile phone market. Customer satisfaction could always

be achieved when appropriate channels of identifying, focusing and improving the factors considered important to the customers satisfaction with a particular mobile phone provider, are addressed.

In this present ever-increasing competitive mobile phone service market with higher customer expectations, managers of mobile phone providers should device means to increase the number of services applicable to a customer in order to expand their profit and growth of the business. Demands for video call, multimedia messaging, text messaging, downloading of music and videos and online games is on the rise, in addition to the usual voice communication. Thus, mobile phone provider managers should target to offer high quality and reliable services to the customers, particularly Generation Y, which should embody both value added and trust elements. Therefore, achieving this opportunity will require the market to move the extra mile beyond customer satisfaction to aspire for customer loyalty.

Likewise, companies that desire to grow their businesses should continually implement fresh and creative ideas in order to retain their existing customers (particulary Genration Y). This is imperative since customer loyalty is one of the most important goals for most service companies. Necessary steps should be taken by the managers of service providers to shift their focus from pure acquisition of customers and growth to greater emphasis on adding value, service quality and enhancing customer trust. It is important for the service providers to understand the

need to build the necessary techniques to attract committed Generation Y customers who are willing to patronize in future the same mobile phone providers.

### **5.5 Limitations and Future Research Directions**

An innovative step towards customer loyalty in the context of mobile phone operators in Jordan is provided by this study. Six factors have been investigated by the research framework of this study as predictors of customer loyalty in Jordanian mobile phone operators. It involves Generation Y postpaid mobile phone operator subscribers in Jordan. From the viewpoint of methodology, the aim of the developed research model is to examine the determinants of customer loyalty in the mobile phone operator. This industry is very dynamic with vast growing demands, changing technologies and changing market structures (Shin & Kim, 2008). For generalizing the findings of the study, there is need to study more about mobile phone services operator as well as comparing the study with other industries. In addition, the regression model had a  $R^2$  value of 49% (moderate level), which indicates that there are other factors that could probably have impact on customer loyalty. In other words, there are 51% differences that could be explained by other variables not disclosed in this study. Other possible factors (perceived usefulness, communication, price, customer service capabilities of company and conflict handling) that can influence customer loyalty should be considered by future research.

Since this study only focused on Jordan, there may be some differences that exist between Jordan and other developing or developed countries; thus researchers should exercise some caution when citing the results. Since this study only utilizes Jordanian Generation Y as samples of mobile phone users, caution should be taken when generalizing the findings and discussion of this study to other generations of mobile phone users, or to other geographical locations. The customer loyalty behavior and perception of the mobile phone users in terms of service quality, perceived value, perceived enjoyment and technological perceptions may vary between Generation Y and users of other generations.

This study was undertaken as research approach to understand the dynamics of relationships between variables is also vital to customer loyalty in the mobile phone operators and this could be improved by using longitudinal evidence. The essence of longitudinal study is to monitor the antecedents of customer loyalty behavior over time. Additionally, this study employed only quantitative approach, which might not proffer a wider view of the phenomenon. It is therefore suggested that further research could be conducted by employing both quantitative and qualitative techniques in order to have a better understanding of the factors impacting on customer loyalty.

Additionally, the current study is limited by the use of self-completion survey methods, though survey research is the most widely used approach in the world (Neuman, 2003). It is however confronted with numerous problems. The lack of



control by the researcher in self-completion process makes it necessary for the resultant data sample not to be fully representative of the population since some important respondents may have chosen not to complete the survey. Moreover, respondents may sometimes give expected answers or responses of equal pattern.

These limitations provide suggestions for further research. This study is concerned with the factors and its impact on customer loyalty on Generation Y postpaid Jordanian mobile phone operators. Replicating and extending this study in other regions, countries, services, postpaid segments and generations would test the applicability of the present findings and would provide a basis for an external validation of the framework developed in this research to understand the cultural and geographical variations of customer behavior particularly on Generation Y.

In addition, to the discussions above, there exist opportunities for further research in the area of customer loyalty that should reflect on the limitations identified earlier. For instance, this study could be extended over a longer period of time for example two to three years, in the form of a case study or alternatively to involve comparative studies with other countries to explain cross-national differences in customer loyalty of mobile phone users around the globe (more than one country). This could add some impetus to the existing study. Such studies will help to authenticate the conclusions of this study and overcome the tendency of a bias arising from single period and small data.

## **5.6 Conclusion**

Firstly, the purpose of this study is to examine the factors influencing customer loyalty among Generation Y postpaid Jordanian mobile phone operators. The finding of the study indicates that the level of customer loyalty of the designated respondents is moderate. This means that the level to which existing customers constructively encourage and recommend their service providers to others is moderate, and is dedicated to their re-patronizing their preferred service provider. This finding is considered as an addition to the body of knowledge pertaining to the importance of higher levels of customer loyalty in the mobile phone operators. It also suggests that the managers of the mobile phone operators should employ more cogent strategies on customer loyalty, since retaining existing customers is more cost effective than attracting new ones.

Findings of the study also suggest that four factors: service quality, perceived enjoyment, technological perceptions and customer satisfaction have significant influence on customer loyalty, while perceived value has insignificant influence on customer loyalty. The finding avails managers and academicians a much stronger basis for recommending strategies to ensure high level of customer loyalty. Therefore, it is imperative that mobile phone providers should take extra effort to improve service quality, perceived enjoyment, technological perceptions and customer satisfaction, particularly perceived value level in their efforts to attain higher level of customer loyalty.

A positive association exists between service quality and customer loyalty which means that when customers have positive perception on service quality, subscribers will continue using more of the services provided by the mobile phone operators. Another positive relationship is found between perceived enjoyment and customer loyalty. This means that when customers have positive perception on enjoyment, they will use more of the services provided by the mobile phone operator. When customers enjoy the services provided by a particular company, they will continue to utilize the services provided by the same company. The result also shows significant relationship between technological perceptions and customer loyalty. When customers get enough technology from their service operator, it gives them more intention to use the services, and this will be reflected in an increase in the mobile phone operator utilization. Hence, strong technology can increase customers' loyalty.

On the other hand, the current study finds insignificant relationship between perceived value and customer loyalty. When customers lose their value from their service provider, they will search for another operator who can give them value. In other words, when an operator does not provide value to his or her customers, those customers will leave that operator; thus the operator will require additional expenditure to attract them back from fellow competitors.

On the mediating effect of satisfaction on the relationship between all the independent variables and customer loyalty, it is found to be effective and hence supported. Satisfaction mediates the correlation between: (a) service quality and

customer loyalty; (b) perceived value and customer loyalty; and (c) perceived enjoyment and customer loyalty, while customer satisfaction does not mediate between technological perceptions and customer loyalty. When customers have significant perception on service quality, enjoyment and getting good values, their level of satisfaction will also increase and vice versa.

However, with respect to the moderating effect of trust, the link between satisfaction and customer loyalty is not moderated by trust. That is to say it does not matter whether trust is high or low; satisfied or dissatisfied customers' decision to quit or to remain loyal is not influenced by trust. When a customer is satisfied, he or she may not necessarily switch to other providers even when the trust is low. Dissatisfied customers may not necessarily remain loyal to the provider even when the trust is high. The simple analogy here is that the action of the customers on whether to be loyal or otherwise is not moderated by the level of trust.

The research findings of this study are discussed basically in line with the context of the previous studies and research objectives of this study. The specific individual implications of the findings as well as the general study implications are discussed in order to describe their significance from the context of researchers and academicians. Other industries could also apply the model as an explanatory or auxiliary model for loyalty of customers in other sectors and generations. In summary, the current study provides important implications for both practitioners, academic researchers as well

as industries from the perspective of customer loyalty, particularly the Generation Y Jordanian postpaid mobile phone operators.

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## Appendix A-1 Questionnaire –English Version



### OTHMAN YEOP ABDULLAH GRADUATE SCHOOL OF BUSINESS UNIVERSITI UTARA MALAYSIA

Dear Participant,

Thank you for agreeing to participate in this research.

I would appreciate it very much if you could answer the questions carefully as the information you provide will influence the accuracy and the success of this research. It will take no longer than 15 minutes to complete the questionnaire. All answers will be treated with strict confidence and will be used for the purpose of the study only.

If you have any questions regarding this research, you may contact me at the following address. [ansmsgr@yahoo.com](mailto:ansmsgr@yahoo.com). Or by phone at 0777788572.

Thank you for your cooperation and the time taken in answering this questionnaire.

Yours sincerely,

#### Part 1: Stream Data

1. Do you subscribe to a postpaid mobile phone service? a. Yes ☐ b. No ☐

2. If yes, Please proceed. If no, thank you for your cooperation

#### Part 2: Demographic Profile

Please tick (✓) the appropriate box to answer the questions.

**1. Gender**

a. Male

☐

b. Female

☐

**2. Status**

a. Married

☐

b. Unmarried

☐

**3. Age**

a. 18-23

☐

b. 24- 29

☐

c. 30-35

☐

d. 36-38

☐

e. 39 or above

☐

**4. Please tick (✓) the current mobile phone you subscribe.**

In case you subscribe more than one service, please tick (✓) the one you most frequently used.

a. Zain

☐

b. Orange

☐

c. Umniah

☐

**5. How long have you been using your current mobile phone service?**

a. Less than one year

☐

b. 1-3 years

☐

c. 4-6 years

☐

d. 7 years or above

☐

**6. What is your educational level?**

a. Higher School

☐

b. Diploma

☐

c. Degree

☐

d. Master Degree

☐

e. PHD

☐

f. Others

☐

Tick (✓) in the appropriate box and provide elaboration wherever required. These dimensions consist of seven self-rating items on a five-point Likert scale format, ranging from 1. Strongly disagree 2. Disagree 3. Neither 4. Agree 5. Strongly agree.

**Note:** In responding to the following questions, please refer to the service provider that you choose in question 4 (part 2) earlier.

### Part 3: Customer Loyalty

Please indicate the extent of your opinion with the statements describing the statements by "circling" the corresponding box using the following scales:

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

No	Customer Loyalty Measure	1	2	3	4	5
1.	I will not switch to other phone service providers in place of my current mobile phone service provider.					
2.	I would pay a higher price for my current mobile phone service provider even if other competitors' prices are cheaper.					
3.	I will always remain with my current mobile phone service provider.					
4.	I intend to keep subscribing to use my current mobile phone service in the next few years.					
5.	I will always encourage other people to use my current mobile phone service provider.					
6.	I intend to use more service that suits me from my current mobile phone service provider.					

### Part 4: Customer Satisfaction

Please indicate the extent of your opinion with the statements describing the statements by "circling" the corresponding box using the following scales:

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

No	Customer Satisfaction Measure	1	2	3	4	5
1.	I am satisfied with my decision to subscribe my current mobile phone service provider.					
2.	My choice to subscribe current mobile phone service provider was a wise decision.					

3.	I feel bad regarding the decision to choose my current mobile phone service provider.					
4.	I think I did the right thing by subscribing mobile phone service from my current provider.					
5.	I am unhappy that I subscribe my current mobile phone service provider.					

### 5.1.1 Part 5: Service Quality

Please indicate the extent of your opinion with the statements describing the statements by "circling" the corresponding box using the following scales:

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

<b>NO</b>	<b>Service Quality Measure</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	My current mobile phone service provider has up-to-date equipment					
2.	My current mobile phone service provider's physical facilities/decors are visually appealing					
3.	The staff at my current mobile phone service provider are well dressed and appear neat					
4.	The appearance of the physical facilities/decors of my current mobile phone service provider is in keeping with the type of services provided					
5.	When my current mobile phone service provider promises to do something by certain time, it keeps its promise					
6.	When I have a problem, my service provider shows sincere interest in solving it					
7.	My current mobile phone service provides service reliably and dependably.					
8.	My current mobile phone service provider provides its services at the time it promises to do so					
9.	My current mobile phone service provider keeps its records accurately.					
10.	My current mobile phone service provider tells me exactly when services will be performed					
11.	The staff at my current mobile phone service provider provide me with prompt service.					
12.	The staff at my current mobile phone service provider are always willing to help customers.					
13.	The staff at my current mobile phone service provider customer service are always ready to respond to customer requests promptly					
14.	I can trust the staff of my current mobile phone service provider					
15.	I feel safe in my transactions with the staff of my current mobile phone service provider.					
16.	The staff at my current mobile phone service provider are polite.					



17. Staff at my current mobile phone service provider have adequate facilities to do their job well.					
18. My current mobile phone service provider gives me individual attention					
19. The staff at my current mobile phone service provider give me personal attention.					
20. The staff at my current mobile phone service provider know what my needs are.					
21. The staff at my current mobile phone service provider have my best interests at heart.					
22. My current mobile phone service provider has convenient operating hours for all their customers.					

### Part 6: Perceived Value

Please indicate the extent of your opinion with the statements describing the statements by "circling" the corresponding box using the following scales:

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

No	Perceived Value Measure	1	2	3	4	5
1.	Compared to alternative operators, my current mobile phone service provider offers attractive product/service charge.					
2.	Compared to alternative operators, my current mobile phone service provider charges me fairly for similar products/ services.					
3.	Compared to alternative operators, my current mobile phone service provider gives more free services					
4.	Comparing what I pay to what I might get from other competitive operators, I think my current mobile phone service provider provided me with good value					
5.	Comparing what I pay to what I might get from other competitive operators, I think my current mobile phone service provider provides me with good value.					

## Part 7: Enjoyment

Please indicate the extent of your opinion with the statements describing the statements by "circling" the corresponding box using the following scales:

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly Agree</b>
1	2	3	4	5

<b>No</b>	<b>Enjoyment Measure</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	I feel that using the service provided by my current mobile phone service provider is fun.					
2.	I feel that using the service provided by my current mobile phone service provider is exciting.					
3.	I feel that using the service provided by my current mobile phone service provider is enjoyable.					
4.	I feel that using the service provided by my current mobile phone service provider is interesting.					

## Part 8: Technological Perceptions

Please indicate the extent of your opinion with the statements describing the statements by "circling" the corresponding box using the following scales:

<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neither</b>	<b>Agree</b>	<b>Strongly Agree</b>					
1	2	3	4	5					
<b>No</b>	<b>Technological Perceptions Measure</b>				<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1.	The technology service provided by my current mobile phone service provider is up-to-date.								
2.	The technology service provided by my current mobile phone service provider is easy to use.								
3.	The technology service provided by my current mobile phone service provider is easy to learn.								
4.	The technology service provided by my current mobile phone service provider is attractive.								
5.	My current mobile phone service provider provides me with information relevant to my needs.								
6.	My current mobile phone service provider provides me with sufficient information.								
7.	My current mobile phone service provider provides me with accurate information.								
8.	My current mobile phone service provider provides me with up-to-date information.								

### Part 9: Trust

Please indicate the extent of your opinion with the statements describing the statements by "circling" the corresponding box using the following scales:

Strongly Disagree	Disagree	Neither	Agree	Strongly Agree
1	2	3	4	5

No	Trust Measure	1	2	3	4	5
1.	I trust my current mobile phone service provider.					
2.	I feel that I can rely on my current mobile phone service provider well.					
3.	I trust my current mobile phone service provider's billing system.					
4.	I believe that I can trust my current mobile phone service provider and they will not try to cheat me.					
5.	My current mobile phone service provider is reliable because it is mainly concerned with the customer's interest.					

*Thank you*

## Appendix (A-2) Questionnaire –Arabic Version



كلية عثمان ايوب عبدالله للتجارة والدراسات العليا  
جامعة شمال ماليزيا

السلام عليكم ورحمة الله وبركاته

عزيزي المشارك،

نرجوا منكم التكرم بتعبئة الاستبيان المرفق بعناية ودقة كون المعلومات تؤثر على نجاح هذا البحث والذي تم إعداده لمعرفة آراءكم ونتطلع لتعاونكم الكريم معنا وتعبئة الاستبيان المرفق، الذي .حول الخدمات التي تقدمها شركات الهاتف المحمول في الاردن علماً بأن الآراء التي سنحصل عليها خاصة بأغراض البحث لا تستغرق تعبئته أكثر من خمسة عشر دقيقة من وقتكم الثمين ، والدراسة فقط، و سيتم التعامل مع جميع الأجوبة بسرية تامة.

إذا كان لديك أي أسئلة بخصوص هذا البحث، يمكنك الاتصال بمعد الدراسة عبدالله نايف الرفاعي على البريد الالكتروني

[ansmsg@ yahoo.com](mailto:ansmsg@ yahoo.com) او الهاتف ٠٧٧٧٥٢٧١١٨ .

الجزء الاول : تدفق البيانات

١. هل لديك اشتراك في خدمة الهاتف المحمول بنظام الدفع لاحقا (الفاتورة الشهرية)؟

☐

ب. لا

☐

أ. نعم

٢. إذا كانت الإجابة ( بنعم)، يرجى المضي قدما . وإذا كانت (لا) شكرا لتعاونكم

الجزء الثاني : البيانات الشخصية

يرجى وضع علامة (✓) في المربع المناسب للإجابة على الأسئلة.

<input type="checkbox"/>	ب.انثى	<input type="checkbox"/>	أ. ذكر	١. الجنس
<input type="checkbox"/>	ب.غير متزوج	<input type="checkbox"/>	أ. متزوج	٢. الحالة الاجتماعية
<input type="checkbox"/>	ب. ٢٩ - ٢٤	<input type="checkbox"/>	أ. ٢٣ - ١٨	٣. العمر
<input type="checkbox"/>	د. ٣٨ - ٣٦	<input type="checkbox"/>	ج. ٣٥ - ٣٠	
		<input type="checkbox"/>	هـ. ٣٩ فما فوق	

٤. يرجى وضع علامة (✓) للشركة المشغلة لهاتفك الحالي.

في حال قمت بالاشتراك مع أكثر من شركة، يرجى وضع علامة (✓) للإشتراك الذي تستخدمه في معظم الأحيان.

<input type="checkbox"/>	ج. أمنية	<input type="checkbox"/>	ب. أورانج	<input type="checkbox"/>	أ. زين
--------------------------	----------	--------------------------	-----------	--------------------------	--------

٥. المدة التي قضيتها مستخدما للهاتف المحمول الحالي هي:

<input type="checkbox"/>	ب. ١ - ٣ سنوات	<input type="checkbox"/>	أ. أقل من سنة
<input type="checkbox"/>	د. ٦ سنوات او اكثر	<input type="checkbox"/>	ج. ٤ - ٦ سنوات

٦. المستوى التعليمي؟

<input type="checkbox"/>	ج. بكالوريوس	<input type="checkbox"/>	ب. دبلوم	<input type="checkbox"/>	أ. ثانوية عامة
<input type="checkbox"/>	و. اخرى	<input type="checkbox"/>	هـ. دكتوراه	<input type="checkbox"/>	د. ماجستير

الاستبيان ادناه مكون من سبعة بنود على شكل مقياس من خمس نقاط يتراوح بين ١ - لا أوافق بشدة ٢ . لا أوافق ٣ . محايد ٤ . أوافق ٥ . أوافق بشدة.

ملاحظة : سيكون الرد على الأسئلة التالية، نسبة إلى مزود الخدمة الذي اخترت في السؤال (٤/٢) اعلاه.

الجزء ٣ : ولاء العملاء .

يرجى بيان رأيك في البيانات التالية بوضع علامة "✓" تحت المقياس المناسب:

الرقم	قياس ولاء العملاء	لا أوافق بشدة	لا أوافق	محايد	أوافق	أوافق بشدة
١	لن اغير شركة هاتفي المحمول الحالية الى شركة هاتف محمول اخرى.					
٢	مستعد لتحمل كلفة أعلى للبقاء على اشتراكي مع شركة هاتفي المحمول الحالية حتى لو ان أسعار المنافسين الآخرين أقل.					
٣	سأبقى على اشتراكي مع شركة هاتفي المحمول الحالية.					
٤	أنوي الاحتفاظ بالاشتراك مع شركة هاتفي المحمول الحالية للسنوات القليلة المقبلة.					
٥	سوف اشجع الآخرين على استخدام نفس شركة هاتفي المحمول الحالية					
٦	لدي النية لاستخدام أكثر، للخدمات المقدمة من شركة هاتفي المحمول الحالية اذا كانت تتناسب مع احتياجاتي					

الجزء ٤ : رضا العملاء

يرجى بيان رأيك في البيانات التالية بوضع علامة "✓" تحت المقياس المناسب:

الرقم	قياس رضا العملاء	لا أوافق بشدة	لا أوافق	محايد	أوافق	أوافق بشدة
١	اشعر بالرضا عن قراري بالاشتراك مع شركة هاتفي المحمول الحالية.					
٢	كان خيارى بالاشتراك مع شركة هاتفي المحمول الحالية قرارا حكيمًا.					
٣	أشعر باليأس لاختياري شركة هاتفي المحمول الحالية.					
٤	أعتقد أنني فعلت الشيء الصحيح باشتراكى مع شركة هاتفي المحمول الحالية.					
٥	أنا غير سعيد باشتراكى مع شركة هاتفي المحمول الحالية.					

الجزء ٥ : الثقة

بيان مدى رأيك في البيانات التالية بوضع علامة "✓" تحت المقياس المناسب:

الرقم	قياس الثقة	لا أوافق بشدة	لا أوافق	محايد	أوافق	أوافق بشدة
١	أثق بشركة هاتفي المحمول					
2	أشعر بأن شركه هاتفي المحمول الحالية قادرة على تقديم الخدمات لي بشكل جيداً					
٣	أثق بأسعار وخدمات شركة هاتفي المحمول الحالية					
٤	أثق بان شركة هاتفي المحمول لا تحاول خداعي.					
٥	اعتمد على شركة هاتفي المحمول كون جل اهتمامها خدمة العملاء ومصلحتهم .					

الجزء ٦ : جودة الخدمة

يرجى بيان رأيك في البيانات التالية بوضع علامة "✓" تحت المقياس المناسب:

الرقم	قياس جودة الخدمة	لا أوافق بشدة	لا أوافق	محايد	أوافق	أوافق بشدة
١	شركة هاتفي المحمول تعمل على تحديث أجهزتها باستمرار.					
٢	المرافق المادية (الديكورات) في شركة هاتفي المحمول الحالية تلفت الأنظار.					
٣	الموظفين في شركة هاتفي المحمول الحالية أنيقوا المظهر.					
٤	المرافق المادية (الديكورات) في شركة هاتفي المحمول الحالية تتماشى مع نوعية الخدمات المقدمة.					
٥	تقي شركة هاتفي المحمول الحالية بعودها ضمن الوقت الذي تحدده.					
٦	عندما يكون لدي مشكلة، تظهر شركة هاتفي المحمول اهتمامها الصادق لحلها.					
٧	تقدم شركة هاتفي المحمول الحالية خدمات موثوقة ويمكن الاعتماد عليها.					
٨	تقدم شركة هاتفي المحمول الخدمات في موعدها.					
٩	تحافظ شركة هاتفي المحمول على سجلاتها بشكل دقيق.					
١٠	تخبرني شركة هاتفي المحمول متى سيتم تنفيذ الخدمات بدقة.					
١١	يقدم الموظفون في شركة هاتفي المحمول الخدمة بشكل سريع.					
١٢	الموظفون في شركة هاتفي المحمول دائماً على استعداد لمساعدة العملاء.					
١٣	الموظفون في قسم خدمة العملاء في شركة هاتفي المحمول دائماً على استعداد للاستجابة لطلبات العملاء فوراً.					
١٤	أثق بموظفي شركة هاتفي المحمول.					
١٥	أشعر بالأمان عندما أتعامل مع الموظفين في شركة هاتفي المحمول.					
١٦	الموظفين في شركة هاتفي المحمول مهذبون.					
١٧	يحصل الموظفون في شركة هاتفي المحمول على الدعم الكافي (السهولة) للقيام بعملهم بشكل جيد.					
١٨	تعطيني شركة هاتفي المحمول الاهتمام بشكل فردي.					
١٩	يعطيني الموظفون في شركة هاتفي المحمول الاهتمام الشخصي.					
٢٠	يتفهم الموظفون في شركة هاتفي المحمول احتياجاتي.					
٢١	أقدر ومن قلبي الموظفين في شركة هاتفي المحمول.					
٢٢	ساعات التشغيل في شركة هاتفي المحمول مريحة لجميع عملائها.					

الجزء ٧ : المتعة المتصورة

بيان مدى رأيك في البيانات التالية بوضع علامة "✓" تحت المقياس المناسب:

الرقم	قياس المتعة المتصورة	لا أوافق بشدة	لا أوافق	محايد	أوافق	أوافق بشدة
١	أشعر بالسعادة عند استخدام الخدمات المقدمة من شركة هاتفي المحمول.					
٢	أشعر بالاثارة عند استخدام الخدمات المقدمة من شركة هاتفي المحمول.					
٣	أشعر بالمتعة عند استخدام الخدمات المقدمة من شركة هاتفي المحمول.					
٤	أشعر بأن استخدام الخدمات المقدمة من شركة هاتفي المحمول مشوقه.					

الجزء ٨ : القيمة المتصورة

يرجى بيان رأيك في البيانات التالية بوضع علامة "✓" تحت المقياس المناسب:

الرقم	قياس القيمة المتصورة	لا أوافق بشدة	لا أوافق	محايد	أوافق	أوافق بشدة
١	بالمقارنة مع شركات الهاتف الأخرى، شركة هاتفي النقال تقدم الخدمة بتكاليف جذابة.					
٢	بالمقارنة مع شركات الهاتف الأخرى ، كلفة تشغيل هاتفي النقال عادلة بالنسبة للخدمات المماثلة.					
٣	بالمقارنة مع شركات الهاتف المحمول الأخرى ، شركة هاتفي النقال توفر خدمات (خيارات) مجانية أكثر.					
٤	مقارنة ما أدفع إلى ما أحصل عليه من شركات الهواتف النقالة المنافسة الأخرى، أعتقد أن شركة هاتفي قدمت خدمات جيدة بنفس القيمة.					
٥	مقارنة ما أدفع إلى ما أحصل عليه من شركات الهواتف النقالة المنافسة الأخرى، أعتقد أن شركة هاتفي النقال تقدم خدمات جيدة لي بنفس القيمة.					

الجزء ٩ : التصورات التكنولوجية

بيان مدى رأيك في البيانات التالية بوضع علامة "✓" تحت المقياس المناسب:

الرقم	قياس التصورات التكنولوجية	لا أوافق بشدة	لا أوافق	محايد	أوافق	أوافق بشدة
١	الخدمات التكنولوجية المقدمة من شركة هاتفي المحمول حديثة.					
٢	الخدمات التكنولوجية المقدمة من شركة هاتفي المحمول سهلة الاستخدام.					
٣	الخدمات التكنولوجية المقدمة من شركة هاتفي المحمول سهلة التعلم.					
٤	الخدمات التكنولوجية المقدمة من شركة هاتفي المحمول جذابة.					
٥	شركة هاتفي المحمول توفر لي معلومات ذات صلة بما احتاج إليه.					
٦	شركة هاتفي المحمول توفر لي معلومات كافية.					
٧	شركة هاتفي المحمول توفر لي معلومات دقيقة.					
٨	شركة هاتفي المحمول توفر لي معلومات حديثة.					

شكراً جزيلاً



## Appendix (B) Test of Non-Respondent Bias

**Group Statistics**

	surveytime	N	Mean	Std. Deviation	Std. Error Mean
meanCL	early	250	3.2487	.85380	.05400
	leat	291	3.3179	.83692	.04906
meanCS	early	250	3.6128	.96084	.06077
	leat	291	3.6569	.88959	.05215
meanT	early	250	3.3832	.87878	.05558
	leat	291	3.4538	.85116	.04990
meanSQ	early	250	3.4816	.69145	.04373
	leat	291	3.4912	.66653	.03907
meanEY	early	250	3.3298	.99108	.06268
	leat	291	3.4832	.94240	.05524
meanPV	early	250	3.3211	.93421	.05908
	leat	291	3.3996	.90540	.05308
meanTP	early	250	3.5499	.84483	.05343
	leat	291	3.6584	.85258	.04998

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2- taile d)	Mean Differen ce	Std. Error Differen ce	95% Confidence Interval of the Difference	
									Lower	Upper
meanCL	Equal variances assumed	.736	.391	-.950	539	.343	-.06920	.07285	-.21230	.07390
	Equal variances not assumed			-.949	523.482	.343	-.06920	.07296	-.21253	.07412
meanCS	Equal variances assumed	2.657	.104	-.554	539	.580	-.04408	.07961	-.20047	.11230
	Equal variances not assumed			-.551	512.248	.582	-.04408	.08008	-.20140	.11324
meanT	Equal variances assumed	.239	.625	-.948	539	.343	-.07065	.07451	-.21701	.07572
	Equal variances not assumed			-.946	521.341	.345	-.07065	.07469	-.21738	.07608
meanSQ	Equal variances assumed	.780	.378	-.163	539	.871	-.00953	.05848	-.12440	.10535
	Equal variances not assumed			-.162	520.454	.871	-.00953	.05864	-.12473	.10568
meanEY	Equal variances assumed	1.036	.309	-1.842	539	.066	-.15332	.08323	-.31682	.01018
	Equal variances not assumed			-1.835	517.812	.067	-.15332	.08355	-.31746	.01082
meanPV	Equal variances assumed	1.489	.223	-.990	539	.323	-.07845	.07923	-.23410	.07719
	Equal variances not assumed			-.988	521.452	.324	-.07845	.07942	-.23448	.07757
meanTP	Equal variances assumed	.290	.590	-1.482	539	.139	-.10849	.07321	-.25231	.03533
	Equal variances not assumed			-1.483	528.171	.139	-.10849	.07316	-.25222	.03523

**Appendix (C-1) Case Processing Summary (Missing Values) (Before Replaced)**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
CLB1	541	100.0%	0	.0%	541	100.0%
CLB2	541	100.0%	0	.0%	541	100.0%
CLB3	541	100.0%	0	.0%	541	100.0%
CLA4	541	100.0%	0	.0%	541	100.0%
CLA5	541	100.0%	0	.0%	541	100.0%
CLA6	541	100.0%	0	.0%	541	100.0%
CS1	541	100.0%	0	.0%	541	100.0%
CS2	541	100.0%	0	.0%	541	100.0%
CS3	541	98%	1	.2%	541	100.0%
CS4	541	100.0%	0	.0%	541	100.0%
CS5	541	100.0%	0	.0%	541	100.0%
T1	541	100.0%	0	.0%	541	100.0%
T2	541	100.0%	0	.0%	541	100.0%
T3	541	100.0%	0	.0%	541	100.0%
T4	541	98%	1	.2%	541	100.0%
T5	541	100.0%	0	.0%	541	100.0%
SQT1	541	100.0%	0	.0%	541	100.0%
SQT2	541	100.0%	0	.0%	541	100.0%
SQT3	541	98%	1	.2%	541	100.0%
SQT4	541	91%	5	.9%	541	100.0%
SQRB5	541	93%	4	.7%	541	100.0%
SQRB6	541	98%	1	.2%	541	100.0%
SQRB7	541	98%	1	.2%	541	100.0%
SQRB8	541	100.0%	0	.0%	541	100.0%
SQRB9	541	96%	2	.4%	541	100.0%
SQRV10	541	94%	3	.6%	541	100.0%
SQRV11	541	94%	3	.6%	541	100.0%
SQRV12	541	96%	2	.4%	541	100.0%
SQRV13	541	94%	3	.6%	541	100.0%
SQA14	541	93%	4	.7%	541	100.0%
SQA15	541	89%	6	1.1%	541	100.0%
SQA16	541	94%	3	.6%	541	100.0%
SQA17	541	89%	6	1.1%	541	100.0%
SQE18	541	98%	2	.2%	541	100.0%
SQE19	541	93%	4	.7%	541	100.0%
SQE20	541	100.0%	0	.0%	541	100.0%
SQE21	541	98%	1	.2%	541	100.0%
SQE22	541	100.0%	0	.0%	541	100.0%
EY1	541	98%	1	.2%	541	100.0%
EY2	541	100.0%	0	.0%	541	100.0%

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
EY3	541	96%	2	.4%	541	100.0%
EY4	541	100.0%	0	.0%	541	100.0%
PV1	541	100.0%	0	.0%	541	100.0%
PV2	541	100.0%	0	.0%	541	100.0%
PV3	541	100.0%	0	.0%	541	100.0%
PV4	541	98%	1	.2%	541	100.0%
PV5	541	98%	1	.2%	541	100.0%
TPS1	541	100.0%	0	.0%	541	100.0%
TPS2	541	100.0%	0	.0%	541	100.0%
TPS3	541	98%	1	.2%	541	100.0%
TPS4	541	100.0%	0	.0%	541	100.0%
TPI5	541	96%	2	.4%	541	100.0%
TPI6	541	96%	2	.4%	541	100.0%
TPI7	541	94%	3	.6%	541	100.0%
TPI8	541	100.0%	0	.0%	541	100.0%

**Appendix (C-2) Case Processing Summary (Missing Values) (After Replaced)**

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
CLB1	541	100.0%	0	.0%	541	100.0%
CLB2	541	100.0%	0	.0%	541	100.0%
CLB3	541	100.0%	0	.0%	541	100.0%
CLA4	541	100.0%	0	.0%	541	100.0%
CLA5	541	100.0%	0	.0%	541	100.0%
CLA6	541	100.0%	0	.0%	541	100.0%
CS1	541	100.0%	0	.0%	541	100.0%
CS2	541	100.0%	0	.0%	541	100.0%
CS3	541	100.0%	0	.0%	541	100.0%
CS4	541	100.0%	0	.0%	541	100.0%
CS5	541	100.0%	0	.0%	541	100.0%
T1	541	100.0%	0	.0%	541	100.0%
T2	541	100.0%	0	.0%	541	100.0%
T3	541	100.0%	0	.0%	541	100.0%
T4	541	100.0%	0	.0%	541	100.0%
T5	541	100.0%	0	.0%	541	100.0%
SQT1	541	100.0%	0	.0%	541	100.0%
SQT2	541	100.0%	0	.0%	541	100.0%
SQT3	541	100.0%	0	.0%	541	100.0%
SQT4	541	100.0%	0	.0%	541	100.0%
SQRB5	541	100.0%	0	.0%	541	100.0%
SQRB6	541	100.0%	0	.0%	541	100.0%
SQRB7	541	100.0%	0	.0%	541	100.0%
SQRB8	541	100.0%	0	.0%	541	100.0%
SQRB9	541	100.0%	0	.0%	541	100.0%
SQRV10	541	100.0%	0	.0%	541	100.0%
SQRV11	541	100.0%	0	.0%	541	100.0%
SQRV12	541	100.0%	0	.0%	541	100.0%
SQRV13	541	100.0%	0	.0%	541	100.0%
SQA14	541	100.0%	0	.0%	541	100.0%
SQA15	541	100.0%	0	.0%	541	100.0%
SQA16	541	100.0%	0	.0%	541	100.0%
SQA17	541	100.0%	0	.0%	541	100.0%
SQE18	541	100.0%	0	.0%	541	100.0%
SQE19	541	100.0%	0	.0%	541	100.0%
SQE20	541	100.0%	0	.0%	541	100.0%
SQE21	541	100.0%	0	.0%	541	100.0%
SQE22	541	100.0%	0	.0%	541	100.0%
EY1	541	100.0%	0	.0%	541	100.0%
EY2	541	100.0%	0	.0%	541	100.0%

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
EY3	541	100.0%	0	.0%	541	100.0%
EY4	541	100.0%	0	.0%	541	100.0%
PV1	541	100.0%	0	.0%	541	100.0%
PV2	541	100.0%	0	.0%	541	100.0%
PV3	541	100.0%	0	.0%	541	100.0%
PV4	541	100.0%	0	.0%	541	100.0%
PV5	541	100.0%	0	.0%	541	100.0%
TPS1	541	100.0%	0	.0%	541	100.0%
TPS2	541	100.0%	0	.0%	541	100.0%
TPS3	541	100.0%	0	.0%	541	100.0%
TPS4	541	100.0%	0	.0%	541	100.0%
TPI5	541	100.0%	0	.0%	541	100.0%
TPI6	541	100.0%	0	.0%	541	100.0%
TPI7	541	100.0%	0	.0%	541	100.0%
TPI8	541	100.0%	0	.0%	541	100.0%

**Appendix (D) Loadings and Cross-Loadings (After Deletion)**

	<b>CL</b>	<b>CS</b>	<b>EY</b>	<b>PV</b>	<b>SQ</b>	<b>T</b>	<b>TP</b>
CL4	<b>0.717</b>	0.407	0.341	0.304	0.353	0.351	0.331
CL5	<b>0.806</b>	0.514	0.400	0.360	0.425	0.477	0.400
CL6	<b>0.678</b>	0.444	0.352	0.252	0.280	0.414	0.343
CL1	<b>0.657</b>	0.423	0.255	0.304	0.356	0.351	0.266
CL2	<b>0.594</b>	0.254	0.294	0.321	0.317	0.389	0.304
CL3	<b>0.785</b>	0.459	0.337	0.330	0.359	0.407	0.326
CS1	0.537	<b>0.869</b>	0.405	0.437	0.382	0.512	0.342
CS2	0.577	<b>0.892</b>	0.400	0.433	0.381	0.552	0.359
CS3	0.344	<b>0.716</b>	0.209	0.247	0.206	0.332	0.200
CS4	0.512	<b>0.770</b>	0.368	0.349	0.323	0.450	0.303
CS5	0.323	<b>0.732</b>	0.204	0.221	0.207	0.299	0.188
EY1	0.396	0.351	<b>0.836</b>	0.454	0.404	0.503	0.506
EY2	0.388	0.353	<b>0.881</b>	0.437	0.417	0.454	0.483
EY3	0.453	0.400	<b>0.901</b>	0.498	0.480	0.486	0.511
EY4	0.385	0.348	<b>0.860</b>	0.484	0.444	0.439	0.458
PV1	0.381	0.422	0.456	<b>0.805</b>	0.389	0.430	0.471
PV2	0.362	0.358	0.384	<b>0.811</b>	0.385	0.413	0.466
PV3	0.348	0.330	0.435	<b>0.793</b>	0.403	0.417	0.487
PV4	0.350	0.335	0.440	<b>0.816</b>	0.365	0.445	0.528
PV5	0.301	0.306	0.439	<b>0.767</b>	0.348	0.413	0.546
SQ14	0.355	0.283	0.348	0.348	<b>0.772</b>	0.362	0.438
SQ15	0.359	0.305	0.371	0.344	<b>0.779</b>	0.391	0.435
SQ16	0.305	0.213	0.305	0.298	<b>0.683</b>	0.235	0.335
SQ17	0.324	0.231	0.358	0.354	<b>0.649</b>	0.340	0.375
SQ18	0.349	0.248	0.389	0.337	<b>0.655</b>	0.361	0.387
SQ20	0.332	0.287	0.382	0.360	<b>0.695</b>	0.330	0.398
SQ21	0.328	0.251	0.398	0.327	<b>0.690</b>	0.356	0.370
SQ11	0.384	0.325	0.356	0.353	<b>0.696</b>	0.417	0.459
SQ12	0.374	0.327	0.301	0.298	<b>0.720</b>	0.335	0.370
SQ13	0.356	0.278	0.354	0.333	<b>0.722</b>	0.326	0.392
T1	0.507	0.519	0.485	0.408	0.374	<b>0.794</b>	0.393
T2	0.503	0.491	0.432	0.462	0.421	<b>0.830</b>	0.437
T3	0.452	0.434	0.412	0.416	0.403	<b>0.791</b>	0.407
T4	0.344	0.359	0.370	0.402	0.360	<b>0.766</b>	0.369
T5	0.356	0.346	0.411	0.391	0.369	<b>0.744</b>	0.398
TP5	0.393	0.320	0.471	0.538	0.464	0.425	<b>0.823</b>
TP6	0.372	0.322	0.464	0.522	0.475	0.410	<b>0.834</b>
TP7	0.394	0.263	0.460	0.506	0.467	0.449	<b>0.813</b>
TP8	0.343	0.276	0.460	0.506	0.468	0.448	<b>0.812</b>
TP1	0.345	0.278	0.443	0.452	0.409	0.384	<b>0.743</b>
TP2	0.349	0.273	0.414	0.447	0.396	0.358	<b>0.755</b>
TP3	0.312	0.238	0.359	0.429	0.391	0.344	<b>0.765</b>
TP4	0.432	0.332	0.493	0.537	0.493	0.423	<b>0.813</b>

