Investigating the Impact of Customer Expected Value on Customer Loyalty in Companies Which Provide Computer Equipment in Iran

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Abstract: The aim of the present research is to investigate the effect of customer expected value on customer loyalty in the companies which provide Iran’s computer equipment (Maadiran, Samservice, and Iranrahjoo). The present research is an applied research regarding its aim and it utilizes survey regarding the method. The population of this research is all the customers of Iranrahjoo, Samservice and Maadiran companies. They have chosen to purchase the computer equipment provided by Iranrahjoo, Samservice and Maadiran companies. The number of samples is 390 in this research which were selected through random selection among the customers of the intended companies in Tehran. The relationship between customer expected value on customer loyalty which includes (the brand image, the company’s image, the trust of the employees and the trust of the company, the quality of service, cost, customer value, and customer loyalty) was studied in this research. A standard questionnaire which includes 34 items was used in order to collect data. The reliability of the questionnaire which is divided into 8 sections was approved through Cronbach’s alpha coefficient. The results indicate that the primary alpha is within an acceptable range and as a result there is an acceptable and high internal consistency. Therefore it could be concluded that all the variables of the research are sufficiently reliable. The analyses carried out through using the summarized information of the customers of the companies which provide computer equipment indicate that there is no significant relationship between all the aspects of the brand and the customer’s viewpoint but customer value significantly affects loyalty.

Keywords: Brand, image, trust, service quality, customer value, customer loyalty

I. Introduction

Taking into consideration the competition which has been formed between the companies which provide the country’s computer equipment revolving around the issues of attracting customers and satisfying them, these companies especially the leading and more successful companies which enjoy efficient and modernist managers, are constantly searching for modern approaches to promote key performances and competition indexes such as increasing sales, increasing services and… and especially increasing the number of purchases the current customers make again. The necessity for the companies which provide computer equipment to increase their knowledge in the field of customer performance and behavior is absolutely clear under current conditions. Inline with this issue, topics such as customer expected value and customer loyalty concentrate on some aspects of customer’s decision making in going back for other purchases and this important point has not been noted and investigated in other similar discursive samples such as different types of customer satisfaction (America, Singapore …). Through presenting a novel viewpoint on the relationship between customer value- customer loyalty it is possible to achieve deeper understanding of fields about tendency to purchase and making other purchases from a company which provides computer equipment. Taking into account the mentioned points, it will become clear that customer satisfaction by itself is not trustworthy index in the repeated purchase of the company and the marketers and the managers of the companies which provide computer equipment must make an effort in investigating and identifying more variables in customer tendencies area.

The present research reports results which are designed to test a model in the field of customer value in the companies providing computer equipment market. This research investigates the total performance of customer expected value- customer loyalty hypothesis among the customers of companies which provide computer equipment bearing the names Maadiran, Samservice and Iranrahjoo.

II. Problem Description

Nowadays brands reveal themselves and seem as the main capital of most of businesses. The position of brand is so vast in business and commercial organizations that Modern Management could be named Brands
Management. Brand is not merely a physical product, in contrary, it is a unique characteristic which develops and improves over time and owns tangible and abstract assets and it causes similar products to separate as time goes by. A powerful brand has a positive effect on the viewpoint of the consumers about the identity of the company. Being aware of the identity of a brand affects the perceived quality of the customers and leads to them being loyal. Based on the researches carried out, the customers search for brands which create them uniform and memorable experiences. Experiencing the brand are defined as emotions, excitements, recognitions and behavioral responses stemming from the stimulus related to the brand which is a part of designing, identity, packaging, relationships and the environments of the brand. Taking into consideration the fact that the loyalty-value process has not been attended to in the companies which provide computer equipment and the country’s computer equipment market, it seems like attending to the issue of “what is the position of the customer expected value in reality in the country’s computer equipement market and how does this important matter affect the behavior of the customers of this market” could collect new information in this field.

In fact this research intends to investigate the concept of customer value deeper through executing a quantitative research and attend to study the effect of the “brand image” on the “value-loyalty” process in the country’s computer equipment market. It has also studied a number of other extra effects which widely illustrate the viewpoint of the customers of the services. It became clear through the primary investigation that these researches have not been carried out in none of the companies which provide computer equipment in the country and this research could be considered a starting point for the companies which provide computer equipment to get into this important and basic topic.

An effort has been made in this study to carefully study the relationship between the variables through using statistics software so that the opportunity to compare the mentioned companies which provide computer equipment regarding the effect of the brand image on value-loyalty process of their customers will be provided.

The Main Hypothesis of the Research
The created expected value for the buyers of computer equipment has an effect on their loyalty.

Subsidiary Hypotheses of the Research
1- The understanding of the customer of brand image has a significant relationship with the understanding of the customer of the suggested services quality of the companies which provide computer equipment in the country.
2- The customer’s understanding of the brand image has a significant relationship with the services value in the companies which provide computer equipment in the country.
3- The customer’s understanding of the company’s image has a significant relationship with the customer’s understanding of the suggested services quality of the companies which provide computer equipment in the country.
4- The customer’s understanding of the company’s image has a significant relationship with the customer’s understanding of the created value in the companies which provide computer equipment in the country.
5- Customers’ trusts in the employees’ behavior has a significant relationship with the customer’s understanding of the services quality in the companies which provide computer equipment in the country.
6- Customers’ trust in the behavior of the employees has a significant relationship with the customer’s understanding of the value created in the companies which provide computer equipment in the country.
7- Customers’ trust in management policies has a significant relationship with the customer’s understanding of the created value in the companies which provide computer equipment in the country.
8- Customer’s understanding of the services quality has a significant relationship with the customer’s understanding of the created value in the companies which provide computer equipment in the country.
9- Customer’s understandings of the financial and nonfinancial costs of the market have a significant relationship with the customer’s understanding of the created value of the companies which provide Iran’s computer equipment.
10- Customer’s understanding of the created value has a significant relationship with customer loyalty in companies which provide computer equipment of the company.

Sampling Method
In order to carry out the sampling, assuming the normality distribution of the population and through the help of estimating the mean and success rate, the method of determining the size of the sample is used to
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estimate success rate. The number of samples is calculated through the following formula in this method in which in case the success rate of the population (p) is assumed to be 50%, level of error (α) is assumed to be equal to 0.05 and the accuracy of estimation is presumed to be 5 percent, the least amount of the volume of the sample will be 384 individuals:

\[ n = \frac{(Z_{\alpha/2})^2 \times P \times (1 - P)}{\varepsilon^2} = \frac{(1.96)^2 \times 0.5 \times (1 - 0.5)}{0.05^2} = 384 \]

In order to be more confident, more than 390 individuals were selected as the sample. On this basis 390 questionnaires were randomly distributed among the customers of the mentioned companies and they were collected after being filled out.

Evaluating the Reliability of the Questionnaire

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of items</th>
<th>Item number</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand image</td>
<td>6</td>
<td>1-2- 3- 4- 5- 6</td>
<td>.917</td>
</tr>
<tr>
<td>Company's image</td>
<td>5</td>
<td>7- 8- 9- 10- 11</td>
<td>.912</td>
</tr>
<tr>
<td>Employees' trust</td>
<td>4</td>
<td>12- 13- 14- 15</td>
<td>.891</td>
</tr>
<tr>
<td>Company's trust</td>
<td>4</td>
<td>16- 17- 18- 19</td>
<td>.916</td>
</tr>
<tr>
<td>Services quality</td>
<td>7</td>
<td>20- 21- 22- 23- 24- 25- 26</td>
<td>.920</td>
</tr>
<tr>
<td>Cost</td>
<td>3</td>
<td>27- 28- 29</td>
<td>.899</td>
</tr>
<tr>
<td>Customer value</td>
<td>4</td>
<td>30- 31- 32- 33</td>
<td>.938</td>
</tr>
<tr>
<td>Customer loyalty</td>
<td>1</td>
<td>1-2- 3- 4- 5- 6</td>
<td>.927</td>
</tr>
</tbody>
</table>

The results indicate that the primary alphas of the variables are within an acceptable range and therefore there is an acceptable and a high internal consistency. And so it could be concluded that all variables of the research are sufficiently reliable.

III. Data Analyses

Evaluating Customer Expected Value on Customer Loyalty Model in Companies Which Provide Computer Equipment in Terms of Standard Coefficients

As it can be seen in graph number ..., the route models consists of 8 hidden variables and 34 apparent variables of which five of the variables are external (BI = brand image, CI = company image and reputation, CT= employee trust, CT= trusting the company and Costs) and the three other variables are internal which include (SQ) services quality, (CV) costumer value and (CL) customer loyalty.

All the coefficients within the model are positive which indicates that the variables in the model have direct relationships with each other.
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The largest coefficient within the model is related to the effect of customer value on customer loyalty which has provided a coefficient as large as 0.98 (Beta= 0.98). Company image also has a significant impact on services quality and customer value and the amount of that impact is as large as 0.50 and 0.38 respectively.

The least amount of effectiveness was related to company brand on customer value which has created a coefficient as large as 0.09, in addition, the results indicate that from amongst the five variables of brand image, customer value, employees’ trust, trusting the company and costs, the variable cost has the largest effect on customer value (Beta= 0.40).

Evaluating customer expected value on customer loyalty model in companies which provide Iran’s computer equipment in terms of t coefficients

Investigating and evaluating the effectiveness of the variables on each other in LISREL model must be carried out along with meaningful statistical investigation. The above graph shows the statistical significance of the relationships within the model. The amounts which have been written in red indicate the insignificant relationships and the amounts written in black indicate the significant relationships. As it can be seen, the impacts of brand image, employees’ trust and trusting the company are not significant on customer value and the effects these variables have on each other stem from chance and happen in a random manner and nothing more. The other relationships within the model are all significant at a 95 percent statistical confidence level.

Now we will attend to studying the significance of each of the above relationships through using Student’s T distribution graph.

It is worth mentioning that the amount of Student’s T statistic displayed in the figure is more than 1.96 for each of the questions as a result the null hypothesis is rejected that means the relationships are significant at a 95 percent confidence level.

In the first hypothesis: the effect of brand image variable on services quality variable is equal to 3.73 and the result obtained is larger than 1.96. therefore it could be concluded that the significance of the relationship is approved at a 95 percent level of confidence.

In the second hypothesis: the effect of brand image variable on customer value variable is equal to 1.33 and the obtained result is smaller than 1.96. therefore it could be concluded that there is no significant relationship at a 95 percent level of confidence.

In the third hypothesis: the effect of company’s image variable on services quality variables is equal to 6.20 and the obtained result is larger than 1.96. therefore it could be concluded that the significance of the relationship is approved at a 95 percent level of confidence.
In the fourth hypothesis: the effect of company’s image variable on customer value variable is equal to 3.84 and the obtained result is larger than 1.96. Therefore it could be concluded that the significance of the relationship is approved at a 95 percent level of confidence.

In the fifth hypothesis: the effect of employee trust variable on services quality variable is equal to 3.62 and the obtained result is larger than 1.96. Therefore it could be concluded that the significance of the relationship is approved at a 95 percent level of confidence.

In the sixth hypothesis: the effect of employee trust variable on customer value variable is equal to 1.51 and the obtained result is smaller than 1.96. Therefore it could be concluded that there is no significant relationship at a 95 percent level of confidence.

In the seventh hypothesis: the effect of company trust variable on the created value variable is equal to 1.34 and the obtained result is less than 1.96. Therefore it could be concluded that there is no significant relationship at a 95 percent level of confidence.

In the eighth hypothesis: the effect of services quality variable in customer value variable is equal to 1.27 and the obtained result is less than 1.96. Therefore it could be concluded that there is no significant relationship at a 95 percent level of confidence.

In the ninth hypothesis: the effect of costs variable on the created value variable is equal to 6.06 and the obtained result is larger than 1.96. Therefore it could be concluded that the significance of the relationship is approved at a 95 percent level of confidence.

In the tenth hypothesis: the effect of customer value variable on loyalty variable is equal to 13.62 and the obtained result is larger than 1.96. Therefore it could be concluded that the significance of the relationship is approved at a 95 percent level of confidence.

IV. Conclusion

In order to manage maintaining the loyalty of the customers in the best possible way, the organizations must have the ability to relate to their customers in the best possible manner and they must identify their customers’ needs and demands and satisfy them. Commercial brands are considered to be among the most valuable assets of a company or an organization which leads to an increase in the total value. Nowadays producing companies or companies who provide services consider the understood value and customer’s satisfaction as critical criteria in evaluating the quality of their work and this process is progressing. The importance of the customer and his or her satisfaction is an issue which goes back to the world- wide competition.

Customer satisfaction provides numerous benefits for organizations. The customer being more satisfied leads to him or her being more loyal; at the end maintaining good customers is more beneficial than constantly attracting a new customer to replace a customer who has left the company; in case we can design a good brand and be committed to fulfilling the obligations we claim in the brand, and keep the customer satisfied with our performance, we can guarantee their loyalty to our productions and this means a long- term relationship between the customers and the organization which leads to long- term profiting of the institute. The performance of the organization improves as the loyalty to brand increases and it leads to gaining competitive advantage in comparison with the rivals.

Reference