

Effect of Trust, Perceived Value, Brand Reputation and Service Quality on Customer Satisfaction and Customer Loyalty: A Study of Print and Electronic Media

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Abstract

In the last ten years there have been important changes in the business of consumer media. With the introduction of smart phones and the wireless internet services, the survival of both forms of media has become a more difficult task. This study attempts to find out the antecedents factors of customer satisfaction and customer loyalty in print or electronic media. There has been a positive relationship found established between customer satisfaction and customer loyalty. The study is an attempt to investigate the effect of independent variables such as trust, service, quality, brand reputation and perceived value on customer satisfaction and customer loyalty. The study explores the antecedent factors of customer satisfaction and customer loyalty as so much research is not done in this field. The study also identified the factors underlying customer satisfaction and customer loyalty in print and electronic media.

Keywords: Trust, Perceived Value, Brand Reputation, Service Quality, Customer Satisfaction, Customer Loyalty, Print and Electronic Media

Introduction

In this digital era, the service sector has been growing at a lightning speed across the globe. Competition and progression in innovation have achieved radical changes in customer services. India is no exemption to the current worldwide pattern. India is no exception to the current global trend. In our country, the service sector contributes largely to the national economy. It is imperative to trigger the growth of industrial sector, particularly manufacturing sector in the medium and long term and it is also equally important to maintain a decent and constant development of agricultural sector, which still depends on the vagaries of nature in the short and even medium term, but the sure indicator for higher growth of the Indian economy is anticipated in giving further fillip to the growth of the services sector, which can be achieved with considerable ease compared to other sectors. In this present era, the organizations are thieving to gain competitive advantage over others. Various organizations have developed systems to ensure that they stay ahead of their competitors.

With such an increase in the level of competition, the need has been identified by the companies to be closer with the customers. Keeping in align with the organizations' objectives company has to work in a manner that it is able to achieve maximum with available resources. Shapiro (1988) stated that a company can attain its objectives if it is market oriented and is connected well with its consumers, whereas Jaworski & Kohli (1990) discussed the importance of collecting information from market to achieve firm's objectives. But with, the period, the marketing efforts became more customer centric (Deshpande & Farley, 1994). It became advent that survival of firms is dependent upon how well they are able to manage customer. In relation with management of customers, few of the important philosophies came into existence. Walton & Berkowitz (1980) discussed importance of trust in buyer-seller relationship.

Parsuraman, Zeithmal & Berry (1985) also stated that consumers' decision making is affected by the service quality offered by the firm. To remain competitive in the environment, the firms should always offer qualitative products and services to retain and satisfy customers. Smith (1976) stated that satisfying the customers should be the most important activity of any firm. If a firm fails to do so, it surly had refrained itself from enhanced performance both economic and non-economic. Dick & Basu (1994) discussed the importance of having a loyal customer. Loyalty is a reward for being true to the customer expectations when it desires. Loyalty results

in retention of customer and enhanced performance. As discussed in the previous paragraph, trust, perceived value, brand reputation and service quality are considered as an important factor to have satisfied and loyal customer, thus laying down the foundations of the present research.

Print and Electronic Media

Print and Electronic Media are the aggregate communication outlets or instruments that are utilized to store and convey data or information. It is either connected with correspondence media, or the specific correspondence organizations, for example, print media and the press, photography, promoting, film, broadcasting (radio and TV), as well as distributing (Popkin, 2004). Media has got its various forms, but most important forms in present era are print and electronic media.

Indian media and entertainment business is anticipated to grow at an annual average growth rate of 18% to touch Rs 2245 bn by 2017 (Srinivas, 2014). The industry comprises of print, electronic, radio, internet and outdoor segments. With the government aggressively striving for digitization of TV, various Multi System Cable Operators (MSOs) are expected to lose 15-20% of their subscribers to DTH (direct-to-home) services.

Customer Trust

Trustworthiness is depicted as "being straightforward, coming clean, keeping guarantees, and being faithful so individuals can confide in association. The Consumer trust measures evaluate a clients' certainty that a specialist organization is tried and true and can be depended upon to convey on its guarantees (Morgan and Hunt 1994). Kong & Hung (2006) proposed how people form trust attitude through peripheral (reputation, disposition to trust, situational normality, structural assurance, and web site quality) and central route (ability, benevolence, integrity, and web site quality). Harris & Goode (2010) further revealed that consumers' perceptions and interpretations of electronic and print media exert a powerful, direct influence over trust that, in turn, is associated with consumers' purchase intentions. Trust is underlined either as a part of connexion quality (Dwyer & Oh, 1987; Crosby, Evans & Cowles, 1990; Anderson, Lodish & Weitz, 1987), or as a factor of relationship quality (Anderson & Narus, 1984, 1990; Parasuraman, Ziethaml & Berry, 1985). On the other hand, Doney & Cannon (1997) stated that apparent trustworthiness and kindness of the target as one of the areas of trust.

Perceived Value

Petrick (2004) recommended that perceived value is the most vital marker of future buy conduct for services. The researcher measurably inspected the connections between notoriety, enthusiastic reaction, financial cost, behavioral value, quality, perceived value, and repurchase expectations. The outcomes demonstrated that the quality was the best indicator of repurchase aims for novices, while perceived value was the best indicator for repeaters and furthermore uncovered unmistakable contrasts between the predecessors of first-time guests' and rehash guests' perceived value. Perceived value has rightly been defined as "the difference between customer's evaluation of all the benefits and all the costs of an offering and the perceived alternatives" by Kotler and Keller (2012).

Brand Reputation

Brands are utilized as the unit of investigation for deciding the connections between shopper-level view of brand and market-level information on mark publicizing and brand value results, for example, part of the general industry and relative cost. Brand reputation alludes to the customer's view of service quality related with the brand name (Selnes, 1998). Earlier examinations show that positive brand reputation ensures the firm amid the emergency by making a structure or shield (Hess, 2008). Customers attribute the firm to be less responsible for the crisis faced and give the benefit of the doubt to the organization. They discount the information which is negative and focus on the positive aspects associated with the firm. In an investigation, Huang (2011) effectively demonstrated that brand equity directs the connection

between services recuperate and fulfillment, with the end goal that for high equity brands, distributive equity brings about higher recuperation fulfillment than low equity brands. It was contended that the solid and positive quality relationship with high equity brands enable clients to trait the service disappointment as brief and insecure resulting in lower dissatisfaction. Reputation means trustworthiness, integrity, and honesty. It can be seen from past experience of third party's trustworthiness, integrity, and honesty. Brand reputation can be judged from consumer opinion, comments, estimation and beliefs; if people are suggesting the usage of a brand then it is considered as a sign of good reputation. A brand's reputation refers to the attitude of consumers that the brand is good and reliable. Brand reputation can be developed through advertising and public relations, and it enhances its quality.

Service Quality

Service quality is defined as the conformance of services to the customers' specifications and expectations. The quality of services, therefore, depends on the ability of the service provider to meet the expectations of the customer. On the other hand, perceived service quality may be defined as the evaluation by the customers towards the overall excellence or uniqueness of the service rendered. The efficiency of any of the services provider depends upon how best it can deliver services to its target customers. In order to survive in this competitive environment and provide continual customer satisfaction, the service providers are now required to continually improve the quality of services. Gronroos (2000) proposed "A service is a procedure comprising of a progression of pretty much immaterial exercises that regularly, however not really dependably, happen in collaborations between the client and service representatives and additionally physical assets of merchandise as well as frameworks of the service supplier, which are given as answers for client issues." Kotler and Bloom (1984) considered service as, "any action or advantage that one gathering can offer to another that is basically impalpable and does not bring about the responsibility for. Its generation could possibly be fixing to a physical item."

Customer Satisfaction

On the surface, consumer satisfaction seems to be an uncomplicated concept. However, its definition is not a static one, but rather it has evolved over time. Early endeavours to understand consumer's post-purchase responses were directed on the conception of cognitive dissonance (Festinger, 1957). The customer satisfaction is a focal idea in showcasing as it is thought to be a huge determinant of rehash deals, informal correspondence, and shopper loyalty. Hallowell (1996) has recommended that "satisfaction is the purchaser's impression of the esteem got in an exchange or relationship." Woodruff (1997) presumed that the idea of customer esteem proposes a solid relationship to shopper satisfaction yet at the same time inquire about is inadequate. While both value and satisfaction have been separately investigated (Gale 1994; Woodruff 1997; Zeithmal, 1988), the role that consumer value plays in enhancing satisfaction has received limited attention (Day 2002). Furthermore, Cronin, Brady & Hult (2000) have concluded that the value-satisfaction research is still in its embryonic stage. Oliver (1999) has raised questions about the relationship between the two concepts, by raising such worthwhile questions like, "what is the relationship between satisfaction and value?" and "is satisfaction an antecedent or a consequence of value?" The concept of satisfaction can be divided into four categories. First, satisfaction is viewed as a cognitive concept to be rewarded for the consumer's payment (Howard & Sheth 1969). Secondly, it is regarded as an evaluation on the accord of prior expectation with alternatives of the selection (Czepiel & Rosenberg 1976; Hunt 1977; Engel & Blackwell 1982).

Customer Loyalty

Customer Loyalty can be delegated as brand loyalty, service loyalty, and store loyalty (Dick and Basu 1994). Customer loyalty is seen as a methodology that makes shared prizes to profit firms and customers (Reichheld & Detrick, 2003).

Perceived Overall Quality

Very few literatures mentioned quality, both product quality and service quality of the electronic media. Hjorth-Andersen (1984) in the empirical study stated that quality has various dimensions and addressed the efficiency of the consumer markets. The researcher also indicated through the research that inefficiency in the markets does not lead to loss to the consumers according to their perception.

Olshavsky (1985) in their conceptual study illustrated that comprehensive theory of choice should explain the composition and priority of goals within a consumer's life goal as well as the specificity of these goals. Similarly, the association, between goal establishment and compartments relating to the attainment, consumption, and disposition of goods and the relationship of all these behaviours to obtaining information were briefly explained. The author presented a theoretical framework that encompassed all of these behaviours and their relationships.

Ophuis & Van Trijp (1995) mentioned that quality has to be discussed in terms of perceived quality. They expressed that perception procedure may have an alternate substance for different people, products and spots. They tended to a few components of integrative model of the quality perception process. Reeves & Bednar (1993) traced the evolution of quality definitions and described the trade-offs inherent in accepting one definition of quality over another. The authors also specified that general explanation of quality has produced unpredictable results. Such a global definition does not exist; rather, different definitions of quality are appropriate under different circumstances.

Spreng, & Mackoy (1996) conceptualized perceived service quality and satisfaction as different constructs. The authors examined the empirical distinction by testing a proposed model of service quality and its relationship with satisfaction. They stated that the perception of service quality among the customers significantly affects customer satisfaction. The discussion leads to following hypothesis:

H01: There is no relationship between Perceived Service quality and Customer Satisfaction.

Molliner (2009) analyzed the focal pretended by post purchase perceived value and relationship quality in the clarification of devotion conduct/aims. The outcomes displayed that perceived useful value practiced a critical impact over customer fulfillment and trust. The principle predecessors of steadfastness were trust and fulfillment. The creators additionally prescribed that organizations ought to bring into their systems the idea of perceived value and conquer a dream unreasonably focused on quality. Dodds & Monroe (1985) found perceived value important than perceived quality when it comes to measuring the intention of customer to purchase something again and again.

H02: Perceived value significantly effects customer loyalty.

Herbig (1997) contended that the estimation of a company's general reputation is effortlessly found in its relationship to an association's incomes: as an association's reputation expands, so does its business (Shapiro, 1982). A firm with a decent general reputation possesses an important resource - "altruism": mark names, corporate logos and customer loyalty. Sternthal et al., (1978) cited that reputation is one of the essential supporters of perceived quality.

H03: Brand Reputation significantly affects Customer Loyalty.

One of the over discussed relationship is of service quality and customer loyalty. Josee Bloemer, Ko de Ruyter, and Martin Wetzels (1998) revealed that service quality is one of the major predictor of customer loyalty in addition to customer satisfaction.

H04 - Service quality significantly effects customer loyalty.

Trust and satisfaction both are related to both behavioral and attitudinal loyalty. Satisfaction is positively related to repurchase intention and customer loyalty (Bolton, 1998). Customers who trust an organization are more than likely to be loyal to the company. Reichheld, F.F. and

Schefter, P. (2000) point out that the precondition of customer loyalty is customer trust. In prior research, trust has been conceptualized as antecedent of satisfaction (Palvia, P., 2009).

Reynolds and Beatty (1999) have concluded that the consumer's perception of benefits has a positive effect on the consumer's satisfaction with the salesperson. Satisfaction with the salesperson is also positively associated to the loyalty to the salesperson, salesperson word of mouth as well as share of purchase. They also found that the effects related to satisfaction with the salesperson, loyalty, and word of mouth seemed to have a spillover effect on the satisfaction with the company, and loyalty and positive word of mouth towards the company as a whole.

Sivadas and Baker-Prewitt (2000) have demonstrated that consumer satisfaction has an influence on relative attitude, repurchase intentions and word of mouth recommendations but had no direct effect on store loyalty. Nevertheless, they also concluded that the presence of favorable relative attitude and consumer recommendations was the key to the development of loyalty. Research is abundant

The role of satisfaction in loyalty largely indicates that the former is a key determinant of the latter (Dick & Basu 1994). According to Portela & Thanassolis, (2006) not only empirically studies of the relationship between service quality and customer loyalty in banking system

Ho: There is no relationship between customer satisfaction and customer loyalty.

Proposed Hypotheses

H₁ - Trust significantly effects customer loyalty in customers of event management companies in Madhya Pradesh.

H₂ - Perceived value significantly effects customer loyalty in customers of event management companies in Madhya Pradesh.

H₃ – Brand reputation significantly effects customer loyalty in customers of event management companies in Madhya Pradesh.

H₄ - Service quality significantly effects customer loyalty in customers of event management companies in Madhya Pradesh.

Research Methodology

The Study

The study is non experimental in nature and the population included all the visitors of various events organized by various newspapers. Since, the purpose of this research was to measure the quality of events organized the respondents who have visited these events were asked to fill the questionnaires. The respondents were asked for their willingness to respond before offering them the questionnaire.

Measures

The measures were developed on a scale of 1 to 5 for all the variables.

Perceived Product & Service Quality

Perceived product and service quality was assessed through 10 items were adopted from (Ying-Shum, 2010). Five items were generated by the focused group discussion. 15 items were piloted and one dropped because of low reliability. Final scale surveyed was of 14 items.

Customer Satisfaction

Seven items scale (Akhter, 2010) was adopted directly from the paper. The scale was found suitable and reliable in pilot study.

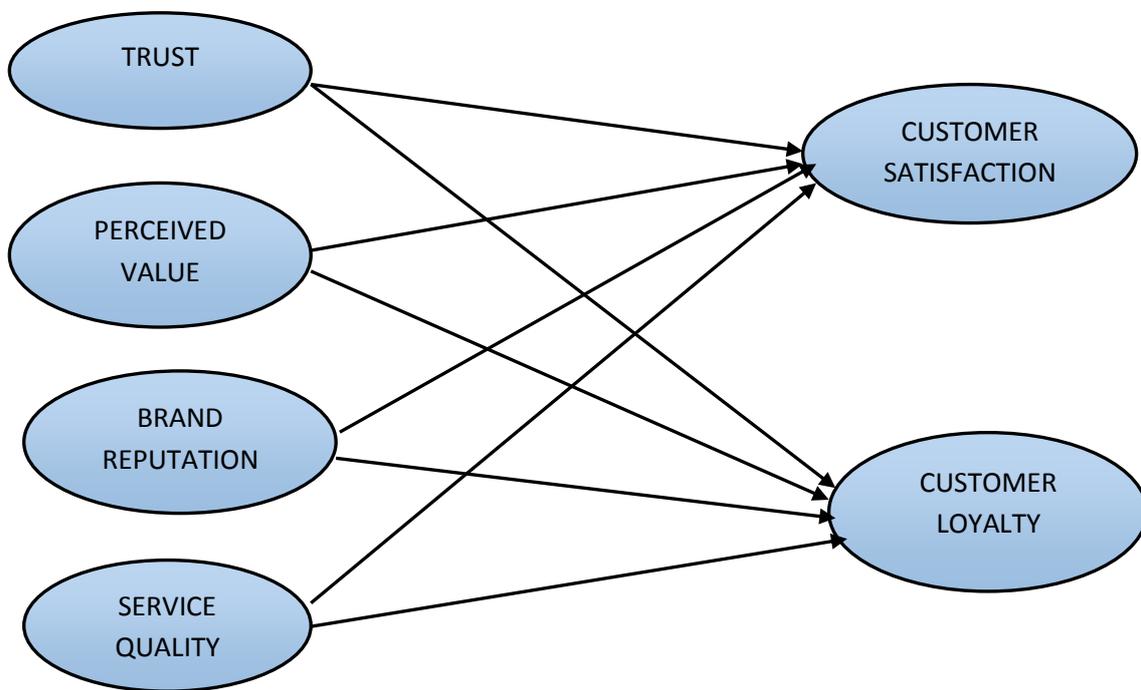
Customer Loyalty

McMullan & Gilmore (2003) have investigated the event industry and therefore, the scale was adopted in its actual form. While some minor revisions were made in the language as per the opinion of experts.

Trust & Brand Reputation

Self designed measures were used for measuring trust and brand reputation. Peterson (1982) asserted that self-administered questionnaires should be used in the study. His argument was on the based on assumption that self-administered questionnaires yield highest quality and quantity of data in comparison with other methods of data collection. It is one of the most expensive methods too. Self-administered questionnaires were selected by the researcher with an aim of increasing quality and quantity of the information sought to be collected. Thus, after considering the situation faced by the researcher, need of self-administered questionnaire was realized and was used in the study for data collection.

Figure 1: Proposed research model for the study



Research Model for the Study

Above figure depicts the model used by the researcher to examine the effect of trust, perceived value, brand reputation and service quality on customer satisfaction and customer loyalty in print and electronic media. The respondents of the study are consumers/customers of event management companies in Madhya Pradesh.

Result and Discussion

TRUST

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.703	.709	2

It can be observed that Cronbach’s Alpha was .703. Since Cronbach’s Alpha was .709 which is low value from the standard still it can be used for the purpose of the study.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	70.885
	df	1
	Sig.	.000

The KMO and Bartlett test of Sphericity indicates that the data is suitable for factor analysis. The KMO measures the sampling adequacy should be greater than 0.5 for a satisfactory factor analysis to precede. Looking at the table above, the KMO measure is 0.500. From the same table, we can see that the Bartlett's test of sphericity is significant. That is, its associated probability is less than 0.05. In fact, it is actually .000. This means that the above facts indicate that the data collected is suitable for factor analysis.

PERCEIVED VALUE

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.743	.804	2

It can be observed that Cronbach’s Alpha was .743. Since Cronbach’s Alpha was .804 which is low value from the standard still it can be used for the purpose of the study.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	119.063
	Df	1
	Sig.	.000

The KMO and Bartlett test of Sphericity indicates that the data is suitable for factor analysis. The KMO measures the sampling adequacy should be greater than 0.5 for a satisfactory factor analysis to precede. Looking at the table above, the KMO measure is 0.500. From the same table, we can see that the Bartlett's test of sphericity is significant. That is, its associated probability is less than 0.05. In fact, it is actually .000. This means that the above facts indicate that the data collected is suitable for factor analysis.

BRAND REPUTATION

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.694	.748	2

It can be observed that Cronbach’s Alpha was .694. Since Cronbach’s Alpha was .748 which is low value from the standard still it can be used for the purpose of the study.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	87.281
	Df	1
	Sig.	.000

The KMO and Bartlett test of Sphericity indicates that the data is suitable for factor analysis. The KMO measures the sampling adequacy should be greater than 0.5 for a satisfactory factor analysis to precede. Looking at the table above, the KMO measure is 0.500. From the same table, we can see that the Bartlett's test of sphericity is significant. That is, its associated probability is less than 0.05. In fact, it is actually .000. This means that the above facts indicate that the data collected is suitable for factor analysis.

SERVICE QUALITY

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.817	.817	2

It can be observed that Cronbach’s Alpha was .817. Since Cronbach’s Alpha was .817 which is low value from the standard still it can be used for the purpose of the study.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.500
Bartlett's Test of Sphericity	Approx. Chi-Square	127.938
	Df	1
	Sig.	.000

The KMO and Bartlett test of Sphericity indicates that the data is suitable for factor analysis. The KMO measures the sampling adequacy should be greater than 0.5 for a satisfactory factor analysis to precede. Looking at the table above, the KMO measure is 0.500. From the same table, we can see that the Bartlett's test of sphericity is significant. That is, its associated probability is less than 0.05. In fact, it is actually .000. This means that the above facts indicate that the data collected is suitable for factor analysis.

REGRESSION AND ANALYSIS

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.771 ^a	.594	.586	4.18297	.594	71.455	4	195	.000	2.077

a. Predictors: (Constant), Service quality, Brand reputation, Percived value, Trust

b. Dependent Variable: Customer loyalty

This table provides the *R* and *R*² values. The *R* value represents the simple correlation and is 0.771 (the "**R**" Column), which indicates a high degree of correlation. The *R*² value (the "**R Square**" column) indicates how much of the total variation in the dependent variable, it can be explained by the independent variable, In this case, 76.2% can be explained, which is very large.

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5001.065	4	1250.266	71.455	.000 ^a
	Residual	3411.955	195	17.497		
	Total	8413.020	199			

a. Predictors: (Constant), Service Quality, Brand Reputation, Percived Value, Trust

b. Dependent Variable: Customer Loyalty

This table indicates that the regression model predicts the dependent variable significantly well. How do we know this? Look at the "**Regression**" row and go to the "**Sig.**" column. This indicates the statistical significance of the regression model that was run. Here, $p < 0.0005$, which is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.029	2.064		.499	.619
	Trust	.033	.054	.038	.604	.546
	Percived Value	.202	.037	.339	5.497	.000
	Brand Reputation	.115	.038	.188	3.046	.003
	Service Quality	.325	.066	.337	4.923	.000

a. Dependent Variable: Costumer Loyalty

The Model table having clearly shows that our constant variable it means our Dependent Variable Costumer Loyalty have a significant value of .619 have some effect on some variable. Trust Sig value is .546 who is not significant. But the second phase of coin said there is a three independent variable that is having directly significant value of Perceived Value .000 , Brand Reputation .003and Service Quality .000 have a impact on Customer Loyalty.

H₁ - Trust have no significantly effects on customer loyalty **(Rejected)**

H₂ - Perceived value have a strong relationship effects on customer loyalty. **(Not Rejected)**

H₃ – Brand reputation have a strong significantly effects customer loyalty. **(Not Rejected)**

H₄ - Service quality have a strong significantly effects customer loyalty. **(Not Rejected)**

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