The Influence Of Customer Values And Brand Identification On Brand Loyalty And Purchase Intention

Kehkashan Nizam, Osama Liaqat, Haris Saleem, Faizan Ul Haq, Hasfsa Masood Iqra University, EDC Campus, Karachi, Pakistan

Email : <u>Kehkashan.60003@iqra.edu.pk</u>, <u>Osama.60032@iqra.edu.pk</u>, <u>Muhammad.9737@iqra.edu.pk</u>, <u>U.faizan85@gmail.com</u>, <u>hafsamasood82@gmail.com</u>,



IJGEF

Received: 2022/07/16

Reviewed: 2022/07/17

Revised: 2022/07/18

Accepted: 2022/07/19

Correspondence* Kehkashan Nizam

Copyright: © 2022 Nizam et.al. This is an open-access article. This work is licensed under a <u>Creative Commons Attribution</u> <u>4.0 International License</u>



Introduction

Abstract: The study aims to determine the influence of consumer values (i.e. social value, emotional value, functional value) and brand identification on brand loyalty. The data was collected through a survey questionnaire spreading among customers using smartphones from Karachi, Pakistan. A total of 312 sample data were analyzed and delivered statistical results by developed hypotheses. SmartPls Sem and SPSS were used to test the hypotheses. The study found a positive and significant relationship between consumer values, brand identification, loyalty, and purchase intention. The study found brand loyalty mediates the relationship between functional, social value and brand identification, and intention of purchase except for emotional value. The study results recommend that marketers would analyze and focus on the customer's emotional values more as it influences the decision-making behavior and intention to buy the smartphone of the customer in order to get a better return on investments in marketing promotions..

Keywords: Consumer Values, Brand Identification, Brand Loyalty, Purchase Intention, Functional Value

In the late 90s, the smart phones came into the market of consumer. At that time, consumer perception to buy the smart phones was very low. The smartphone market got popularity, when Apple's iPhone introduced in the market in 2007 (Junghun Kim, Hyunjoo Lee, & Lee, 2019). The features offers by iPhone were new, friendly and interesting for consumers such as virtual keyboard and interface of touch screen. While, the first Android smartphone introduced in 2008 in the consumer market (O'Dea, 2021). Nowadays, Smartphones have become the most necessary electronic device and it has total changed the life style of the customers and gives great value to the customer (Yeh, Wang, & Yieh, 2016).

The 71% of world's population and experts have accepted that smartphones are more useful and will increases more than the computers in future due to its development, versatility and portability functions (Deloitte, 2017; Junghun Kim et al., 2019). In 2020, the major countries have smartphones proportion more than 50%. The countries include Saudi Arabia, United Kingdom (UK), Sweden, United Arab States (UAE), and Norway (Shakoor, Fakhar, & Abbas, 2021). The number of smartphone users



are high in high populated countries, china 851.15 million and India 345.92 million by 2019. The total smartphones sold to the consumer were 1,1535.36 millions from 2007 to 2021 (O'Dea, 2021).

The global smartphone revenue was \$784.96 billion in 2020 and it will expected to grow 11.2% from 2020 to 2025 and will reach \$1,1351 billion dollar by 2025 (O'Dea, 2021). The smartphone market has been expanding rapidly at global level, and it has expected to grow as in 2025, 5.9 billion individual will own smartphones (GSMA, 2019). At global level, Samsung is the market leader has 28.36% market shares. apple is at second place 27.43%, Xiami 10.3%, Huawei 9.27%, Oppo 5.28% and Vivo 3.95% (Statcounter, 2021). From March 2020 to 2021, mobile operating system of Android and Apple market share dominate the market of smartphone globally. Android 71.81%, iPhone (iOS) 27.43%, Samsung 0.38%, KaiOS 0.14%, unkown 0.14% and Linux 0.02% (Statcounter, 2021).

Technology of mobile phone comes after 1990s, and growth of the communication industry has been increasing rapidly. The technology of mobile phone and its development has been making the life of users simpler, quicker and easier (Ahmed Muneeb Mehta, Khan, Jaffar Mahmood Butt, Maham Tariq, & Khali, 2020). On the list of countries with high penetration in smartphone terms, Pakistan ranked is 21 (Ahmed Muneeb Mehta et al., 2020). The smart phone sales the smartphone connections were 132.9 million in 2019, It has increased by 164.9 million in 2020, the users has been increasing day to day and expected to grow more (Kemp, 2020). In coming days, Oppo and Vivo are expected to down the market of Huawei due to US ban. In Pakistan (Faheem Shakoor, Ayesha Fakhar, & Abbas, 2021). Android 40.17%, Windows 32.39%, iOS 16.47%, OS X 7.07%?, unknown 1.74% and Chrome OS 0.89% (Statcounter, 2021).

The total smartphone users were 32.5 million in 2019 (Kemp, 2020). From 1990s to 2021 the smartphone market has been growing constantly (Ahmed Muneeb Mehta et al., 2020). The Samsung has highest market share in Pakistan that is 25.2%, second is Huawei 13.56% and Oppo at third place, close to Huawei 12.31% and Vivo is at fourth 9.23 (Statcounter, 2021). While, mobile operating system of Android and Windows market share dominate the market of smartphone in Pakistan. The Samsung has become the game changer of the smartphone markets globally. Therefore this would be interesting for all smartphones brand how customer values and identification enhance the loyalty and purchase intention (Ahmed Muneeb Mehta et al., 2020).

Previous studies found that the customer values and identification of brand plays the most vital part and become the most significant factors that enhance the brand loyalty (Ching-Hsuan Yeha, Yi-Shun Wanga, & Yiehb, 2015) and purchase intention (Yeh et al., 2016), Customer retention toward the brand increases the purchase intention of the customer (Junghun Kim et al., 2019). In considering the smartphone market positive growth rate of market and the game changer (Ahmed Muneeb Mehta et al., 2020). This study bridges the gap from the past existing literature by determining the consumer values (namely, functional, emotional and social value) and identification of brand that have direct or indirect impact on purchase intention by which smartphone brands and manufacturers will identify the loyalty and purchase intention of customer in smartphone brand.

Literature Review Background Theory

IJGEF

Consumption Value Theory

According to (Sheth et al., 1990), Theory of consumption value focuses on values of consumption that explaining consumer preference to buy (use) or not buy (not use) a specific service and product and consumer preference to choose one brand (product/service) over another brand (product/service). The consumption value has multidimensional facet. It helps consumer to make a purchase decision about either using a specific brand, or buy service or buy product. The model has



age 4,2

five attributes that include emotional, functional, social, epistemic, and conditional (Karjaluoto, Glavee-Geo, Ramdhony, Shaikh, & Hurpaul, 2020). Previously, the studies applied consumption value theory on the relationship between consumer values and customer purchase intention (Baek & Oh, 2021)

Identification Theory

IJGEF

The concept of identification was developed from social identification and consumer-company identification theory (Fazli-Salehi, Azadi, Torres, & Zúñiga, 2020). Consumer-company identification theory was proposed by Bhattacharya and Sen (2003), stated that extent to which brand identify by the customer that related to in role behaviors (e.g. repurchase and utilization of product) and extra role consumer behavior. The social identity theory proposed by (Tajfel, 1978; Tajfel & Turner, 1979) stated that brand could change the behaviors of individual. consumer modify their self-concept and self-identity (Fazli-Salehi et al., 2020). The consumer brand identification motivates by two mechanism include the need for consistency and the need for self-esteem. High identity congruence/similarity between a brand and consumer facilitate strong belongingness of consumer and develop identification. It raise purchase intention (Rather et al., 2019). Previously, the social identity theory and consumer-company identification theory were applied on the relationship of brand identification, loyalty and purchase intention of customer (Fazli-Salehi et al., 2020).

Previous Studies

Purchase Intention

It is defined as it is consumer preference to buy the service or product (Dash, Kiefer, & Paul, 2021). Choi and Lee (2019) said that it is consumer preference to purchase service/product accompanied by psychological changes. It demonstrate consumer' expected future behavior, value perception, attitude and belief. Ahmed Muneeb Mehta et al. (2020) said that in term of marketing, positive intention of customer to buy a product/service leads to maximize the profit, market share, and return on investment. It helps to enhance the product marketing and easy to reach the target audience (Ahmed Muneeb Mehta et al., 2020; Skowron & Sak-Skowron, 2021). Previous studies found that the customer values and identification of brand significantly influence the brand loyalty (Ching-Hsuan Yeha et al., 2015) and purchase intention (Yeh et al., 2016). Karjaluoto et al. (2020) found positive influence of emotional, functional and epistemic value on trust and intention in mobile banking services.

Peng, Zhang, Wang, and Liang (2019) investigated the relationship between perceived value and purchase intention in sales promotion of social e-commerce in China. Yoo and Park (2016) examined the difference between to non-luxury and luxury products of the brand and suggested that social values can offer additional benefits to consumers and maximize the customer purchase intention. Rather et al. (2019) examined the relationship between brand identification, commitment, satisfaction and trust on customer intention in hospitality sector in India. The study argued that social identity effects cognition of individual, issues, events evaluation that leads to increase the intention in hospitality sector.

Brand Loyalty

It is defined as favorable attitude of consumer toward a brand that consequence in intention to recommend and repurchase the particular brand (Karjaluoto et al., 2020). Ahmed Muneeb Mehta et al. (2020) said that it build significant role in the relationship between consumer and manufacturer. It increases the profit of the organization and market shares. Choi and Lee (2019) examined the impact of trust, perceived value, brand loyalty, safety information for cosmetics on the customer purchase intention in mobile online context. The loyalty of customer on specific brand increases the chances of repurchase. Junghun Kim et al. (2019) investigated the effect of smart phone preference and brand



Paged 3

loyalty on purchase intention in smart phone industry in South Korea. The study found strong effect of consumer values, satisfaction and brand loyalty on customer purchase intention in apple brand than Samsung. The study demonstrated that high interest in brand increase the loyalty and purchase intention.

Gan and Wang (2017) argued that the users of mobile conveniently, easily and quickly find out the preferred brand on online websites or the user feels that the preferred product availability on websites has good value for value. Ching-Hsuan Yeha et al. (2015) argued that consumers extend their personality to smartphone by using decorations and personalized ringtones found that smartphone brands hold unique identities that increase the brand loyalty and purchase intention of the customer. Wilk, Soutar, and Harrigan (2021) argued that high brand identification increase the intention of consumer to purchase the service or product. Brand identification create bond between consumer and brand. It builds strong commitment to repurchase the product.

Functional Value

IJGEF

It is defined as the attributes of the product that help to create value. It is the perceived utility or benefits which is acquired from an capacity of alternative for either physical performance, utilitarian and functional (Karjaluoto et al., 2020). Peng et al. (2019) argued that it minimizes the risk, and financial loss of the brand. It increases the sell and profit of the brand. (I. Kim, Jung, & Lee, 2021). Yeh et al. (2016) found positive impact of functional value on brand loyalty in smartphone industry in Taiwan. The study argued that offers high functional value earns consumers' preference and loyalty. Baek and Oh (2021) argued that outlets offer easy and convenient access of large desirable second hand items in online fashion rental services increase the intention of purchase. The availability of resources, mention quality of product such as types, size charts etc. enhance the positive attitudes of customer and intention. Rasoolimanesh et al. (2020) found that functional value influence positively that increases the revisit intention of the customer in guesthouse in Kashan, Iran.

Peng et al. (2019) investigated the relationship between perceived value and purchase intention in sales promotion of social e-commerce in China. The study argued that customer observed the functional value of commodity under the pressure of time that increase the psychological stress experience to induce aversion of risk that lead to delay the purchase intention to avoid loss. Watanabe, Alfinito, Curvelo, and Hamza (2020) argued that function value is related to the property of product to achieve its functional goals. The study found positive impact of emotional, functional, social and economic value on trust and purchase intention in organic food industry in Brazil. The study suggested that functional value is associated with customer perception in making a choice to buy an organic food. The purchase intention influences positively by safety, health benefits, environment, availability of resources and quality. The study demonstrated that offers best features of the product, convenient and easy access to the brand positively increase the purchase intention

Social Value

It is defined as an ability of product to evoke a social image. It help customer recognition in a group (demographic, cultural or socioeconomic group (Karjaluoto et al., 2020). It accounts for the social order uniformity and stability in the interaction of people in a group(J. Kim, Lee, & Lee, 2020). It promotes the social unity, social acceptance and sense of belonging. It helps to accept/modify rules of sets (I. Kim et al., 2021). Baek and Oh (2021) argued that social approval and self-presentation of favorable increases the willingness to buy the product. Peng et al. (2019) argued that social value factors are more irrational than functional value. Choi and Lee (2019) argued that high social pride increases the loyalty of brand.

Yeh et al. (2016) argued that women and young consumers are more loyal toward the brand and the loyalty positively affected by social values in Taiwan. Liao & Hsieh (2013) argued that consumer use smartphone specifically (iPhone) as a symbol of high social status and luxury product. According to Pihlstorm and Brush (2008) sharing, the usage experience feedback from the consumers increases the



^{age}44

social interaction of consumers. The high social value with the specific product or brand can evaluated by the positive responses of consumer such as accepting the price of premium and disseminating positive information. (Diallo, Moulins, & Roux, 2020). McNeil & Venter (2019) argued that consumers get social acceptance through participating in fashion consumption collaboration in fashion markets. For instance, purchases of second hand items. Gan and Wang (2017) found that perceived value (social value) positively increase the purchase intention in Chineses' customers.

Emotional Value

IJGEF

It is defined as the feelings or emotions of the derived from goods' consumption that can change emotional and affective state of the consumer either negatively/positively functional (Karjaluoto et al., 2020). Customer keeps shopping repeatedly from that brand, who cares for emotions of customers. For instances Nike design sports shoes more comfortable for their customer that increase the inspiration of customer (I. Kim et al., 2021). Consumers may experience emotional value such as playfulness and pleasure from smartphone usage and exploration (Alba & Williams, 2013; Arruda-Filho et al., 2010). Liao and Hsieh (2013) also pointed out that the fashionable and aesthetic appearance of smartphones contributes emotional value.

Baek and Oh (2021) found strong influence of emotional values on loyalty, attitudes and purchase intention in fashion rental services specifically clothes rental services. Rasoolimanesh et al. (2020) argued that fulfill the expectation of the customers develop positive feelings that in turn maximize the revisit intention in guesthouse in Iran. Junghun Kim et al. (2019) argued that customer wants attached emotionally with the brand such as after-sales services, style, more colors and fashionable appearance. Martins, Costa, Oliveira, Gonçalves, and Branco (2019) argued that emotional value develops during or after view the advertising. The advertising creates emotions attachment toward the brand.

Peng et al. (2019) investigated the relationship between perceived value and purchase intention in sales promotion of social e-commerce in China. The study argued that emotional value influences by time pressure, the decision to buy the product is also negatively influences by the negative emotions such as stress, worry, anxiety, and tension increases due to short time. The study found that time pressure moderates the negative impact of emotional value on customer purchase decision. The study suggests that emotional value should consider with time management. emotional attachment of consumer with brand enhance the willingness of consumer to buy that brand's product or service.

Brand Identification

It is defined as the visible brands' elements such as logo, design, and color, which identify the brand and distinguish in the mind of consumer (Nicola Stokburger-Sauer, S. Ratneshwar, & Sankar Sen, 2012). A degree to which consumer identifies the image of brand (Fazli-Salehi et al., 2020). According to Nicola Stokburger-Sauer et al. (2012) brand identification plays an important role to enhance the brand loyalty and purchase intention of customers. It helps consumer to identify the brand fit. High identity of brand attracts consumer to spend more money and buy product repeatedly (Rather et al., 2019). It increases the quality perception, loyalty, brand awareness, recognition, and reliability, consistency, experience, and brand differentiation. It increases the competitive advantage and profitability of brand. It helps retain customer toward the brand.

Diallo et al. (2020) examined the relationship between, consumer values and brand loyalty in retailing industry in France. The study argued identification of brand (e.g. symbols, images, logos) increases the brand social powers. N. Stokburger-Sauer, S. Ratneshwar, and S. Sen (2012) examined the impact of brand identification on brand loyalty and customer purchase intention in four product categories including grocery store, soft drinks, cell phone and athletic shoes and found that the identification enhance the retention and prevent consumers from switching to other brands. Fazli-Salehi et al. (2020) investigated the outcomes and antecedent of identification of brands with Apple





products between consumers of Iran. The study found positive impact of brand identification affected by perceived quality and self-expressiveness that positively increase brand loyalty. Previous studies found positive impact of brand identification on purchase intention. The studies demonstrated that identification of brand by consumer increase the willingness of customer to buy product or services.

Methodology

IJGEF

The purpose of this study was explanatory. Quantitative approach was used, in which mathematical techniques and numerical analysis of data, examine the problems' causes and effects to make the interpretation on the results. For this study, data collected through online questionnaire, which prepared on Google forms. The questionnaire administered via link to the maximum number of online customers usually young generation. The data was collected only from those customers, who use smartphones. However, the study has focused on those customers, whom buy smartphone brands such as iPhone, Samsung, Oppo, Vivo, Huawei etc. Karachi has selected for the following reasons, as the population is higher in Karachi than other cities, majority of Karachi (Pakistan) peoples like to buy smartphones. This study used convenience-sampling technique. A total 230 sample data was collected. Data was analyzed to measure the statistical outcomes and conceptual model. Sample size was been measured by (Kline, 2015), the N: q (23 items x 10 = 230 sample).

The items of the questionnaire were adapted from different sources in existent literature. Moreover, measures mostly adopted from past research papers with acceptable reliability (Cronbach's alpha). The questionnaire has five-point Likert-scale ranging from (1) "strongly disagree" to (5) "strongly agree" was employed to measure all variables. The obtained data were analysis by the using the two software that includes SPSS and PLS-SEM). The initial analysis on the given data sample assessed by using SPSS software. However, PLS-SEM software used to assess both the structural and measurement models (Salem & Salem, 2019; Soomro, 2019).

Data

For this research 320 questionnaires were distributed among the customers, like to use smartphones. The participants returned 315 questionnaire in which 312 questionnaire were identified as useful. The participant profile, results showed that 51.3% of participants were male and 48.7% were female. 14.4% participants were belongs to age group below 25, 48.1% were between 26 to 30 age, 27.2% participant age were between 31 to 40 and 10.3% participants were above 40s age. 9.0% participants had cleared diploma, 35.3% had bachelor's degree, 53.2% participants had master's degree and 2.6% participants had PhD degree. 2.9% participants had income between Rs 30,000 to Rs 45,000, 17.6% participants had income between Rs 46,000 to Rs 60,000, 31.1% participants had income between Rs 61,000 to Rs 75,000 and 48.4% had above Rs 75,000 income. 24.4% participants liked smartphone brand iPhone, 27.2% liked Samsung, 19.9% liked Vivo and 28.5% liked others smart phone. The descriptive statistics of variables, represent that the scores of mean of the variables are from 3.4 to 3.9 and the standard deviation values from 0.69 to 0.94.

Model Development

Based on the above theoretical and empirical discussion, the following hypotheses presented as,

- H1: Functional value has positive impact on brand loyalty.
- H2: Emotional value has positive impact on brand loyalty.
- H3: Social value has positive impact on brand loyalty.
- H4: Brand identification has positive impact on brand loyalty.
- H5: Functional value has positive impact on purchase intention.



- H6: Emotional value has positive impact on purchase intention.
- H7: Social Value has positive impact on purchase intention.
- H8: Brand identification has positive impact on purchase intention.
- H9: Brand loyalty has positive impact on purchase intention.
- H10: Brand loyalty mediates the influence of functional value on purchase intention.
- H11: Brand loyalty mediates the influence of emotional value on purchase intention.
- H12: Brand loyalty mediates the influence of social value on purchase intention.
- H13: Brand loyalty mediates the influence of brand identification on purchase intention.

Method

The study was assessed first the measurement model for reliability and validity of the constructs used. The structural model was assessed for the hypothesized structural relationships, using PLS-SEM. Figure 4.1 shows the results of algorithm, which shows path coefficient.

Results and Analysis

JGEF

The convergent validity examined by each items loadings were determined first before outer model assessing. The results showed that each items factor loading were above 0.7 except EV3. The item (EV3) was deleted to retaining 22 items that had loading between 0.724 and 0.941. The results show the values of Cronbach's alpha and composite reliability scores of all variables are above 0.7, indicated that all the variables were highly reliable, and the average variance extracted value of each variable was above than the cutoff point of 0.50, which shows that the measurement model was reliable for further analyses. The factor loading values of constructs were greater in their own constructs when compared to the other loadings in other constructs. Therefore, discriminant validity using cross loadings is achieved. The HTMT results showed the values of all constructs were below the threshold value of 0.9 (Henseler & Fassett, 2010). Hence, the discriminant validity has been achieved. The result showed that purchase intention R square value was 0.563 that is near to substantial and loyalty R square value was 0.512. Hair, Risher, Sarstedt, and Ringle (2019) stated variables by considering the t-values of each beta. Table 1 showed the direct relationships of consumer values and loyalty.

Table 1

Results of Hypothesis Testing: Direct Relationship with Brand Loyalty

Hypotheses	Relationship	Beta	SE	T-Value	P-Value	Decision
H1	FV -> BL	0.195	0.066	2.923	0.002	Supported
H2	SV -> BL	0.163	0.046	3.509	0.000	Supported
H3	EV -> BL	0.130	0.065	2.003	0.023	Supported
H4	BI -> BL	0.429	0.055	7.784	0.000	Supported

Note: FV= Functional Value; SV = Social Value; BI = Brand Identification; EV = Emotional Value, BL = Brand Loyalty, PI = Purchase Intention

The results show that the effect of functional value (t = 2.923), social value (t = 3.509), emotional value (t = 2.003) and brand identification (t = 7.784) are significant and positive on loyalty The result supported hypothesis 1, 2, 3 and 4. The direct relationships of consumer values and purchase intention's results show by Table 2. The results are as follows:



International Journal Of Global Economics and Finance

Table 2

Results of Hypothesis Testing: Direct Relationship with Purchase Intention

Hypotheses	Relationship	Beta	SE	T-Value	P-Value	Decision
Н5	FV -> PI	0.130	0.053	2.418	0.008	Supported
H6	SV -> PI	0.223	0.058	3.821	0.000	Supported
H7	EV -> PI	0.097	0.055	1.872	0.031	Supported
H8	BI -> PI	0.305	0.084	3.668	0.000	Supported
H9	BL -> PI	0.221	0.080	2.666	0.004	Supported

Note: FV= Functional Value; SV = Social Value; BI = Brand Identification; EV = Emotional Value, BL = Brand Loyalty, PI = Purchase Intention

The results show that the effect of functional value (t = 2.418), social value (t = 3.821), emotional value (t = 1.872), brand identification (t = 3.668) and loyalty (t = 2.666) are significant and positive. The result supported hypothesis 5, 6, 7, 8 and 9. Table 3 shows the indirect relationship between consumer values and intention. The results found from the structural model assessment are that loyalty mediates the relationship between customer values and intention except emotional value.

Table 3 Results of Hypothesis Testing: Indirect Relationships with Purchase Intention Hypotheses Relationship Beta SF t-value P-v

Hypotheses	Relationship	Beta	SE	t-value	P-value	Decision
H10	FV -> BL -> PI	0.042	0.019	2.130	0.017	Supported
H11	SV -> BL -> PI	0.036	0.018	1.933	0.027	Supported
H12	EV -> BL -> PI	0.029	0.019	1.434	0.076	Not Supported
H13	BI -> BL -> PI	0.096	0.039	2.335	0.010	Supported

Note: FV= Functional Value; SV = Social Value; BI = Brand Identification; EV = Emotional Value, BL = Brand Loyalty, PI = Purchase Intention

The results indicated the positive and partially mediation of loyalty between functional value (t = 2.130), social value (t = 1.933), brand identification (2.334) and intention were statistically significant. Thus, Hypotheses 10, 11 and 13 were supported. The result showed insignificant effect of loyalty as a mediator between emotional value and intention (t =1.434). Thus, Hypotheses 12 was not supported

Table 4

Mediator Hypothes	is Testing		
Hypotheses	Relationship	Beta	Decision
H12	FV-> BL -> PI	0.042	Partial Mediation
H13	SV -> BL -> PI	0.036	Partial Mediation
H15	EV -> BL -> PI	0.029	No Mediation
H16	BI -> BL -> PI	0.096	Partial Mediation

Note: FV= Functional Value; SV = Social Value; BI = Brand Identification; EV = Emotional Value, BL = Brand Loyalty, PI = Purchase Intention



International Journal Of Global Economics and Finance

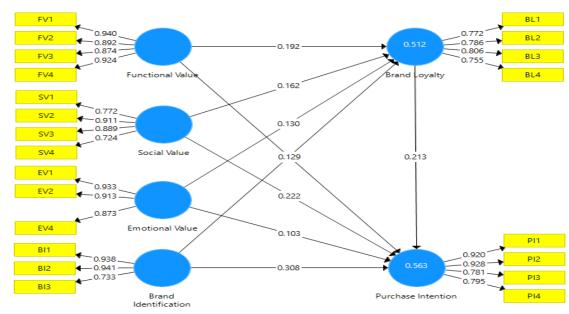


Figure 1 Results of Measurement Model (PLS-Algorithm) **Note:** FV= Functional Value; SV = Social Value; BI = Brand Identification; EV = Emotional Value, BL = Brand Loyalty, PI = Purchase Intention

Conclusion and Recommendation Conclusion

IJGEF

The current study's objective is to determine the effect of customer values on the purchase intention. Customer values include emotional, functional, and social value. Further, the study aims to examine the mediating role of loyalty between customer values and purchase intention of customer in smartphone industry in Pakistan. The finding of this study was supported the previous studies findings. The theories have applied on this study includes consumption value theory (Sheth et al., 1990), and consumer-company identification theory. The present study developed 13 hypotheses. 12 hypotheses were supported, giving much empirical support to the research model. The study found positive and significant effect of functional, social, emotional value, brand identification, on loyalty. The study found brand loyalty mediates the relationship between functional, social value and brand identification and intention of purchase except emotional value.

The results show that H1 to H4 were supported. Junghun Kim et al. (2019) argued that in the smartphone market, manufacturer gain competitive advantage by offering functional attributes by offering monthly payments and location based services. The brand offers functional attributes (mobile operating system devices), related with security, performance and application positively influence the brand loyalty (Fazli-Salehi et al., 2020), supported H1. Choi and Lee (2019) found positive influence of perceived value (social value) on purchase intention. The study demonstrated that social acceptance, approval, self-esteem and customer good impression on others increase the intention to buy the green grade cosmetic repeatedly in online green cosmetic industry in Korea, supported H2.

Pihlström and Brush (2008) argued that consumers perceive greater emotional value in a product/brand. They show more brand loyalty as measured by repurchase intentions, willingness to pay, and positive word-of-mouth., supported H3. Diallo et al. (2020) found that brand identification has positive impact on loyalty (normative). The results demonstrated that the identification of brand (e.g. symbols, images, logos) increases the brand social powers that positively increase the normative loyalty, supported H4. The results show that H5 to H8 were supported. Baek and Oh (2021) found that positive influence of functional value on attitudes and intention. Rasoolimanesh et al. (2020) stated





that fulfil the customer communication needs. Introduce high social status and make good relationship with customer enhance the social value of customer that positively increases satisfaction and revisit intention of tourists.

Gan and Wang (2017) argued that when user has good experience and enjoy shopping by using e-commerce websites, generate satisfaction of customer that positively increases the customer purchase intention. The results found that value such as social, and emotional value positively increase the purchase intention. Rather et al. (2019) found that brand identification develop and creates affective commitment that positively increase the loyalty and intention, supported H5, H6, H7 and H8. Choi and Lee (2019) found significant relationship between brand loyalty and purchase intention. The study demonstrated that the repeatedly and satisfactory purchase (hard-core loyalty) of the customer from specific brand increases the customer purchase intention in green grade cosmetics, supported H9.

The findings of the present study supported H10, H11 and H13 significantly and positively. H12 was not supported by findings. Peng et al. (2019) functional and social value more influence by the judgment such as comments and opinion of friends. These values positively influence the loyalty and customer purchase decision. Martins et al. (2019) argued that emotional value is depend on the advertising type. Wilk et al. (2021) found that brand loyalty mediates the relationship between brand identification and purchase intention. The study argued that high brand identification increases the intention of consumer to purchase the service or product. Brand identification create bond between consumer and brand. It builds strong commitment to repurchase the product.

Managerial Implications

IJGEF

This study helps marketers to understand the Purchase Intention behavior of customers in the market of Pakistan. They can design or mold their marketing promotional campaigns to communicate their message effectively to the target market for new smartphone brand launch. The findings of this study are important for the enhancement of the brand loyalty and purchase intention in the south Asia region in general. It helps to assist their customers. It helps to develop long-term relationships. It can help in maintaining a customer purchase intention to buy smartphone. This study helps manufacturer to understand better the importance of providing design that is more stylish and features in the smartphone with significant development to increase the sales. It helps to gain a large pool of the loyal customers.

Future Recommendations

The results suggested that marketers should analyze and focus on the emotional value more as it is influence the decision-making behavior and intention to buy the smartphone of the customer in order to get better return on investments on marketing promotions. In future, the researchers may consider other sectors such as textile, jewelry, fashion etc. as fashion industries such as clothing, jewelry or shoe industry encourage more customer values to buy the product. The study may consider collecting the data from other major cities in Pakistan such as Lahore Islamabad and Peshawar. In future research such as psychological value, service value, personal value or monetary value can be used.

References

Ahmed Muneeb Mehta, Khan, Z. U., Jaffar Mahmood Butt, Maham Tariq, & Khali, R. (2020). THE GAME CHANGER; UNDERSTANDING HOW BRAND IMAGE AND CUSTOMER SATISFACTION INFLUENCES BRAND LOYALTY. A STUDY OF SAMSUNG MOBILE PHONES IN PAKISTAN. .



^{age}5(

- Apuke, O. D. (2017). Quantitative Research Methods : A Synopsis Approach. *Kuwait Chapter of Arabian Journal of Business and Management Review, 6*(11), 40-47. doi:10.12816/0040336
- Baek, E., & Oh, G. G. (2021). Diverse values of fashion rental service and contamination concern of consumers. *J Bus Res, 123*, 165-175. doi:10.1016/j.jbusres.2020.09.061
- Ching-Hsuan Yeha, Yi-Shun Wanga, & Yiehb, K. (2015). Predicting smartphone brand loyalty: Consumer value and consumer-brand identification perspectives. doi:10.1016/j.ijinfomgt.2015.11.013
- Choi, & Lee. (2019). Effect of Trust in Domain-Specific Information of Safety, Brand Loyalty, and Perceived Value for Cosmetics on Purchase Intentions in Mobile E-Commerce Context. *Sustainability*, 11(22), 6257. doi:10.3390/su11226257
- Dash, G., Kiefer, K., & Paul, J. (2021). Marketing-to-Millennials: Marketing 4.0, customer satisfaction and purchase intention. *J Bus Res, 122*, 608-620. doi:10.1016/j.jbusres.2020.10.016
- Deloitte. (2017). The rise of mobility as a service compressed.

IJGEF

- Diallo, M. F., Moulins, J.-L., & Roux, E. (2020). Unpacking brand loyalty in retailing: a three-dimensional approach to customer–brand relationships. *International Journal of Retail & Distribution Management*, 49(2), 204-222. doi:10.1108/ijrdm-03-2020-0115
- Faheem Shakoor, Ayesha Fakhar, & Abbas, J. (2021). Impact of Smartphones Usage on the Learning Behaviour and Academic Performance of Students: Empirical Evidence from Pakistan. doi:10.6007/IJARBSS/v11-i2/8902
- Fazli-Salehi, R., Azadi, M., Torres, I. M., & Zúñiga, M. Á. (2020). Antecedents and Outcomes of Brand Identification with Apple Products among Iranian Consumers. *Journal of Relationship Marketing*, 1-21. doi:10.1080/15332667.2020.1755948
- Gan, C., & Wang, W. (2017). The influence of perceived value on purchase intention in social commerce context. *Internet Research, 27*(4), 772-785. doi:10.1108/IntR-06-2016-0164
- GSMA. (2019). The Mobile Gender Gap Report.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, *31*(1), 2-24. doi:10.1108/ebr-11-2018-0203
- Henseler, J., & Fassett. (2010). Testing moderating effects in PLS path models: An illustration of available procedures. In: Handbook of partial least squares
- Junghun Kim, Hyunjoo Lee, & Lee, J. (2019). Smartphone preferences and brand loyalty: A discrete choice model reflecting the reference point and peer effect. *Journal of Retailing and Consumer Services*. doi:10.1016/j.jretconser.2019.101907
- Karjaluoto, H., Glavee-Geo, R., Ramdhony, D., Shaikh, A., & Hurpaul, A. (2020). consumer values and mobile banking services: uderstanding the urban-rural dichotomy in a developing economy. *International Journal of Bank Marketing*.
- Kemp, S. (2020). DIGITAL 2020: 3.8 BILLION PEOPLE USE SOCIAL MEDIA. Retrieved from https://wearesocial.com/blog/2020/01/digital-2020-3-8-billion-people-use-social-media
- Kim, I., Jung, H. J., & Lee, Y. (2021). Consumers' Value and Risk Perceptions of Circular Fashion: Comparison between Secondhand, Upcycled, and Recycled Clothing. Sustainability, 13(3), 1208. doi:10.3390/su13031208
- Kim, J., Lee, H., & Lee, J. (2020). Smartphone preferences and brand loyalty: A discrete choice model reflecting the reference point and peer effect. *Journal of Retailing and Consumer Services*, 52, 101907. doi:10.1016/j.jretconser.2019.101907
- Kline, R. B. (2015). Principles and practice of structural equation modeling. Guilford publications.
- Martins, J., Costa, C., Oliveira, T., Gonçalves, R., & Branco, F. (2019). How smartphone advertising influences consumers' purchase intention. *J Bus Res, 94*, 378-387. doi:10.1016/j.jbusres.2017.12.0470'Dea, S. (2021). Smartphones Statistics & Facts.
- Peng, L., Zhang, W., Wang, X., & Liang, S. (2019). Moderating effects of time pressure on the relationship between perceived value and purchase intention in social E-commerce sales promotion: Considering the impact of product involvement. *Information & Management*, 56(2), 317-328. doi:10.1016/j.im.2018.11.007



Rasoolimanesh, S. M., Iranmanesh, M., Amin, M., Hussain, K., Jaafar, M., & Ataeishad, H. (2020). Are functional, emotional and social values interrelated? A study of traditional guesthouses in Iran. *International Journal of Contemporary Hospitality Management, 32*(9), 2857-2880. doi:10.1108/ijchm-03-2020-0193

IJGEF

- Rather, R. A., Tehseen, S., Itoo, M. H., & Parrey, S. H. (2019). Customer brand identification, affective commitment, customer satisfaction, and brand trust as antecedents of customer behavioral intention of loyalty: An empirical study in the hospitality sector. *Journal of Global Scholars of Marketing Science*, 29(2), 196-217. doi:10.1080/21639159.2019.1577694
- Salem, S. F., & Salem, S. O. (2019). Effects of Social Media Marketing and Selected Marketing Constructs on Stages of Brand Loyalty. *Global Business Review*, 097215091983086. doi:10.1177/0972150919830863
- Shakoor, F., Fakhar, A., & Abbas, J. (2021). Impact of Smartphones Usage on the Learning Behaviour and Academic Performance of Students: Empirical Evidence from Pakistan. doi:10.6007/IJARBSS/v11-i2/8902
- Skowron, L., & Sak-Skowron, M. (2021). Environmental Sensitivity and Awareness as Differentiating Factors in the Purchase Decision-Making Process in the Smartphone Industry—Case of Polish Consumers. Sustainability, 13(1), 348. doi:10.3390/su13010348
- Soomro, Y. A. (2019). Antecedents of brand loyalty in the fashion industry of Pakistan: Moderating effect of Individual-level collectivist values. *Journal of organisational Studies and Innovation, 6*(9). Statcounter. (2021). <u>https://gs.statcounter.com/</u>.
- Stokburger-Sauer, N., Ratneshwar, S., & Sen, S. (2012). Drivers of consumer–brand identification. *International Journal of Research in Marketing, 29*(4), 406-418. doi:10.1016/j.ijresmar.2012.06.001
- Stokburger-Sauer, N., Ratneshwar, S., & Sen, S. (2012). Drivers of customer–Brand identification. International Journal of Research in Marketing, 29(4), 406–418., 29(4), 406-418.
- Teichmann, K., Scholl-Grissemann, U., & Stokburger-Sauer, N. E. (2016). The Power of Codesign to Bond Customers to Products and Companies: The Role of Toolkit Support and Creativity. *Journal of Interactive Marketing*, *36*, 15-30. doi:10.1016/j.intmar.2016.03.006
- Watanabe, E. A. d. M., Alfinito, S., Curvelo, I. C. G., & Hamza, K. M. (2020). Perceived value, trust and purchase intention of organic food: a study with Brazilian consumers. *British Food Journal*, *122*(4), 1070-1184. doi:10.1108/bfj-05-2019-0363
- Wilk, V., Soutar, G. N., & Harrigan, P. (2021). Online brand advocacy and brand loyalty: a reciprocal relationship? *Asia Pacific Journal of Marketing and Logistics, ahead-of-print*(ahead-of-print). doi:10.1108/apjml-05-2020-0303
- Yeh, C.-H., Wang, Y.-S., & Yieh, K. (2016). Predicting smartphone brand loyalty: Consumer value and consumer-brand identification perspectives. *International Journal of Information Management*, 36(3), 245-257. doi:10.1016/j.ijinfomgt.2015.11.013
- Yoo, J., & Park, M. (2016). The effects of e-mass customization on consumer perceived value, satisfaction, and loyalty toward luxury brands. *Journal of Business Research, 69*, 5775-5784.