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In the view of using mobile phones

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Konzultant: Janine Day

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Podpis:

Iva Kostková

Technická univerzita v Liberci

Hospodářská fakulta

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**The comparison of brand loyalty between English and Czech university students.
In the view of using mobile phones**

Věrnost k obchodní značce:

**Srovnání věrnosti k obchodní značce mezi anglickými a českými univerzitními
studenty.**

Při pohledu na používání mobilních telefonů

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Iva Kostková

Vedoucí bakalářské práce: PhDr. Ing. Dědková Jaroslava, Ph.D., katedra marketingu

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ÚVOD

Dnes již neexistuje společnost, která by se nesnažila získat co možno nejvíce věrných zákazníků. Je známo, že pokud má společnost mnoho věrných zákazníků, zaručuje jí to jisté výhody na trhu. Navíc znamenají tito zákazníci pro společnost opakovaný nákup, doporučení ostatním lidem stejně jako neustálé tržby. Zákazníci zajišťují stabilitu společnosti, její vyšší podíl na trhu a také ziskovost. Postupem času se předpokládá, že se tito věrní zákazníci stanou méně citliví na cenu a budou nakupovat více zboží. Nicméně věrnost každého individuálního spotřebitele je ovlivněna jeho vlastními charakteristickými rysy a pro všechny společnosti je tedy důležité znát potřeby a požadavky všech zákazníků, aby si je mohli udržet a stát se úspěšnými.

Tato práce je zaměřena na věrnost k obchodní značce u mladých lidí, přesněji u studentů Univerzity v Huddersfieldu a Technické Univerzity v Liberci. Studie zkoumá věrnost studentů při používání mobilních telefonů a prošetřuje faktory, které mohou tuto věrnost ovlivnit. Dále je v tomto projektu provedeno srovnání obou skupin studentů a jejich odpovědí, jsou zde popsány největší podobnosti a rozdílnosti stejně jako analýzy několika hypotéz. Na závěr je uvedena diskuse zjištěných a předložených výsledků a několik doporučení pro budoucí výzkumy.

ABSTRACT

There is no company which would not try to gain as much loyal customers as possible. It is known, that having lot of loyal customers can guarantee the company some advantages in the market. Moreover, such customers mean repeat purchase, recommendation to other people as well as continuous sales. They ensure the stability of company, its higher market share and profitability. Over the time, loyal customers are supposed to become less price-sensitive and purchase more. However, the loyalty of individual consumer is influenced by his own characteristics and therefore, it is important for each company to know the needs and wants of all customers to keep them and become successful.

This study is focused on brand loyalty of young people, more precisely of university students from the University of Huddersfield and the Technical University of Liberec. It examines their loyalty in the view of using mobile phones and investigates any factors that influence this loyalty. Furthermore, the research compares the both groups of students and their answers. The most similarities and differences as well as analyzing of hypotheses is introduced. Finally there is a discussion of presented results and some recommendation for the future study.

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CHAPTER 1. INTRODUCTION

1.1 Brand loyalty

Brand loyalty is mostly seen as a future plan of continuing and repeating purchase of the same brand made by customers who are willing to wait even when their brand is not available. It is evident that different attitudes towards brand loyalty exist by different types of goods. Significant contrast can be expected between food, which is needed every day, and other products which are bought occasionally, such as luxury goods.

It was proved, that for the company it is more profitable to keep its loyal customers than to try to gain some new. The longer the customers stay with an organisation, the less it costs it. Loyal customers make their purchase repeatedly and thereby ensure continuous sales and profits. As they are satisfied, they spread the recommendation about the brand to other people. Moreover, they become less price-sensitive in the course of time.

Each consumer makes its decision whether to buy a certain brand or not according to different factors. Therefore, every organisation should know individual needs of all customers and their attitudes towards a brand. Different factors influencing the purchase should be investigated.

1.2 Aims of this study

The aim of this work is to discover how loyal the young people are in these days. As an example mobile phones were used. This electronic was chosen because of the fact that mobile phones have become almost the commonplace. By elderly people the mobile phones are used solely for work but by young people they often represent a symbol of “fashion”.

This research investigates to which measure is the mentioned statement valid and for whom it is more common. Moreover, it explores whether there is any variety between two selected countries, the UK and the Czech Republic. From each country one university was picked, the

University of Huddersfield and the Technical University of Liberec. The researcher addressed in total one hundred students, fifty at each university.

1.3 Summary of chapters

The whole study is divided into six chapters. The next one examines the work and findings related to the presented topic. First of all, the knowledge of other authors primarily from journal articles and academic books were discovered. In general, the authors referred to the common information and agreed with each other. At the end of this chapter the main objectives are stated.

Chapter three is focused on the research strategy used for collecting data. There is an explanation of its selection and implementation as well as description of chosen method, questionnaire. The other parts concern on the sample, design of questionnaire, pilot test, research process, limitations and recommendations.

The following chapter presents the analysis of data and results. At the beginning of it the four hypotheses are introduced. The rest is divided into three parts: first one examines the data from the University of Huddersfield, the other one focuses on the Technical University of Liberec and the last part targets the hypotheses.

Chapter five summarizes and discusses all the findings. It has three sections. The first one describes the most similarities between the answers given by English and Czech students. The second section is focused on the most differences between these answers and the last one discusses the results of hypotheses.

In chapter six, which is the last one of this dissertation, the summary of the whole study is given. It considers the stated objectives, hypothesis and findings together. Moreover, it presents some limitations of this study and suggestion for future research.

CHAPTER 2. LITERATURE REVIEW

The aim of this review is to examine previous literature pertaining to brand loyalty. First of all the research on brands and branding is identified to further analyse the consumer-brand relationship. This research is focused on understanding brand-loyalty, how it is expressed in the market and how this influences the company.

At the beginning of this chapter the meaning of the brands is discussed in the section of branding. Then it focuses on brand equity, followed by brand awareness and image. The other four parts are targeted the brand popularity, reputation, trust and loyalty. Not everybody can be classified as loyal, so there is some discussion of the switching behaviour. The part of customer-brand relationship is focuses on the development and meaning of customers' satisfaction with a brand, their liking and feeling of it, building the relationship with customers and their appreciation.

2.1 Branding

To talk about brands, marketing has to be mentioned at first, as brands have been an important part of its development (Pelsmacker, Geuens and Bergh, 2004). Nowadays branding is an important part of marketing strategy which continually develops and expands (Rooney, 1995). Liu (2002) supports this by stating that branding is a fundamental item during marketing products due to its ability to introduce brand's name, design or symbols. According to Pelsmacker, Geuens and Bergh (2004), marketing is "the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create and exchange value, and satisfy individual and organizational objectives".

During their existence the meaning of brands has slightly changed but for the business community and the customers it is still the key point (Rooney, 1995). In the view of Pelsmacker, Geuens and Bergh (2004), in modern marketing strategy brands constitute the means of creating long-term profitability. They indicate that a brand is mainly instrumental to differentiate products or services from others in the same category.

Wood (2000) cites the most used definition of a brand proposed by the American Marketing Association (1960) describing it as:

A name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

The same definition have used many other authors in their work either in the same way, such as Kotler (1991) or with some small changes, as O'Malley (1991), who defines brand as:

A name, symbol, design, or some combination, which identifies the product of a particular organization as having a substantial, differentiated advantage.

Some authors have criticised this definition mostly because of its product orientation and have tried to incorporate in it other intangible factors of differentiation such as image (Wood, 2000). According to Pelsmacker, Geuens and Bergh (2004), company begins with a brand strategy by using a name on a product to differ its brand from competitors. They add that the name represents not only the product or service but usually also the whole brand personality and therefore it should be easy to say and remember. Rooney (1995, citing Ginden, 1993) notes, that to become a successful brand, companies should find a convenient name, which their customers can connect with quality. Moreover, the language neutrality and good pronunciation of the chosen name are important for the success of the global brands (Pelsmacker, Geuens and Bergh, 2004).

Each brand comprises “product, packaging, name, promotion and advertising, and its presentation” (Murphy, 1992). In Gelber's (2003) view a brand can be characterized as composition of three components: brand's positioning, which shows how much the brand is different from others and which advantages it has in the market; its identity, which expresses “what the brand stands for”, what its principles are; and its personality, which can be understood as the brand's character.

To create a brand, a company should first understand its business strategy and customers' behaviour (Gelber, 2003). Pelsmacker, Geuens and Bergh (2004) supply this by saying, that with forming a brand, a company tries primarily to develop a strong and long-term relationship with its customers. Ginden (1993, cited by Rooney 1995) proposes that brands

are used by companies especially to attract and keep customers. Urde (1994) points out that brands help companies to fill their potential and form their profitability. Gelber (2003) develops this by affirming that due to a brand, an organisation can transform its business strategy into specific consumer behaviour. For the customers, branding is important during the decision-making process because they can expect some level of quality for each product and shorten both the time and risk (Pelsmacker, Geuens and Bergh, 2004). Berthon, Hulbert and Pitt (1999) confirm it by explaining that this importance is seen primarily as an opportunity to reduce the costs and risk during shopping. They add that thanks to brands consumers can better recognise and find a specific product and value the quality as well as the product’s benefits (Pelsmacker, Geuens and Bergh, 2004). Liu (2002) believes that customers can also easier recognize and differentiate certain products from other ones and make their purchase more effective.

Klink (2003) suggests that the main task which brands have from their beginning is to create some product identity. Wood (2000) adds that due to a brand, company can show its diversity in the market and get the advantages over its competitors, for which the customers are willing to pay to be satisfied. Consequently, brands work for customers as a way of differentiating one product from its peers (Lin, Wu and Wang, 2000) and therefore make the purchase more effective (Pelsmacker, Geuens and Bergh, 2004).

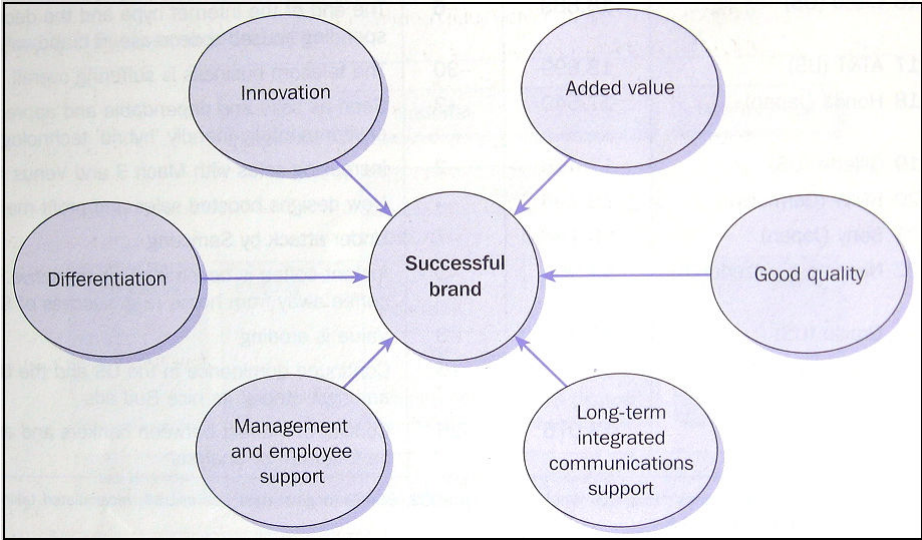


Figure 2.1: Determinants of successful brands
 Source: Pelsmacker, Geuens and Bergh, (2004)

In Gelber's (2003) opinion, the activity of a brand in the market is influenced by many internal and external factors and not only by the brand itself. If the companies want to have a strong brand, they should pay attention to advertisement as well as availability in the right markets (Pelsmacker, Geuens and Bergh, 2004). Each company wants their customers to be satisfied with their brand and products (Gelber, 2003). According to Gelber (2003), if some consumers are disappointed, it means a bad result for a brand even though it has a large quantity of products. Urde (1994) outlines that, "the future of many companies lies in brands". Customers attitudes towards the brand are affected by many factors, such as to what degree a customer identifies himself with a brand image, which experience he has, how satisfied he was, etc. (Bendapudi and Berry, 1997).

2.2 Brand equity

Branding has primarily one task and that is to form brand equity (Keller, 1993). The term brand equity has started to be used in marketing literature firstly thanks to the effort to explain the link between brand and its customers (Wood, 2000). Brand equity means that a consumer has a familiarity with a particular brand and can remember some of its unique, favourable characteristics (Pitta and Katsanis, 1995). According to Keller (1993), brand equity can be defined as "the strong, unique, and favourable brand associations that have differential effects on buyer responses to the marketing of a brand". Lassar, Mittal and Sharma (1995) describe brand equity as giving one brand more confidence than the others. Brand equity can be also understood as everything that a company needs to purchase the brand and it is often connected to the brand knowledge (Pitta and Katsanis, 1995).

Krishnan and Hartline (2001) observe that when consumers have an interest in a product, they look for information about its quality, which is mostly involved in the context of brand equity. To explain brand equity authors often use the value which is connected to a brand or its product (Pitta and Katsanis, 1995).

Marketers regard brand equity as one of the most important elements of company, due to the fact that possessing successful brands means for the company assuring the competitive advantages (Farquhar, 1989). Competitive advantages can be achieved through the qualities of brand equity, which are difficult for other companies to imitate and increase the value for

customers (De Chernatony and McDonald, 2003). It is generally known that brand equity is related in a positive way to brand loyalty (Lassar, Mittal and Sharma, 1995). Liu (2002) points out, that successful brands are connected with the high level of brand equity, which includes great loyalty and name awareness as well. Delgado-Ballester and Munuera-Alemán (2005) support this by explaining that there is a strong relationship between brand equity and loyalty: the higher level of equity a brand has, the more loyal its customers are.

Pelsmacker, Geuens and Bergh (2004) note that the success of leading brands comes from quality and benefit, long-term, consistent communications and informing customers about the brand's uniqueness. However, they state that there is a big difference between creating a strong brand and maintaining its equity and awareness for a long time. Lassar, Mittal and Sharma (1995) believe that the level of brand equity depends on customer's satisfaction with the performance of a purchased brand according to its function. It is true that brands with a high level of equity can also expect a bigger probability, that customers select their brand and become more loyal to them than to their competitors (Pitta and Katsanis, 1995).

According to Choudhury (2001), the brand equity consists of: 1. brand awareness, which presents the recognition and the recall of a brand from customers' memory; 2. perceived quality that shows which quality of a product customers apperceive; 3. brand loyalty, which is for many companies the biggest value that let them to build some loyalty programmes which, in turn, can increase brand equity. Also Keller (1993) declares that brand equity has two main factors, brand image and brand awareness. Brand image is, according to him, derived from what consumers hold in their memory. He notes further that brand awareness can be divided into many parts based on how easily customers can recall the brand.

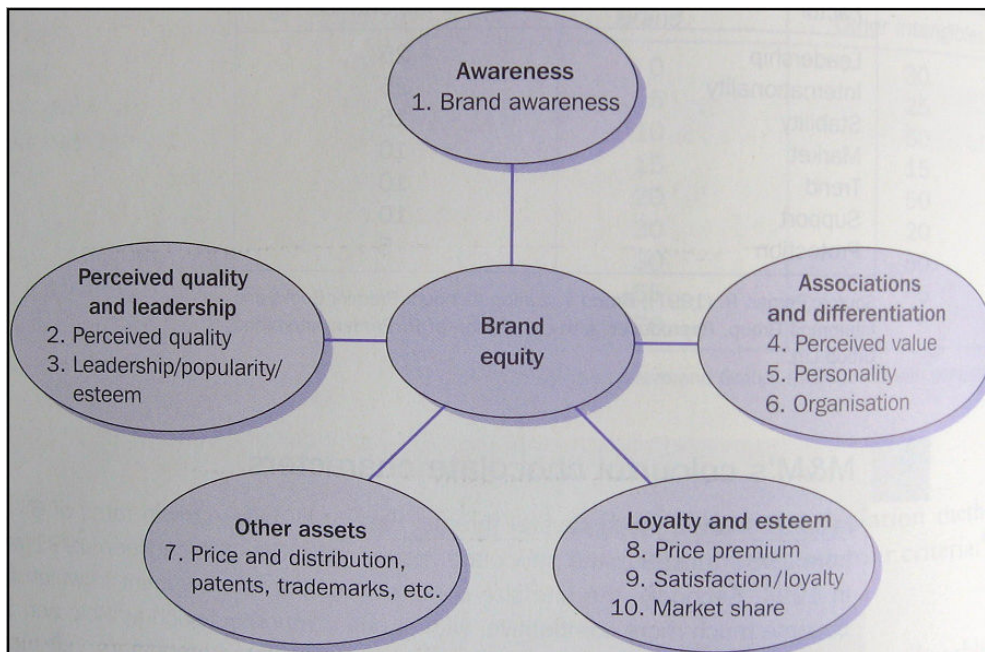


Figure 2.2: Components of customer brand equity

Based on: Aaker, D. A. (1996) Building strong Brands, New York, Free Press

Source: Pelsmacker, Geuens and Bergh (2004)

2.3 Brand awareness

Each company wants people to know its brand (Keller, 1993). According to Murphy (1992), the more goods are in the market, the bigger the need is to find the right brand name, which would be memorable, pronounceable and preferably also “directly or indirectly descriptive of the product it denoted”. Keller (1993) suggests that customers’ ability to recall the brand in their memory and the easiness of that determines the level of brand awareness. This has according to him two main parts – brand recognition and brand recall. Keller (1993) proposes that brand recognition means that consumers can certainly say that they have seen or heard about the brand previously. Brand recall is about calling out the brand knowledge from memory (Keller, 1993).

Pelsmacker, Geuens and Bergh (2004) point out that to talk about brand awareness does not simply mean describing its existence but also what the brand stands for, its characteristics - logos, symbols, advertisement, quality and price. According to Gelber (2003), some

customers recognise brands more due to their experience with them, for example household cleaners, and others on the base of brand image - typical of luxury goods. It is evident therefore, that brand awareness and familiarity are connected to each other and it is true that the greater the familiarity is the more consumers are able to identify the brand and to recall it from memory (Keller, 1993).

It is necessary to involve advertisement into a process of promoting the product to get into the customers awareness and be successful in the market. Rooney (1995, citing Liesse, 1990 and Gregory, 1993) believes that the more the companies invest in advertising of their brands, the better awareness they gain. Henderson and Cote (1998) suggest that if a company wants to have an effective brand mark, it should use a “recognizable and familiar” word, which can easily “evoke positive affect and elicit meaning”.

2.4 Brand image

In the view of Lau and Lee (1999), some authors see brand image as a kind of personality which consumers have in their memory as being linked to a brand. Berry et al. (1988) declare that the image contains not only the name but also the colour, words and logos or symbols. Rooney (1995) adds to this by the citation of Cleary (1981), who sees the main mission of branding in spreading the brand’s value among the consumers as a core source of developing brand loyalty, by creating the product’s image.

Creating a positive brand image helps companies to keep customers loyal and get profits (Berry et al., 1988). Pitta and Katsanis (1995) develop this statement by noting that a positive image can be useful for the right selection of the market, as can be product placement and evaluating the sales. They propose that thanks to this, a company can achieve a better, fixed position in the market and be able to boost the price without losing its customers.

The price, distribution and promotion of a company can be strongly involved with a positive image and a high awareness of its brand (Keller, 1993). Keller (1993) adds that after a company achieves this, it can more easily enhance the price due to relatively inelastic responses from customers. All consumers’ decision by shopping are strongly impressed with both attitudes towards brand and its image, and competitors (Lin, Wu and Wang, 2000).

According to Lin, Wu and Wang (2000) and their findings, the weaker image a brand has, the lower degree of brand loyalty it can expect. However, Pelsmacker, Geuens and Bergh (2004) put forward that an image cannot be made by a brand that customers do not know.

2.5 Brand popularity

According to Lin, Wu and Wang (2000), purchase decisions are usually based on past experience. It is evident that customers select rather popular brands as they can more easily evaluate the product and reduce their risk of purchasing unqualified goods (Kim, 1995). The more known a brand is, the easier it can be for the customer to locate and identify its products as well as the quality (Pelsmacker, Geuens and Bergh, 2004).

Krishnan and Hartline (2001) point out further that when the company uses a familiar brand name, it can help the consumers to lower the risk of buying new, unqualified goods. It results from many studies made in the past, that brands with a new name of product have to spend more money on advertisement and promotion than the successful ones (Pitta and Katsanis, 1995). Kim (1995) affirms that once a brand becomes very popular or a marketing leader, it can benefit from that for a long time because it is a common fact that consumers prefer well-known brands or the one at the top.

Lin, Wu and Wang (2000) maintain that successful brands make good in realizing customers needs, which are often not only rational (packages, price) but also emotional (prestige, style or reassurance). The better the consumers know a brand, the fewer marketing expenditures a company needs to introduce all its products or to make future expansion (Boush and Loken, 1991).

2.6 Brand reputation

Brand reputation can be described as “what customers perceive the brand to stand for” (Gelber, 2003). Gelber (2003) adds that it is a set of qualities, which buyers connect to a brand. In Chaudhuri’s (2002) view, a strong reputation appears more likely to be associated with older brands that exist in the market over the years. His definition of a brand reputation can be described as “the overall value, esteem and character of a brand as seen or judged by people in general”, which is conducive to better company profitability. To develop a good

brand reputation companies should use not only advertisement and public relations but also the quality of their products, as the reputation signifies that the brand is good and reliable (Lau and Lee, 1999). Gelber (2003) confirms that a brand with a good reputation has also a high level of reliability and credibility.

Zajonc (1980, cited by Chaudhuri 2002) indicates that the reputation is better if the familiarity with a brand is higher which can then translate into more positive feelings about the brand. Moreover, the brands having a unique, familiar and well-advertised profile achieve the public evaluation as well as dominance over the competitors of other brands more easily (Chaudhuri, 2002).

Chaudhuri (2002) outlines that there has been a connection between reputation and advertisement because advertising raises a brand's reputation by being used to build up its visibility and credibility. According to Lau and Lee (1999), people often purchase a product due to following others opinion or recommendations that a particular brand is good. They point out that if consumers themselves fulfil their expectations, they will assume this reputation and it can even strengthen their trust in the brand.

2.7 Brand trust

Garbarino and Johnson (1999) and Morgan and Hunt (1994) all propose the importance of building and maintaining brand trust as a main part of brand equity and thereby a fundamental component for any successful long-term relationship.

There can be many definitions of trust, such as: "Trust is a consumer's willingness to rely on the brand in the face of risk because of expectations that the brand will cause positive outcomes" (Lau and Lee, 1999). Chaudhuri and Holbrook (2001) describe trust as: "the willingness of the average consumer to rely on the ability of the brand to perform its stated function". Lau and Lee (1999) explain that by trusting in a brand, it can be also understood how much the consumer thinks the brand "does what is supposed to do" and if he can really rely on it.

Lau and Lee (1999, citing O'Shaughnessy, 1992) suggest that the trust is a main part of brand loyalty and can be comprehended within as the fact that the customers buy the product spontaneously because of the trust in the brand rather than immediately counting the costs and benefits.

When consumers trust a brand, they expect it to act as they desire and bring the positive outcomes (Delgado-Ballester and Munuera-Alemán, 2005). Therefore, Delgado-Ballester and Munuera-Alemán, (2005) add that “trustworthy brand is the one, which consistently keeps its promise of value to consumers through the way the product is developed, produced, sold, serviced and advertised”. Lau and Lee (1999) report that trust is usually influenced by “the brand itself, the company behind the brand, and the consumer interacting with the brand”, which is together included in brand-customer relationship. If customers trust a brand, it is a very good presumption that they will become loyal as well (Delgado-Ballester and Munuera-Alemán, 2005). To become loyal, customers have to trust a brand and this trust exactly originates from using a brand (Choudhury, 2001).

2.8 Brand loyalty

Brand loyalty is defined as “the mental commitment or relation between a consumer and a brand” (Pelsmacker, Geuens and Bergh, 2004). Lin, Wu and Wang (2000) point out that brand loyalty comes from the repeated purchase of a particular brand in the long term and that this behaviour is naturally supposed to occur in the past, at present and even in the future.

Aaker (1991) suggests that brand loyalty is significant for companies because of the possibility of seeing and exploring customers' favour with the brand. Furthermore, he supports this by observing that it means repeat purchases for the company and often also the recommendation of the brand to other people, such as friends or relatives.

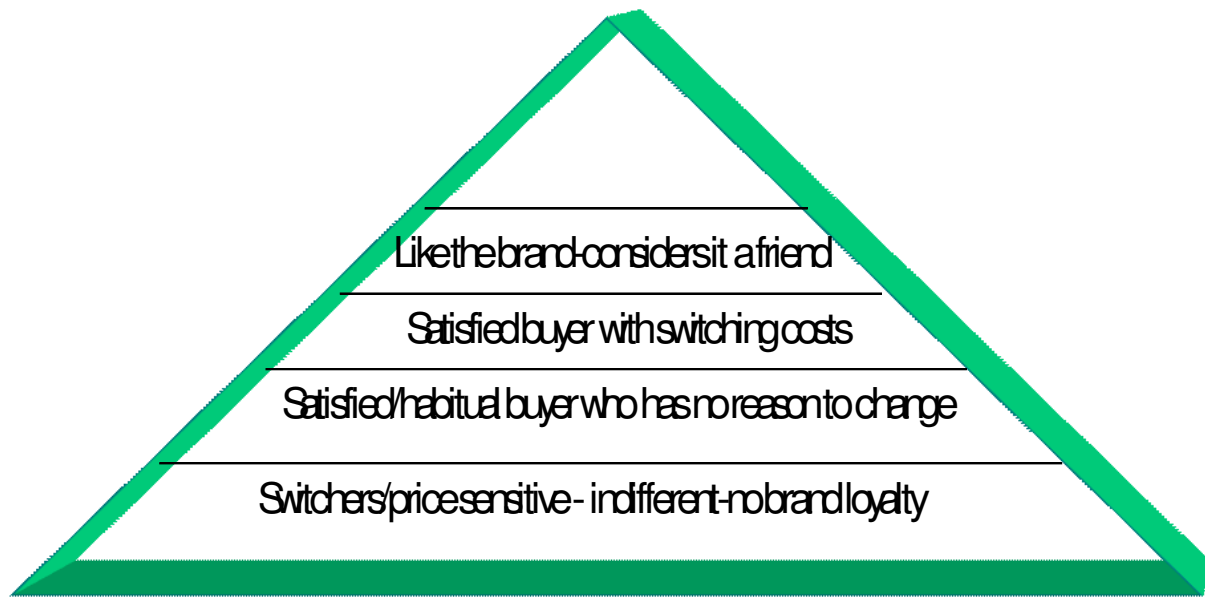


Figure 2.3: The loyalty pyramid

Source: Pelsmacker, P., Geuens, M. and Bergh, J. (2004)

Presently, it is a trend to spend a lot of money on attracting and gaining new consumers and this amount is usually even about five times greater than the one used for retaining and developing the satisfaction and loyalty of existing ones (Pelsmacker, Geuens and Bergh, 2004). Park and Srinivasan (1994) point out that having a lot of loyal customers bring companies some marketing advantages such as reduced costs, greater trade control, price bonuses, etc. Many companies try to gain customers loyalty by using loyalty programs, whose goal is to reward the buyers for their shopping of a certain brand (Liu, 2007). Liu (2007) adds that such organizations persuade the consumers to buy more and thereby, as a result also earning more. According to him, it is confirmed that eventually more loyal are that customers, who make use of loyalty programs.

Strong, leading brands are mostly characterized by high level of consumers loyalty which can result from the ability of a brand to hold customers' interests (Pelsmacker, Geuens and Bergh, 2004). Chaudhuri and Holbrook (2001) support this by saying that these successful brands often achieve their high market share and price because their customers have stronger loyalty, connected also with their trust in a brand. Loyal customers bring then continuous sales to the company and ensure its profit (Choudhury, 2001).

However, Gelber (2003) states that it is not enough to have loyal customers if they do not purchase and use the brand repeatedly or are not willing to pay a higher price. Rubel (1996) speculates that for many consumers the price is still very important and they are hardly brand loyal. On the other hand, he adds, that just price effect is not enough for customers decision making. Rondán Cataluña, Navaro García and Phau (2006) argue that brand loyalty is more important for customers' decision-making during their shopping than the effect of price.

Pelsmacker, Geuens and Bergh (2004) suggest that the basic tool for winning customers' loyalty is to be diverse from competitors, preferably to be better than others, or to use suitable loyalty strategies. According to these authors, one of them is a rewarding strategy based on "hard" advantages used to keep consumers satisfied and, therefore, loyal (gifts, prizes or money). They note further that the other can be a relationship strategy whose principle is to get and collect information about individual consumers and use them it in an efficient way (special events for customers, relevant messages, etc.)

It is clear that it is more difficult to attract and win new customers than to keep the loyal ones, which moreover, helps a company to reduce its marketing costs and to make it more stable among other competitors (Pelsmacker, Geuens and Bergh, 2004). Lin, Wu and Wang (2000) state that to have a high level of brand loyalty, a company should focus on creating a strong brand image and make most customers satisfied.

Aaker (1991) suggests that every company wishes to achieve a high level of brand loyalty because it can bring it stability, higher market share and profitability. If customers plan to continue in buying the same brand and are able to wait when it is unavailable, it means they are brand loyal (Lau and Lee, 1999). It is proven that the longer a customer stays with a company, the less it costs it (Keaveney, 1995). Keaveney (1995) notes that, over time this consumer becomes loyal, purchases more goods or spreads positive word of mouth. Pelsmacker, Geuens and Bergh (2004) add that loyal customers become less price-sensitive over time and extend positive word of mouth about the brand, which can all also lower operational costs.

According to the survey made by Baldinger and Robinson (1996), who studied 27 brands, on the most loyal consumers-representing 12% of all asked, fall 69% of certain brand's sale. Pelsmacker, Geuens and Bergh (2004) believe that it is not enough to focus just on loyalty,

but that to recognise the truly important customers companies should also monitor their profitability and link these two together. They observe that it is primarily significant that consumers' satisfaction, loyalty and profitability are all interconnected.

Each brand loyalty is influenced by individual consumers' characteristics, after which the buyers decide whether to buy certain products or to turn to other brands (Lin, Wu and Wang, 2000). However, Tsao and Chen (2005) assert that the level of brand loyalty results also from the market structure, the number of competitors or the brand differentiation. To use all these factors in the right way and benefit from it, companies should understand brand loyalty the best as possible (Lin, Wu and Wang, 2000). According to Lin, Wu and Wang (2000), some companies make use of segmenting the market in accordance to the different types of loyalty and focus both on loyal consumers as well as on potential switchers. They add that, in this case, it is important for them to know the customers' individual needs and attitudes toward the brand to be able to use it effectively for increasing the companies' market share and possibly change the switchers into loyal customers, too.

2.9 Switching behaviour

There is a big group among the consumers, which is more predisposed to switching a brand. These customers decide about their purchase often as lately as they are in the shop, looking also at packaging and in-store promotion. However, such behaviour is more typical for not strongly satisfied buyers, who moreover do not seek for a special product or brand. Baldinger and Rubinson (1996) point out that to persuade loyal customers to switch from a brand, the competitors need the bigger discount than it would be demanded by less loyal ones.

Pelsmacker, Geuens and Bergh (2004) point out that when shopping all people have some expectation and when they fulfil their requirements, it leads to their satisfaction and thereby to choosing the same brand again. However, if the customers are displeased, it is probable that they will turn to a different brand and complain to others (Pelsmacker, Geuens and Bergh, 2004). Lin, Wu and Wang (2000) note that if some customers are not satisfied, they become potential switchers, but their future purchase depends on various factors and sometimes they can even make a repeat purchase of the same brand. Feinberg, Kahn and McAlister (1992) point out that customers' predisposition for switching is given due to variety seeking. Trijp,

Hoyer and Inman (1996) add that this is usually common only in one product category and depends on consumers favour to one or more brands.

Trijp, Hoyer and Inman (1996) believe that the stronger the consumers prefer their brand, the less the switching manifests. Fudenberg and Tirole (2000) outline that to be successful in winning new customers companies need to know consumers' purchasing habits to be able to give them special offers, such as discounts or other stimulus for changing. Oliver (1997, cited by Ganesh, Arnold and Reynolds, 2000) points out that loyal customers ensure the future earnings for the company and bring new customers, which influences the profit as well.

Fudenberg and Tirole (2000) report that companies try very often to entice customers away from their competitors. According to Bendapudi and Berry (1997), if the consumer switches a brand, he might not get the former offered benefits from the new company. They add that the costs that customer has when he switches are often bigger than the benefits resulting from a new relationship.

Ganesh, Arnold and Reynolds (2000) declare that a dissatisfied switcher, who changed a previous brand, can be quite important for a company because of his experience. It is probable that this switcher comes to a new brand with a reduced comparison level and therefore is predetermined to become more satisfied with and loyal towards the new brand (Ganesh, Arnold and Reynolds, 2000).

2.10 Customer-brand relationship

Garbarino and Johnson (1999) point out that during the shopping consumers are influenced by their satisfaction with a brand, the offered quality of a service, trust to a brand and its future commitment. Choudhury (2001) adds that they have a certain expectation about brand's quality and the manufactures should always try to fulfil this expectation or they will lose their customers. Lau and Lee (1999) support this by saying that without liking, consumers cannot have any relationship with a brand.

The company can hold consumers' interest already at the beginning with a name, logo, or symbol, as well as incorporating a brand's element into a marketing program (Keller, 1993).

According to Fournier and Mick (1999), customers' satisfaction is one of the most important objectives that influence the whole marketing. Berthon, Hulbert and Pitt (2004) add that the main goal of companies that want to become a leader in the market is to know and fulfil the real customers' needs and wants to make them satisfied with their brand. Choudhury (2001) suggest that the more positive the customers evaluate a specific brand, the more willing they are to pay for it.

2.11 Conclusion

Companies create a brand to make their products known. For lots of them, branding is a key marketing strategy used in a way to achieve profitability and competitive advantages. It is obvious, that consumers rather choose popular brand or follow some recommendation, opinion. If they feel that they can trust a brand, they purchase products spontaneously without immediate thinking of costs or benefits. This does not automatically mean they are loyal unless they buy the same brand repeatedly. Therefore, the main tendency of each company is to gain and keep the most loyal customers as it brings reducing of costs, price bonus, higher market share etc.

The aim of this dissertation is to focus on the level of consumers' loyalty and its influences during their shopping. Do people, when they need to buy a new product, turn first to their favourite brand? If they are satisfied with one particular brand, do they purchase just it? How loyal are the young people in these days? What influences their decision-making during the purchase?

On the base of previous questions, the main objectives were defined to be solved in the section of methodology:

1. To identify brand loyalty and the factors upon which it is dependent.
2. To determine customer-brand relationship, the consumer satisfaction with brand and the meaning of brand-loyalty.
3. To explore differences of attitudes to brand loyalty between Czech and English university students.
4. To compare brand loyalty and factors influencing the purchase by Czech and English university students.

CHAPTER 3. METHODOLOGY

In the previous chapter recent academic articles and other literature focused on branding, brand equity, awareness, image, popularity, reputation, trust and loyalty, as well as switching behaviour and customers-brand relationship were discussed to help the researcher to explore and understand the topic more deeply. As Saunders, Lewis and Thornhill (2007) note, by undertaking a literature review the research can gain valuable preliminary background to support and develop ideas and knowledge of the subject, and to identifying potential limitations as well as further research possibilities. Therefore, the resources were critically reviewed before determining the main objectives and aims of this research, set out earlier at the end of previous chapter.

This section concentrates on primary research undertaken. Firstly, it explains research strategy used and the reasons for doing so. It describes details of survey methodology including the sample and method of data collection. Finally, the text deals with the limitations of the research method applied and makes recommendations for future research.

3.1 Research strategy

The data were collected by force of the questionnaire, which is one of the methods used during a survey.

According to Saunders, Lewis and Thornhill (2007) there are two types of research approach which can be used: deductive and inductive. In this case, the hypothesis and the theory were settled first. Therefore, the deductive approach was chosen as an appropriate method of testing the hypothesis. Saunders, Lewis and Thornhill (2007) point out that deductive approach has as its main task to explain a link between some variables based on quantitative data.

From the range of research strategies available (survey, case study, experiment, ethnography, grounded theory etc.) a survey was chosen as the most suitable for the research objective.

Descombe (2007) states that the advantages of a survey strategy are: the researcher can get empirical data; the coverage is quite wide as well as inclusive; it is suitable for quantitative data; it is cheaper than some other strategies, for instance experiment or ethnography; and the data can be collected in a short time. Saunders, Lewis and Thornhill (2007) add that its advantage is also the ability of collecting a large amount of data.

Like other strategies a survey has disadvantages too. First of all the data produced tend to be not very detailed and in-depth. Moreover, the possibility of checking the accuracy and honesty of responses is very limited (Descombe, 2007). Descombe (2007) adds that there may be quite low response rate, which would limit reliance on the findings and hence the ability to generalize from them. This is partly dependent on the survey method, its type and the way the data are collected. On the other hand, if the survey is compared to a case study approach, one of the disadvantages of the later is the low credibility of the generalization of findings (Descombe, 2007).

3.2 Survey method

The goal of the research was to gain insight into brand loyalty in the use of mobile phones by young people, and in particular students. Students were chosen for the research as they are one of the groups most using this technology. The specific survey objective was to assess and compare the brand loyalty of university students in the UK and the Czech Republic.

To achieve these research objectives there are a variety of survey methodologies available, including questionnaire, structured observation, structured interview or even the combination of them. After evaluating the advantages and disadvantages of the possible methods, a questionnaire seemed to be the best way for this research.

The alternative method which was most closely looked at was the interview. This has the drawback that it is time consuming. Often there is a need for travel that can cause quite high costs. Moreover, the data analysis is quite difficult, as the responses are non-standardized (Descombe, 2007). The interviewer may have some effect on the responses as well.

In contrast, information gathered by questionnaire is highly specific, and is easy to administer and compare (McNiff, 1992). Researchers use questionnaires to save both time and money. Questionnaires allowed them to select a large sample and get information from them quite easy and quickly. For respondents this method is convenient due to the possibility to complete the questionnaire whenever they are free; there is no need for immediate response. Furthermore, the answers can be pre-coded and standardized because exactly the same questions are given to each respondent.

Questionnaires also have disadvantages, which are connected with their advantages. For instance, pre-coded questions may appear to some respondents as frustrating or boring. Moreover, they can show the bias of the researcher, as the options of answers can differ from the respondents' ones. The researcher has less opportunity to check the truthfulness of given answers than he could have by doing an interview (Descombe, 2007).

However, the required information for this study was brief and straightforward and all the chosen respondents were literate and well familiar with the topic, so these disadvantages should not have too much effect on the results. Therefore, it was appropriate to use just the questionnaire.

To achieve a higher response rate, it was decided to deliver all questionnaires personally to respondents and collect them back after completing.

3.3 Sample

As a target group university students from the University of Huddersfield and the Technical University of Liberec at the age of 18-30 were chosen. Fifty students were selected from each University. The major part of respondents was picked out randomly as any student attending the same lessons as the researcher. The rest of the respondents formed students taking lessons with two colleagues of researcher, who participated in distributing the questionnaires.

It was decided to analyse the brand loyalty in the view of using mobile phones and because the young people, especially students are one of the groups most using this electronic, they seemed to be ideal for this research. The main task in this study was to discover whether

young people, in this case students, are loyal these days and compare the level of brand loyalty between university students in the UK and the Czech Republic.

3.4 Type of Questionnaire

Questionnaires can be divided into two main types according to delivery method: self-administrated and interviewer administered. By the self-administrated one the researcher is not present during its completing. This type includes online, postal, and delivered and collected questionnaires. The interviewer administered one can be done as a telephone questionnaire or as structured interview.

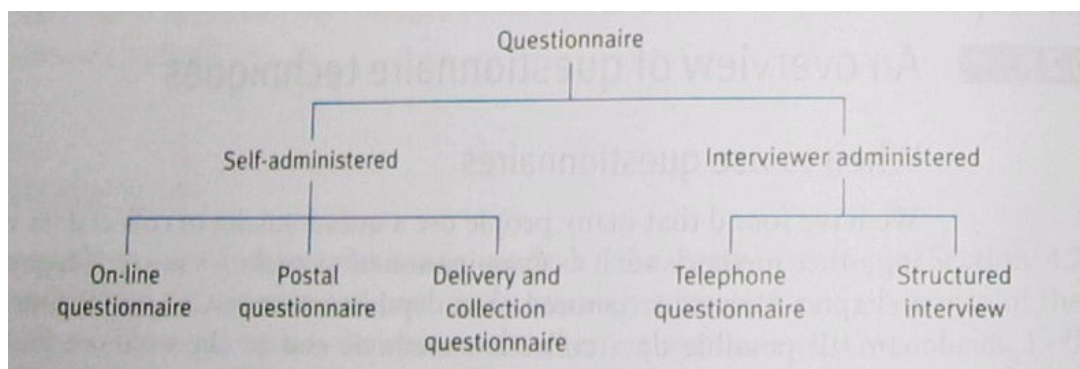


Figure 3.1: Types of questionnaire
Source: Saunders, M., Lewis, P. and Thornhill, A. (2007)

For this study, the delivered and collected questionnaire was chosen as the most appropriate type. By delivering all the questionnaires personally and collecting them back after completion, a higher response rate could be achieved. Saunders, Lewis and Thornhill (2007) state that this type is suitable for literate individuals that can be selected by organisation, occupation, name etc. As described in the above section on the survey sample, the respondents were picked by organisation – university - and by their occupation – students. As all of them were students, the condition about literacy was fulfilled.

As noted by Saunders, Lewis and Thornhill (2007), more time is needed when using a delivery and collection questionnaire to accommodate the geographical dispersal of respondents. However, due to choosing two certain universities in this research, all the

respondents were available on the same place and there was no need to find them out or travel somewhere else.

3.5 Questionnaire design

The main task during designing the questionnaire was to select the right questions. There are two ways in which questions can be asked: open and closed. Respondents' own words are recorded as an answer to open questions whereas answers are selected from a pre-determined list for closed questions. Fink (1995) notes that for researchers closed questions are more reliable and efficient than open ones. He adds that the respondent can show his own view with an open question however, these answers tend to be difficult to interpret or even compare. The other big advantage of closed questions is that statistical analysis is easier.

On the other hand, by using closed questions there can be a risk that some answers might be missed. This disadvantage can be partly limited by setting relatively straightforward and mostly quantitative questions with the range of possible answers and using a pilot survey.

All the questions in this questionnaire were closed, with the exception of number 21 – asking about the nationality.

The questionnaire was divided into three sections:

1. possession and use of mobile phone(s) – questions 1-7
2. purchase, its influences and changes – questions 8-19
3. personal information – questions 20-23

Descombe (2007) notes that it is better to use the most straightforward questions at the beginning of the questionnaire to make the respondent continue. Therefore, the first part of questionnaire was focused on general information, easy and straightforward, about mobile phones and operators to make the respondents comfortable with the questionnaire and also gain a statistical base for the subsequent analysis. There were questions about the number and make of mobile phones owned; mobile operator; the length of use; payment method; spending on using the mobile phone; and personal income.

The second part represented the substance of the research. It dealt with the purchase, the resources for it, its influences, changes and reasons. The questions in this section included: the place of residence; household income; the person who paid for the last mobile phone; factors in the purchase decision; satisfaction with the current model; changes of mobile phone and operator and their reasons; loyalty and frequency of switching; and influences during the selection of a new model.

The final part then asked about personal information, such as gender, nationality, age and university status.

According to Descombe (2007), it is a good practice to put personal questions at the end of a questionnaire, as the researcher is more likely to get honest responses to them.

There were two versions of the questionnaire: English and Czech. The English version was translated into Czech. There had to be slight modifications to answer categories, such as the make of mobile phone, as in every country the favourite makes are little bit different. This was also true of the mobile provider – in the Czech Republic there are only three mobile providers, while in the UK there are many of them. Another necessary modification was to income and spending categories. Categories of spending on using the mobile phone were not converted according to the market exchange rate but modified to reflect the real expenses of Czech students. A similar adjustment was made for personal and household income bands. By each country, these were set in relation to average wages. All other questions and answers were the same in both versions.

Descombe (2007) advises that each questionnaire should contain the name of organisation from which the research is undertaken or the name of researcher if it is an individual person. Then it is important to state for what information is needed and how it will be used (Descombe, 2007). In this questionnaire the front page was designed to inform respondents about the reason and goal of the research. It was explained to the respondents why they were chosen and they were assured about that the information they supplied would be kept confidential. All the respondents were asked to complete all the questions and return back to researchers. At the end, respondents were thanked and information about the researcher was given.

3.6 Pilot testing

The draft questionnaire was discussed with the researcher's personal tutor and colleagues to modify and add some questions before it was pilot. The pilot test was conducted with five undergraduate students from each country, UK and Czech Republic. At the end there was then a correction of spelling, grammar and word order.

Pilot testing is very important for a researcher, especially when using closed questions, to ensure that his questionnaire makes sense, there are the right categories of answers and the whole layout is not too long to complete (Saunders, Lewis and Thornhill, 2007).

As a result of pilot test, the original questionnaire was extended from 20 to 23 questions, to include additional information o the mobile provider and the length of using the mobile phone. Some changes were made to income bands and categories of spending on using the mobile phone. The first two questions on the number of owned mobiles and the make of mobile were transformed from open to closed ones.

Descombe (2007) points out that that for many people the size of the questionnaire is the factor that decides them whether to complete it or not. Therefore, during the pilot test all the students were asked about the time needed for completing the questionnaire and their willingness to do it as well as about any confusing, misconceived, missing or unnecessary question. As it took all of them from 5 to 10 minutes to complete and all the questions were comprehensible without any other comments, the questionnaire was accepted as final one.

3.7 Research Process

The final draft of the questionnaire was delivered to the university students at the end of term 2, in March 2008. In the University of Huddersfield 50 questionnaires were distributed. The majority of them was handed personally by the researcher during the lessons, 17 by cooperation with two colleagues in their lessons. The first part handed personally by researcher was return immediately after completing back to researcher. The rest of questionnaires was given back from the participants in 2 and 3 days.

Then there were distributed other 50 questionnaires in the Technical University of Liberec in March 2008. In this case, all of them were delivered personally by researcher after the agreement with Czech professors to their lessons and collected immediately after completing.

All the gained data were then analyzed using the statistical programme system, Statgraphics.

3.8 Limitations

Before starting the next chapter about analyzing the data, there has to be mentioned some limitations of this research. These limitations were caused mainly because of the lack of time.

First of all, the respondents involved in this research were only from two universities and limited number of subject courses. Therefore, the findings cannot rightly be generalised across the whole country, or more precisely two countries. There might be some differences between regions as well as individual towns and in the characteristics of different universities. It would be desirable to distribute the questionnaires to other universities as well, to get better comparison.

Secondly, the time allowed for only a small sample of respondents, just 50 from each university. A larger sample would bring better possibility of generalisation and also of detailed analysis of the results by sub-group. On the other hand, the process would then need more time for data collection, analysis and interpreting the results.

Moreover, the respondents were chosen as the colleagues and through two participants, who were colleagues as well, in the UK and through known teachers in the Czech Republic. This might have introduced a slight bias of researcher.

Finally, the researcher focused only on quantitative data and its analysis. Almost no qualitative information was gathered, as it was not needed for testing the hypothesis. However, collecting some qualitative data as well, perhaps via follow-up interview could bring deeper analysis and understanding of results, as well as assurance of their statistical reliability.

3.9 Recommendation

For the future research, it is advisable to concentrate on a larger number of respondents, for instance from a larger range of classes. Moreover, it is recommended to involve more universities into the research, preferably from different cities and regions of each country. To get in-depth analysis it is then suggested to use some other supplemental method for example, follow-up interviews to probe the reasons for switching brands in more detail.

In next chapter analyzing of collected data and their results and following discussion are stated.

CHAPTER 4. RESEARCH RESULTS AND ANALYSIS

In this chapter the results gained from the questionnaires and the data analysis are explained. First of all, the objectives of the research were set out. Then there was a determination of hypothesis tested by the survey, followed by the questionnaire's results and their analysis. As the survey was made in two different places, in the University of Huddersfield in the UK and in the Technical University of Liberec in the Czech Republic, the presented results were divided into two parts according to each university and analysed separately. Their comparison is then discussed in the next chapter.

The main objectives of this research were defined as:

1. To identify brand loyalty and the factors upon which it is dependent.
2. To determine customer-brand relationship, the consumer satisfaction with brand and the meaning of brand-loyalty.
3. To explore differences of attitudes to brand loyalty between Czech and English university students.
4. To compare brand loyalty and factors influencing purchase by Czech and English university students.

Four hypotheses were set out to be tested by this survey:

- H₁: Students with higher personal income are more likely to make their purchase according to their favourite brand, regardless of price.
- H₂: Students, who spend more money on using their mobile phone, are more loyal to their current brand of mobile phone.
- H₃: Czech students purchase and change their mobile phones less frequently than English students do.
- H₄: Czech students are more often willing to switch to other brands, if they cannot get their chosen one, than English students are.

4.1 University of Huddersfield

4.1.1 Personal information

The questionnaires were handed out to 50 university students, who all completed them. Therefore, the response rate was 100%. As can be seen on Diagram 4.1 – Gender, from all the respondents in the UK 24 were males and 26 were females. The majority of students, 56% belonged to the age group of 18-21. The other 32% of respondents were in the group of 22-24, 2% were between the ages of 25 and 27 and 10% of students were older than 28 years old. Among the all respondents there was nobody younger than 17 years old. The results are shown in Diagram 4.2 – Age.

Diagram 4.1 - Gender

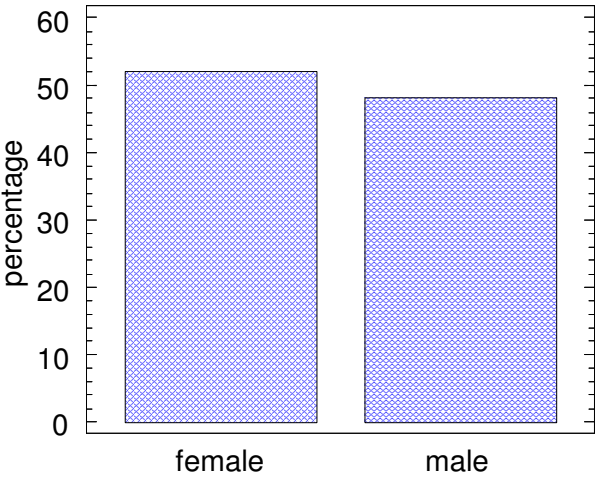
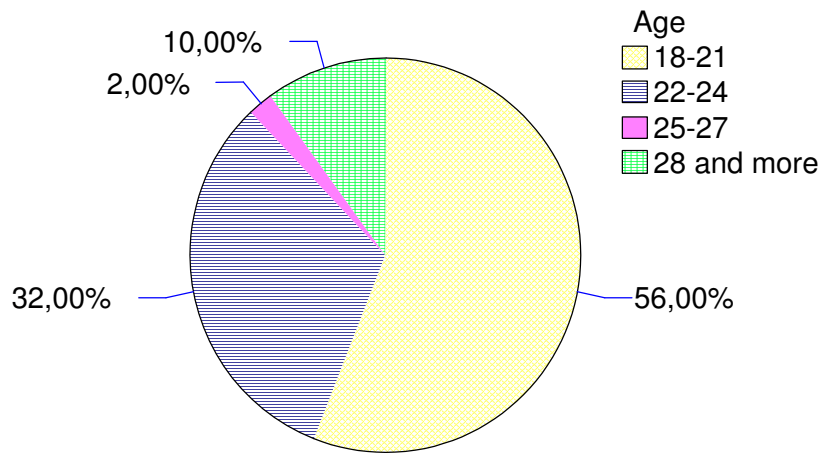


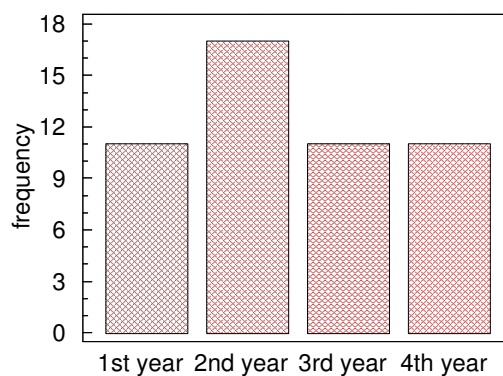
Diagram 4.2 - Age



As it is demonstrated in Diagram 4.3, the representation of university status was quite well-balanced. 11 students were from the first year, 17 of them attended the second year, 11 represented the third year and other 11 respondents were from the fourth year. No students belonging to the fifth year took part in the survey.

All the respondents chosen at the University of Huddersfield were British.

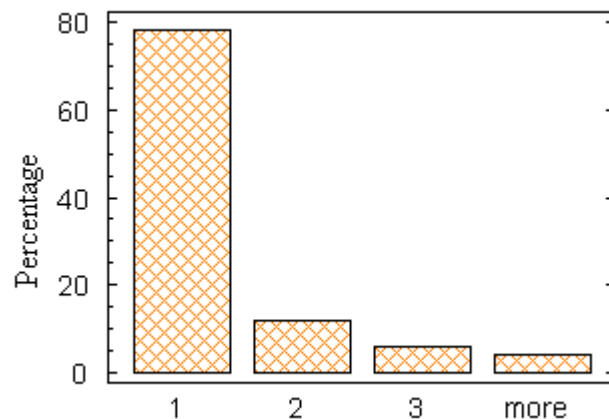
Diagram 4.3 – University status



4.1.2 The Possession and use of mobile phones

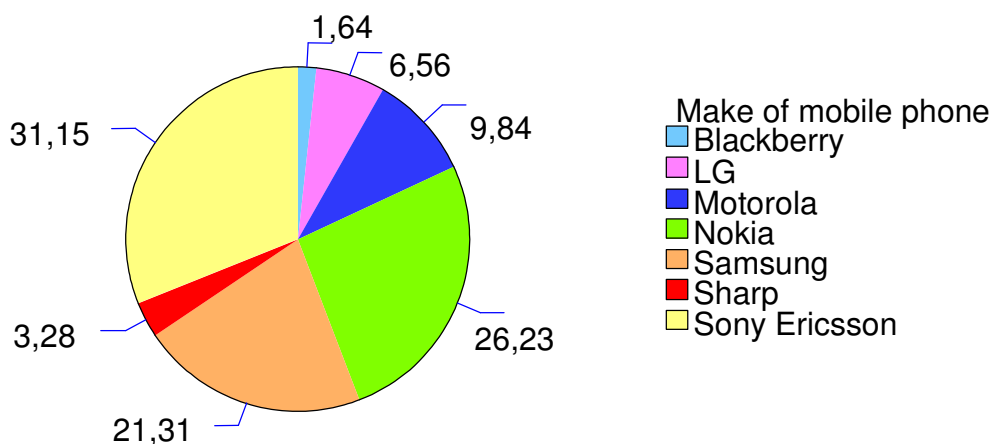
Most respondents noted in the questionnaire that they possessed only one mobile phone, totally 39 students from all respondents. On the other hand, there were 2 others who admitted that they have more than 4 mobile phones. Two phones have used then 6 students.

Diagram 4.4 – The possession of mobile phones



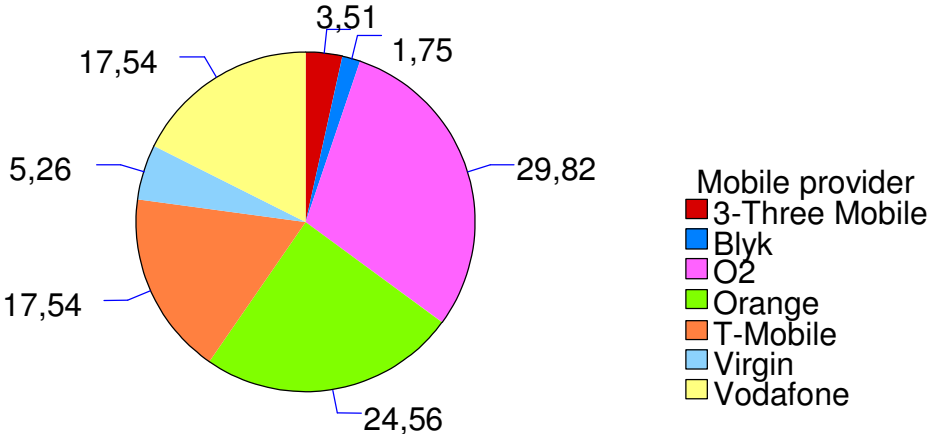
The most favoured and used mobile brand among English students was Sony Ericsson, as 19 students owned a mobile of this brand. In the second place was Nokia with 16 responses and in third place was Siemens, which 13 students possessed. No-one from the questioned respondents had an Alcatel or Apple mobile phone. On the other hand, two students chose the “others” category and set out Sharp as the brand they owned

Diagram 4.5 – Make of mobile phone



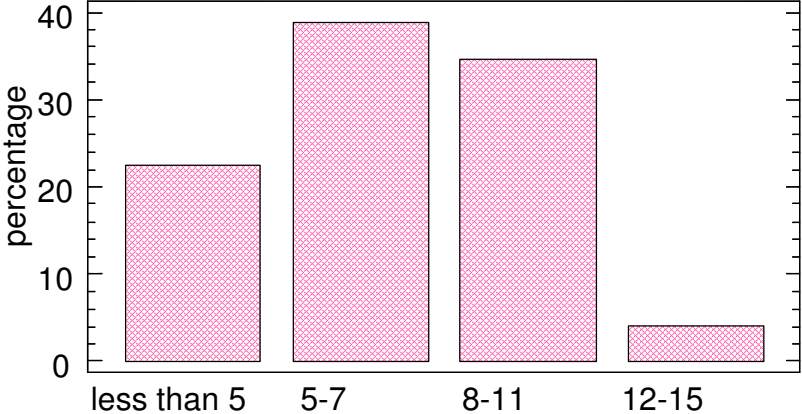
From the whole range of mobile providers, the most students used O2, in total 17 of them. In the second place in the number of answers was Orange, which 14 respondents stated they owned. Two other big mobile providers, T-Mobile and Vodafone, were used by the same number of students, 10 of them for each brand. There were 3 respondents using Virgin, 2 of them using 3 (Three Mobile) and 1 respondent using Blyk.

Diagram 4.6 – Mobile provider



From the next question it resulted that in total 30 students have not been using a mobile phone for longer than 7 years. 18 respondents answered that they have been using it for between 8 and 11 years and there were only two students that have been using a mobile phone longer, more precisely from 12 to 15 years. Nobody fell into the group “more than 15 years”.

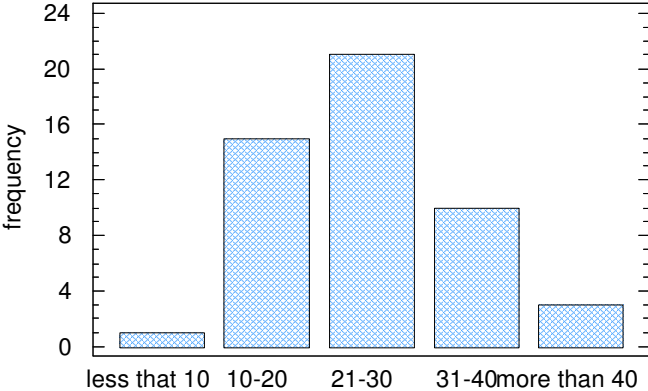
Diagram 4.7 – The length of using a mobile phone



As a payment method, the monthly one was the favourite – 37 respondents named it as the current used one. 14 students used pay as you go.

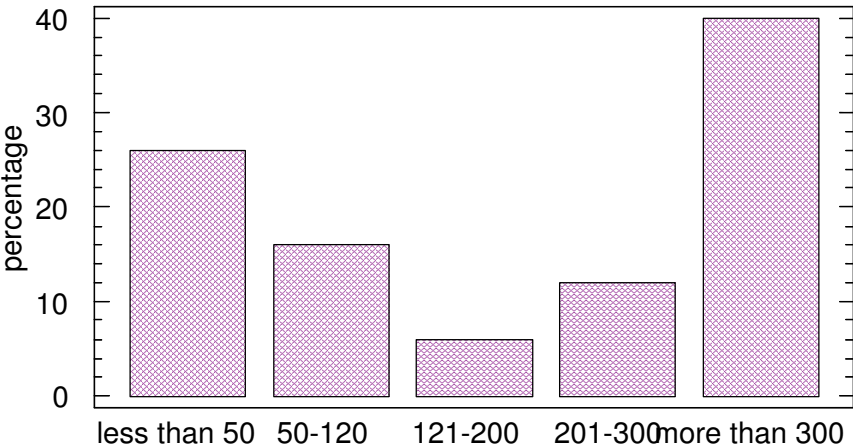
In question 6 it came out that the majority of respondents in the UK usually spend £21-£30 on using their mobile during a month. Only 1 student normally pays less than £10 and 3 respondents stated that they usually expend more than £40 monthly.

Diagram 4.8 – Spending on using a mobile phone (in Pounds)



Asked about their personal monthly income, most students (20 of them) described it as more than £300 during the last year. On the other hand, there were 13 respondents whose personal income was less than £50 per month.

Diagram 4.9 – Personal monthly income (in Pounds)



4.1.3 Influences by purchase

In this section the first two questions were focused on students' place of residence. Most students - 26 of them - were living in student accommodation whilst at university. In the second place in the number of answers was living with parents, which 15 respondents stated they were doing.

On the contrary, the majority of respondents noted that, when they were not at university, they lived with parents; there were 37 of them in total. Student accommodation was named by only 5 students, which was the same number of students who were living with a partner. The comparison of temporary and permanent residence is shown in Diagram 4.10 – Place of residence when at university and Diagram 4.11 – Place of residence when not at university.

Diagram 4.10- Place of residence when doing university

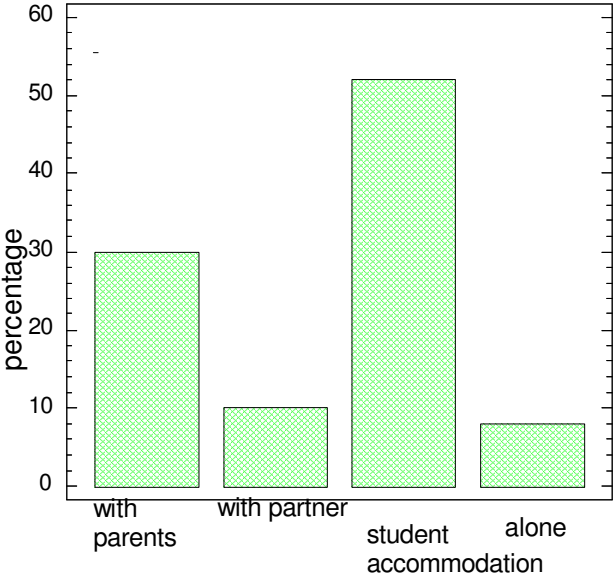
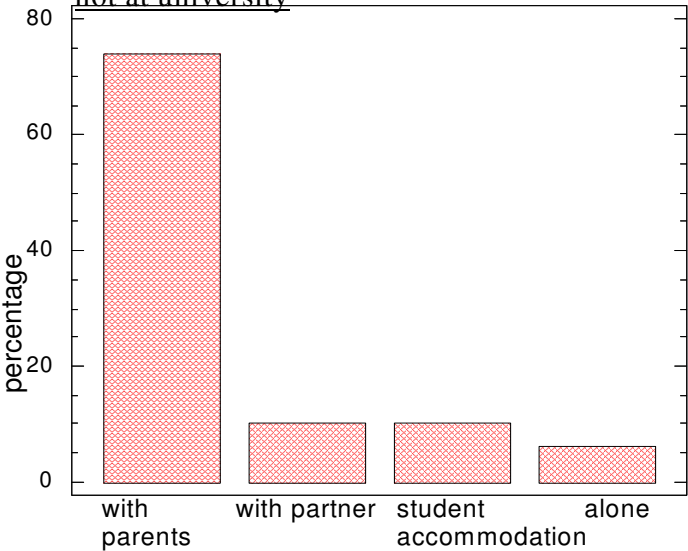
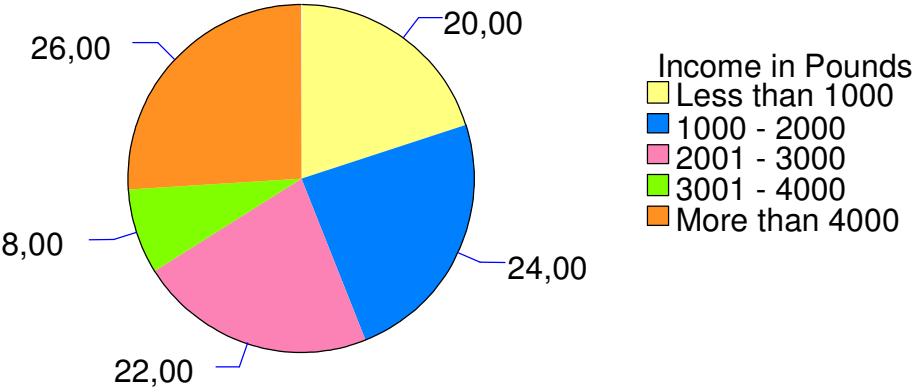


Diagram 4.11 - Place of residence when not at university



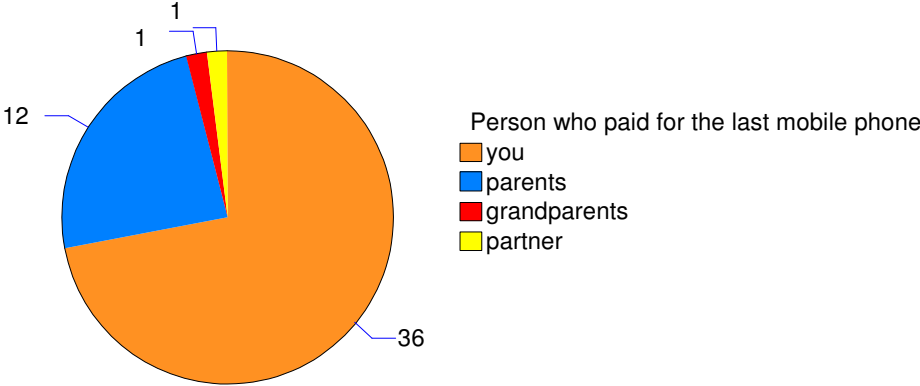
The following question asked respondents about their monthly household income. The answers were quite equable. 10 students belonged to the first group – less than £1000, 12 respondents noted that their income is between £1000 and £2000. Other 11 students stated that their household earned £2001-£3000, 4 respondents fell into the fourth group, which represented £3001-£4000 and 13 others pointed out that they lived in a household with an income of more than £4000.

Diagram 4.12 - Monthly household income



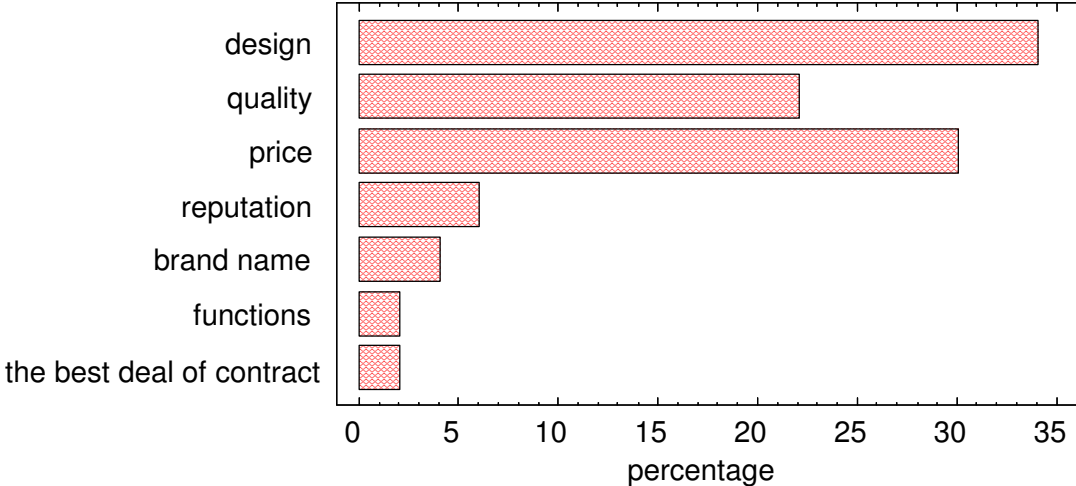
In question 11, the researcher wanted to discover who the person that paid for a last mobile phone was. 96% of students answered that they either paid for it themselves or got it from their parents. The rest, only two respondents, gained mobile phone from other people – one from grandparents and the other one from his partner.

Diagram 4.13 – Person who paid for the last mobile phone



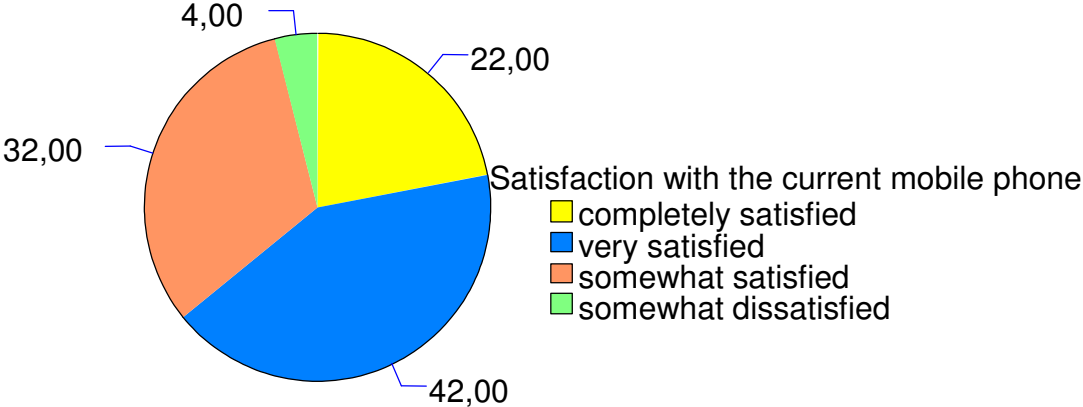
It was important then to explore what the main deciding reason during the purchase was for students. The most respondents, 17, ticked design. However, price was a close second choice for 15 students. 11 respondents considered quality as a main factor, 3 of them reputation, 2 ticked brand name and 2 others chose the possibility “others”. One of these students stated the best deal on the contract and the other noted that the main factor during the purchase was for him the function of the mobile phone.

Diagram 4.14 - The main factor during purchase



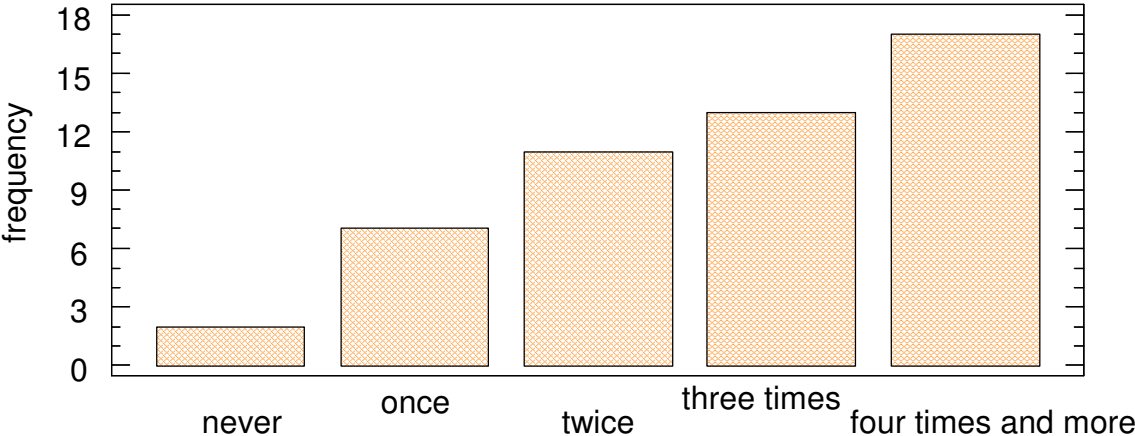
Question 13 was focused on satisfaction with the current mobile phone. 21 students answered that they were very satisfied with it. 11 respondents were completely satisfied and 16 others noted that they were somewhat satisfied. From all the questioned students in the UK just 2 of expressed themselves as dissatisfied, but only somewhat.

Diagram 4.15 – Satisfaction with the current mobile phone



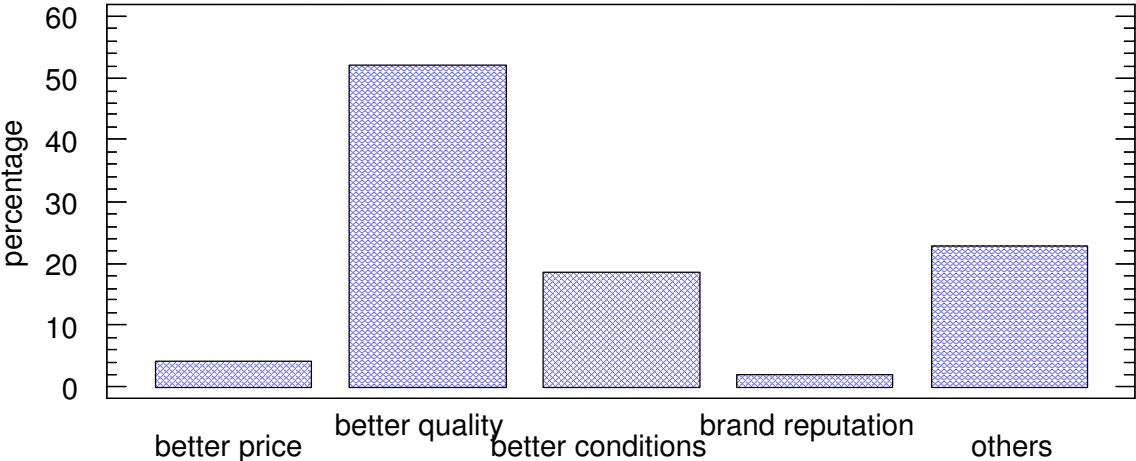
Asking about the frequency of the mobile phone's changes, 82% of students have changed their mobile phone at least twice. 34% of these have done it four times and more. There were only 4% of respondents that have never changed their mobile phone.

Diagram 4.16 - Frequency of mobile phone's changes



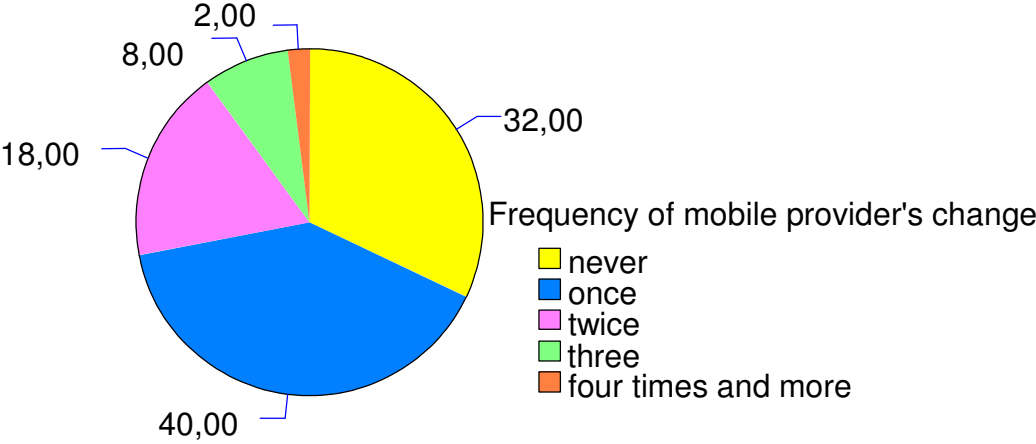
In the following question, students should have stated the most important reason for the change. The absolute majority of respondents answered that it was for better quality. Nine students ticked better condition, two others considered the better price as the most important reason of their changes and one respondent named brand reputation. Moreover, there were eleven students who did not choose any from the given range of answers and ticked “others”.

Diagram 4.17 - The most important reason for the change



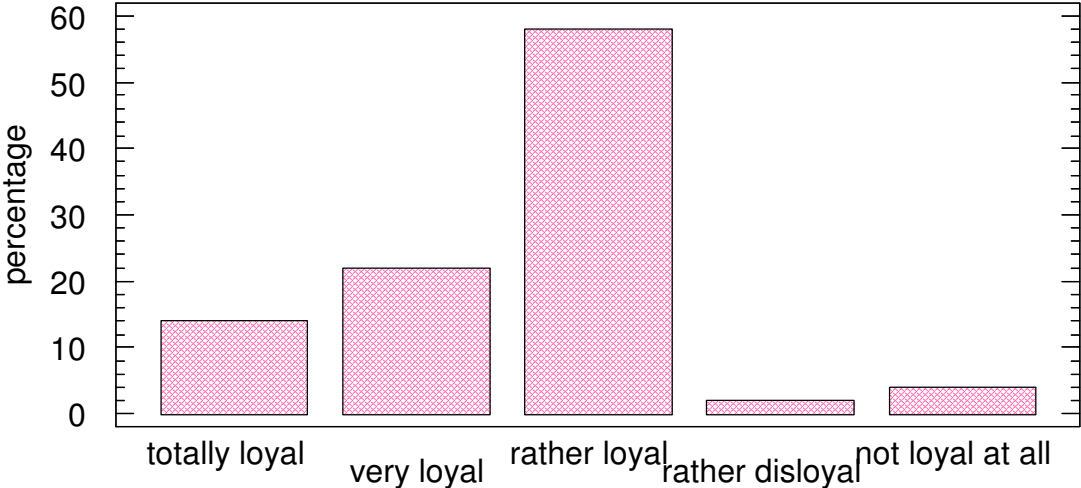
In comparison to the frequency of changing a mobile phone, the changes of mobile provider were not so common. 36 students have changed the mobile provider at the most once. 9 respondents stated that they have made two changes and 4 others ticked “three times”. There was only one student who has changed his mobile provider four times and more.

Diagram 4.18 – Frequency of mobile provider’s changes



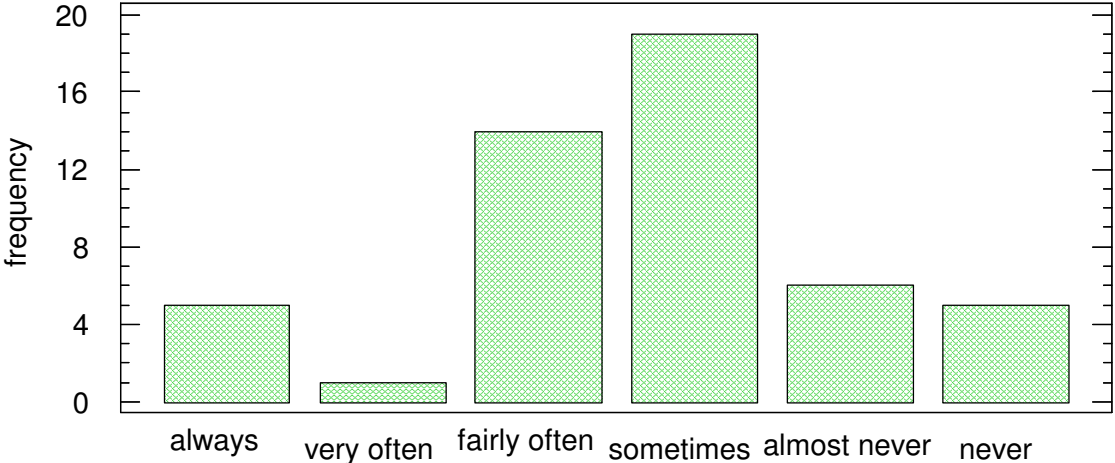
Question 17 discovered how loyal the students feel to their current brand of mobile phone. 47 of all questioned English students characterized themselves as loyal. 7 respondents from these felt as totally brand loyal, other 11 stated that they were very brand loyal and the most, 29 students ticked the possibility “rather brand loyal”.

Diagram 4.19 - Brand loyalty to the current mobile



In the next question the researcher asked about the switching behaviour. 78% of students stated that they would switch at least sometimes to another mobile brand if they could not get their chosen one. There were 12% of respondents that ticked “almost never” and another 10% answered that they would never switch to other brand.

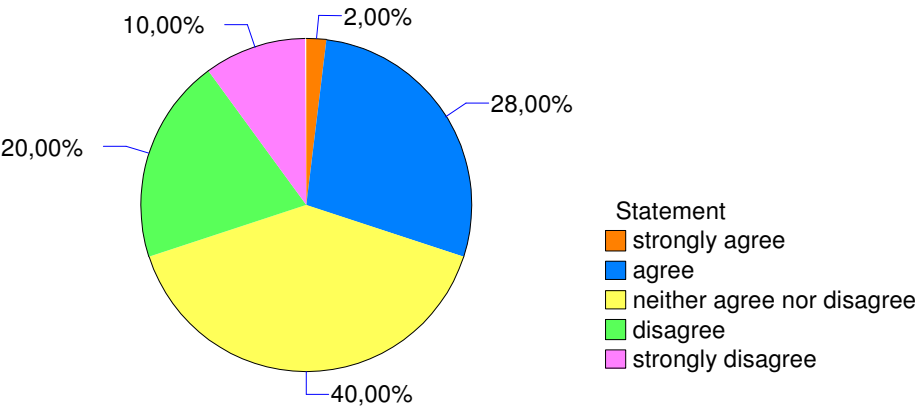
Diagram 4.20 - Switching to other mobile brand



Question 19 contained seven subgroups exploring the influences during a selection of a new mobile phone.

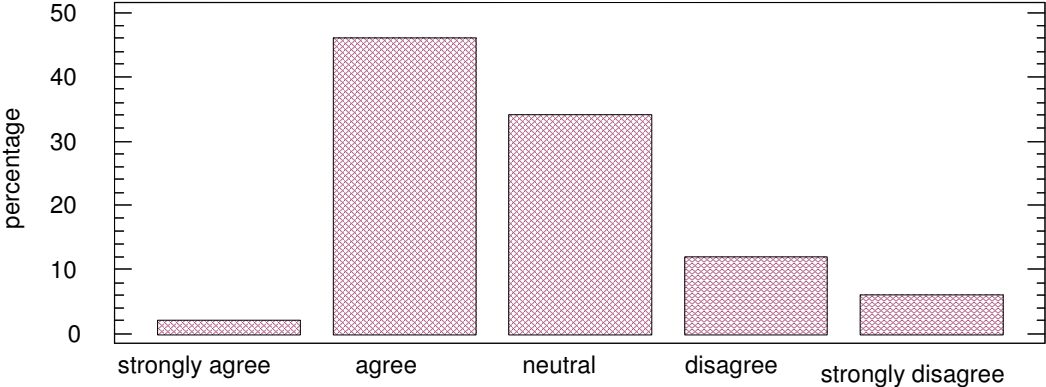
a) First one asked whether students make their purchase according to their favourite brand regardless of price. The most respondents, 20 of them, stayed neutral with this affirmation and ticked “neither agree nor disagree”. There was then the same number of students, who agreed and disagreed - in total 15 of each. From the first group 1 respondent agreed strongly and from the second one 5 students stated that they disagreed strongly.

Diagram 4.21 - Purchase according to favourite brand



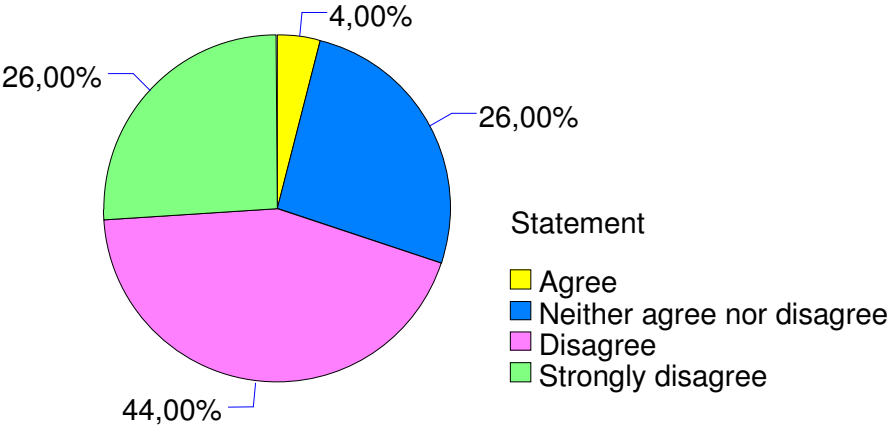
b) This subgroup discovered whether students have more than one preferred brand. There were 9 respondents who disagreed with this statement. 41 students then either agreed or were neutral. 1 from them stated that he agreed strongly, other 23 ticked “agree” and 17 respondents neither agreed nor disagreed.

Diagram 4.22 - Having more than one preferred brand



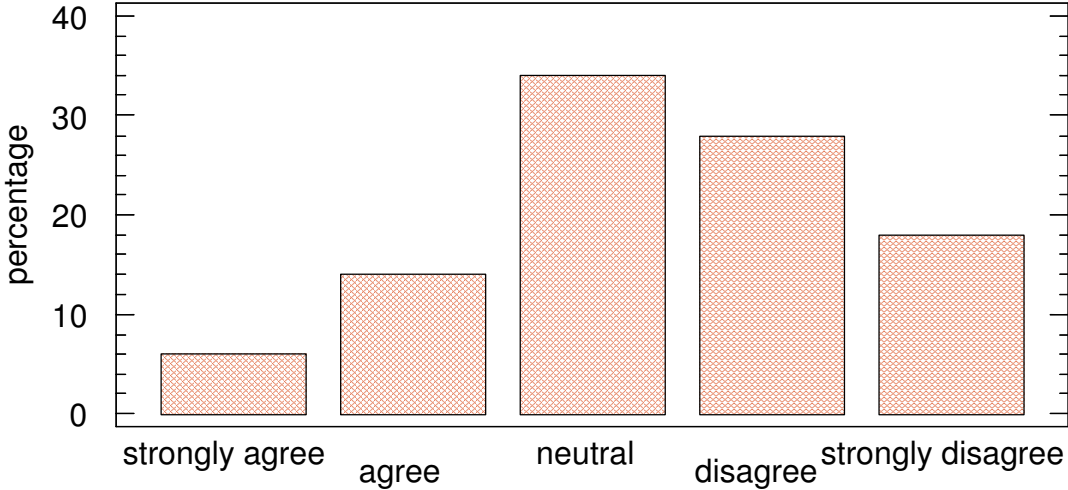
c) The next part was focused on friends. The students should have stated whether they buy the brand that their friends buy. There was no student that strongly agreed with this statement and only two others ticked “agree”. The rest of respondents, totalling 48, either disagreed or stayed neutral. From the 35 disagreeing students, 13 disagreed strongly.

Diagram 4.23 - Buying the same brand as friends do



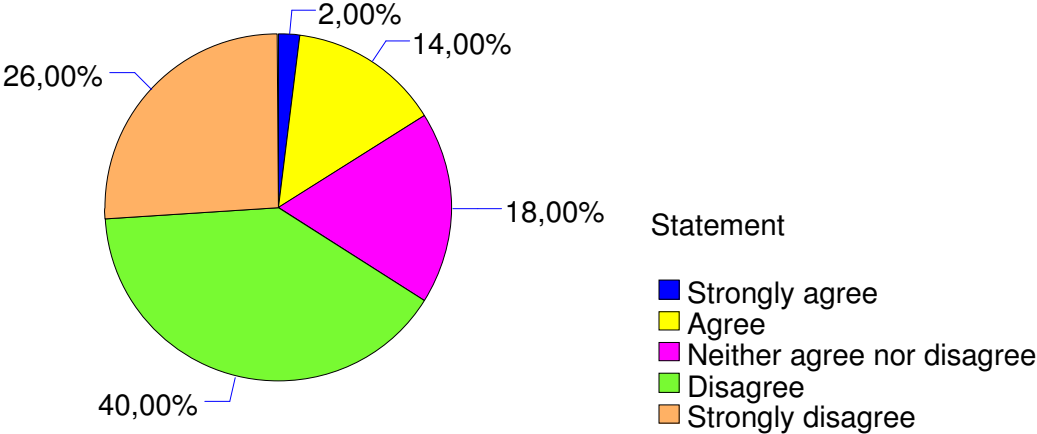
d) In this subgroup the researcher asked students whether they think that their choice of brand says something about them as a person. Only 10 respondents agreed, from that 3 strongly. Other 17 respondents were neutral and 23 disagreed. 9 students disagreed even strongly.

Diagram 4.24 - Choice of brand as a predictive factor of a person



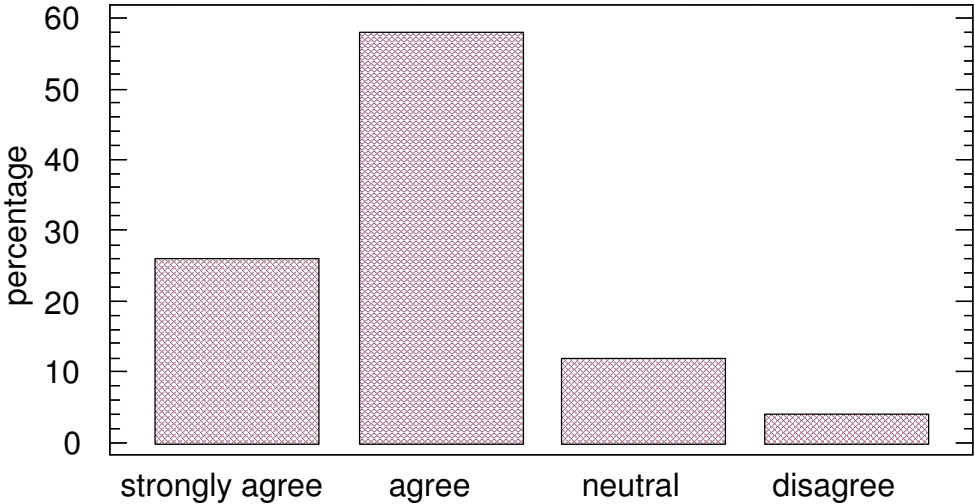
e) This part investigated among students whether they choose a brand on the base of what their friends say. There were only 3 respondents that agreed, 1 from these strongly. 9 students expressed themselves as neutral and other 33 disagreed. From the last group there were 13 people who disagreed strongly.

Diagram 4.25 - Choosing a brand on the base of what the friends



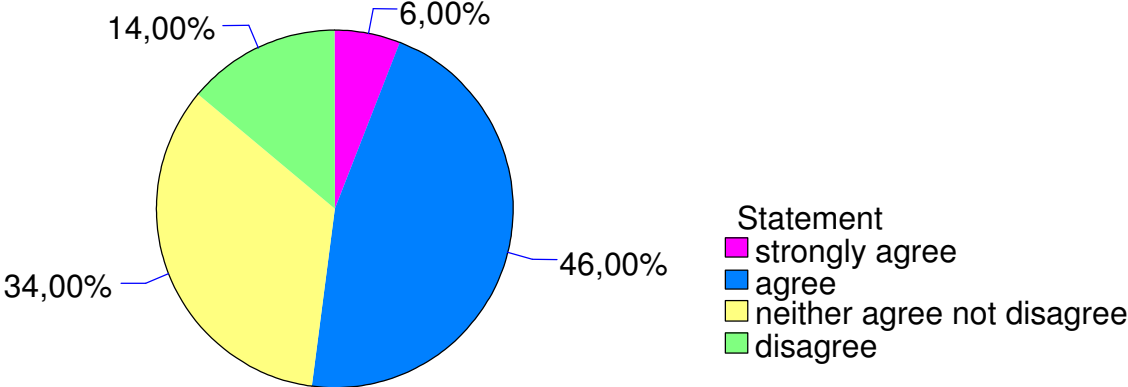
f) The following question was focused on choosing a brand primarily according to its quality. There was no student who strongly disagreed with this statement and only 2 others noted that they disagreed. 6 respondents stayed neutral and the majority of all questioned, 42 students agreed, 13 from them even strongly.

Diagram 4.26 - Choosing the brand primarily according to the quality



g) In this part students were asked if their choice of brand is largely based on price. 7 respondents disagreed, though no one strongly. 17 others were neutral to this affirmation and 26 students agreed. From this group 3 people agreed strongly.

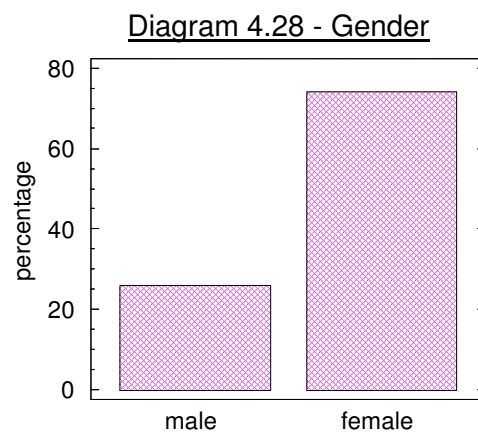
Diagram 4.27 - Choice largely based on price



4.2 Technical University of Liberec

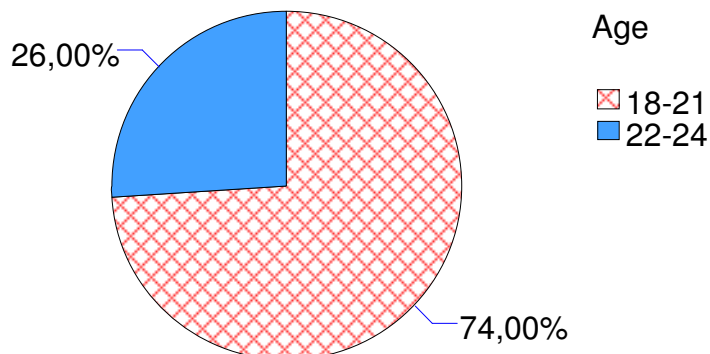
4.2.1 Personal information

The same way as by the University of Huddersfield, the questionnaires were distributed to 50 university students in the Czech Republic. The achieved response rate was again 100%. From all the respondents there were 13 males and 37 females, everyone with Czech nationality.



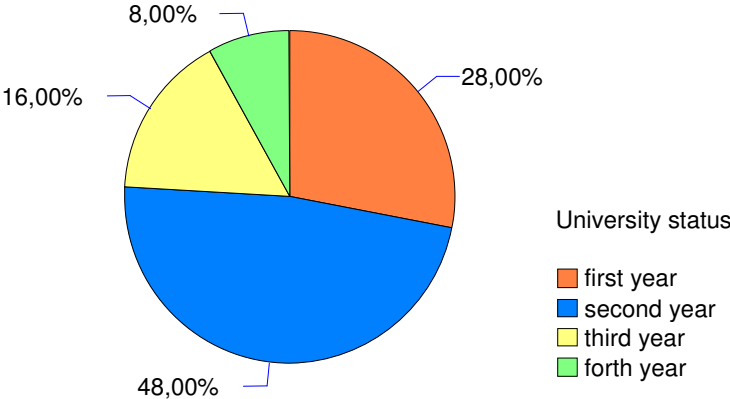
The most students were in the age range 18-21, totally 37 of them. The rest fell in the group of 22-24 years. There was no respondent younger than 18 as well as no respondents older than 25.

Diagram 4.29 - Age



In the respect to university status, 14 people attended the first year, 24 students were from the second year, 8 respondents belonged to the third year and there were 4 others that fell within the fourth year.

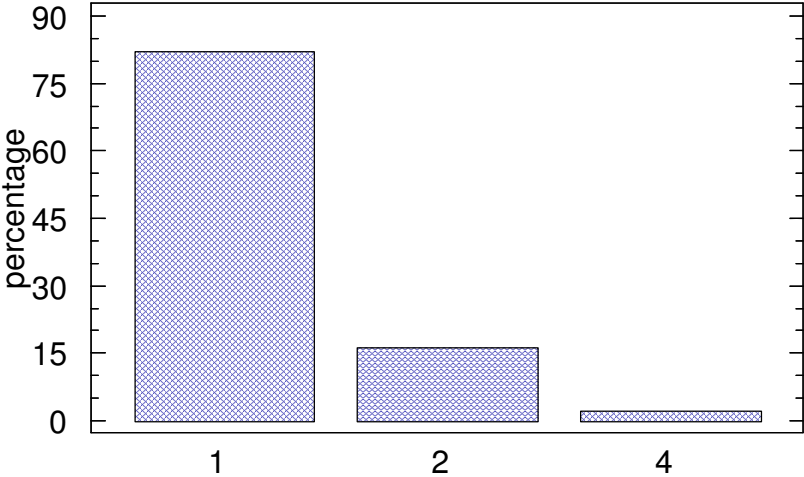
Diagram 4.30 - University status



4.2.2 Possession and use of mobile phones

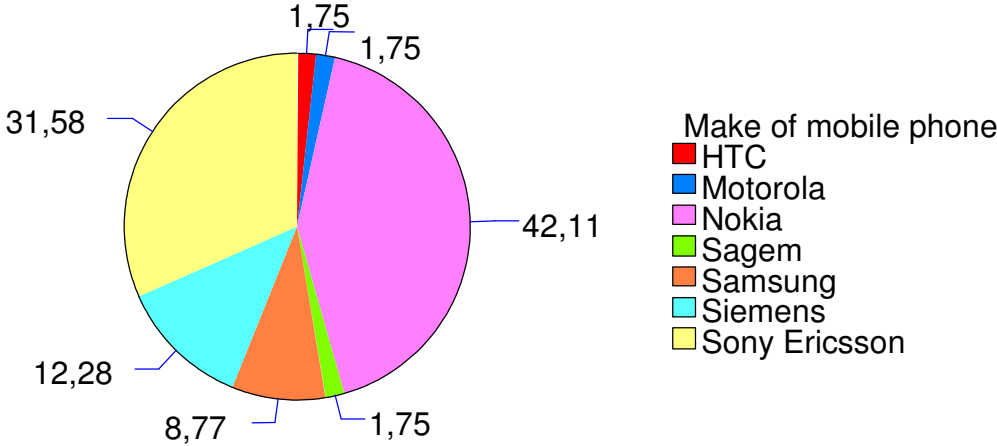
The first question in this section asked about the number of mobile phones students possessed. 41 students stated that they had only one mobile phone. 8 respondents possessed two phones and there was one person who declared that he had four of them.

Diagram 4.31 - Possesing of mobile phones



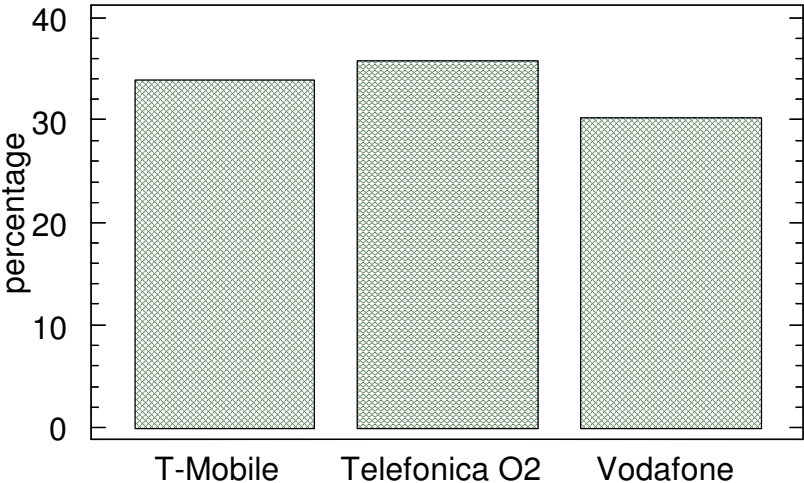
The most favourite make among Czech students became Nokia with 24 answers. 18 respondents then named Sony Ericsson, 7 possessed Siemens and 5 others ticked Samsung. Motorola, Sagem and HTC each got one answer.

Diagram 4.32 – Make of mobile phone



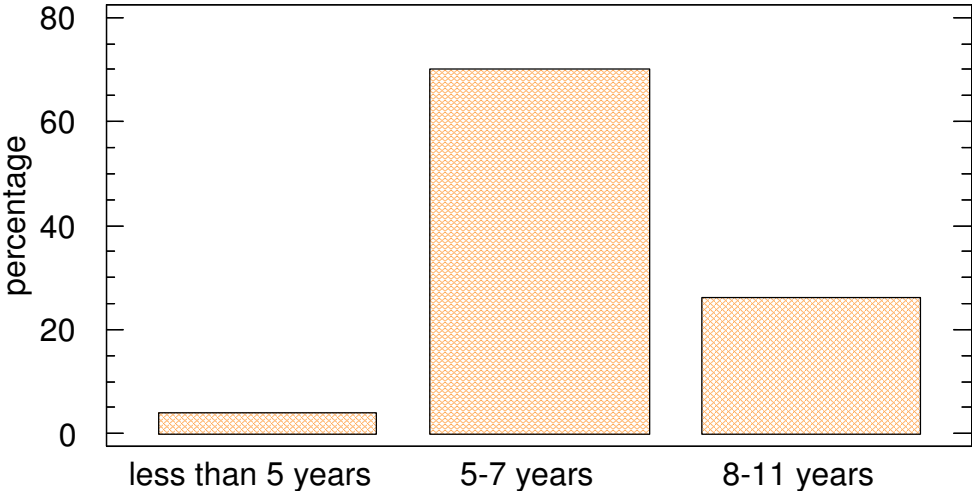
There are only three mobile providers in the Czech Republic. The differences among them were very minimal. 19 students noted Telefonica O2, 18 respondents ticked T-Mobile and 16 others stated that they used Vodafone.

Diagram 4.33 - Mobile provider



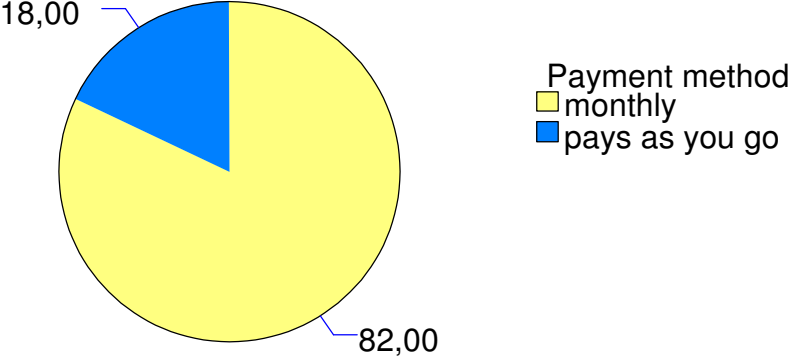
Asking about the length of using a mobile phone, 35 students stated that they have used a mobile approximately 5 to 7 years. 13 respondents ticked the period 8-11 years and the rest, 2 students described their length of using a mobile phone as shorter than 5 years.

Diagram 4.34 - The length of using a mobile phone



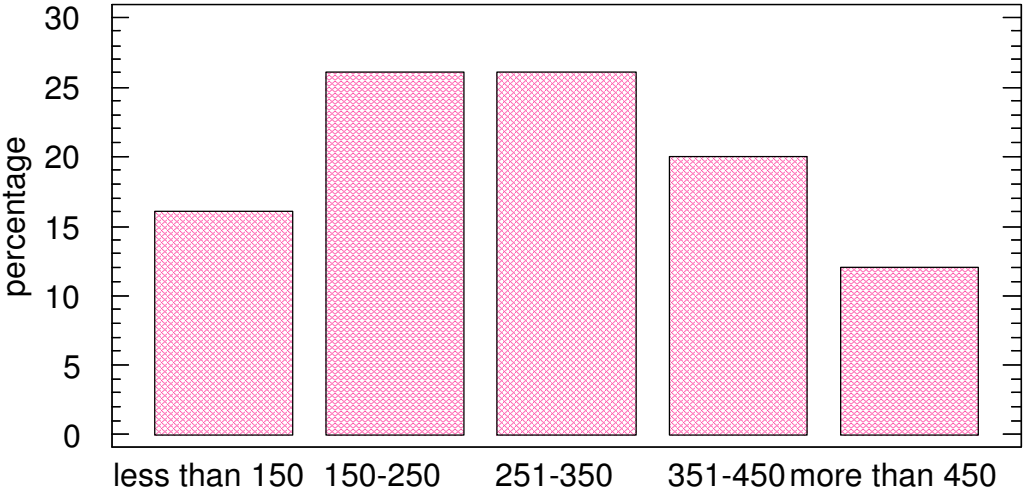
As a payment method, 41 students have used a monthly tariff and only 9 others pay as you go.

Diagram 4.35 – Payment method



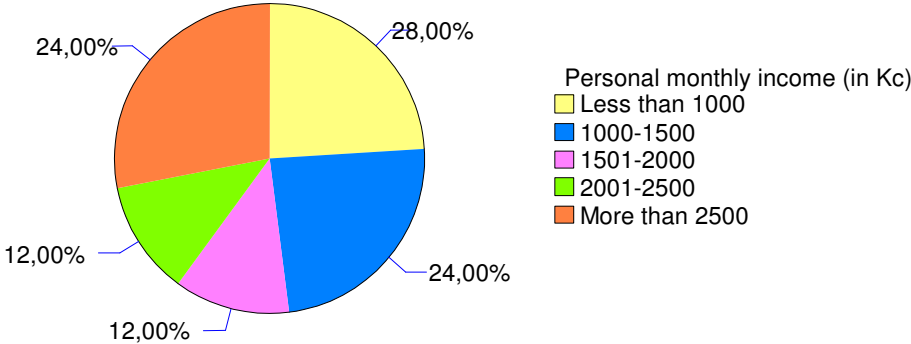
In the following question 26 respondents answered that they usually spend on using their mobile phone 150-350Kc during a month. (The current exchange rate moves around: 31CZK/GBP). Exactly half of these students ticked 150-250Kc and the rest 251-350Kc. 10 others stated that they usually spend 351-450Kc, 8 respondents normally pay less than 150Kc and the expenses of 6 remaining students were higher than 450Kc.

Diagram 4.36 - Spending on using a mobile phone (in Kc)



Question 7 asked students about their personal monthly income during the last year. 14 of them described it as more than 2500Kc. There was the same number of answers for income lower than 1000Kc as well as 1000-1500Kc, which each had 12 respondents. The same quantity of people ticked also the possibility 1501-2000Kc and 2001-2500Kc, more precisely 6 students each group.

Diagram 4.37 – Personal monthly income



4.2.3 Influences by purchase

The next two questions were focused on the place of residence. The first one asked students where they were living during the university and the other target the time when they were not at university. 27 respondents noted that they were staying at student accommodation during their lessons. 16 others were living with parents, 5 with a partner, 1 student with his grandparents and another 1 was living alone. More details are seen in Diagram 4.38.

On the other hand, when students do not have lessons the absolute majority (41) of them live with parents. There were only 9 respondents that ticked the other possibility “with partner”. The comparison between each type of residence is shown in the two following diagrams.

Diagram 4.38 - Place of residence during university

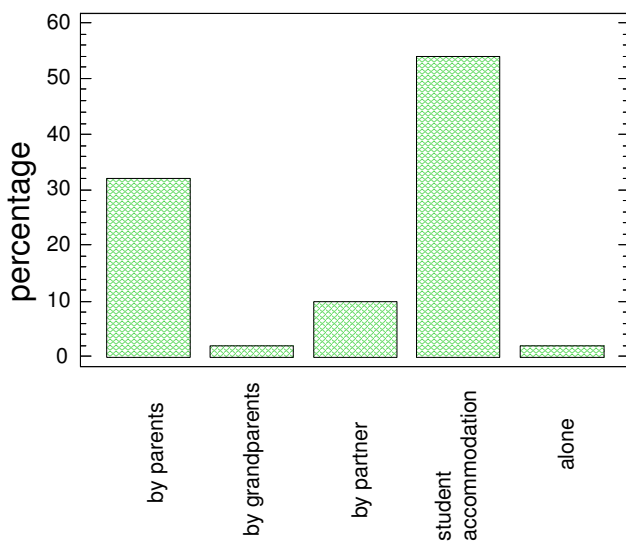
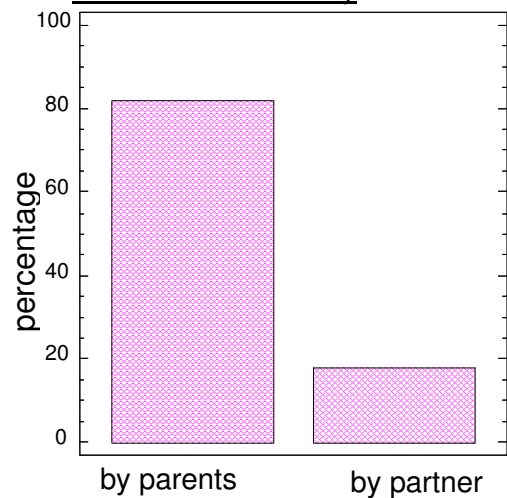
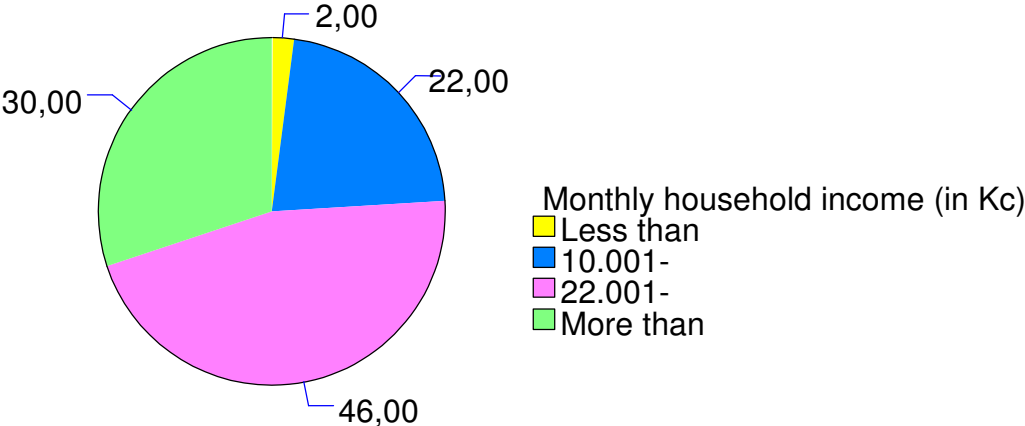


Diagram 4.39 - Place of residence when not at university



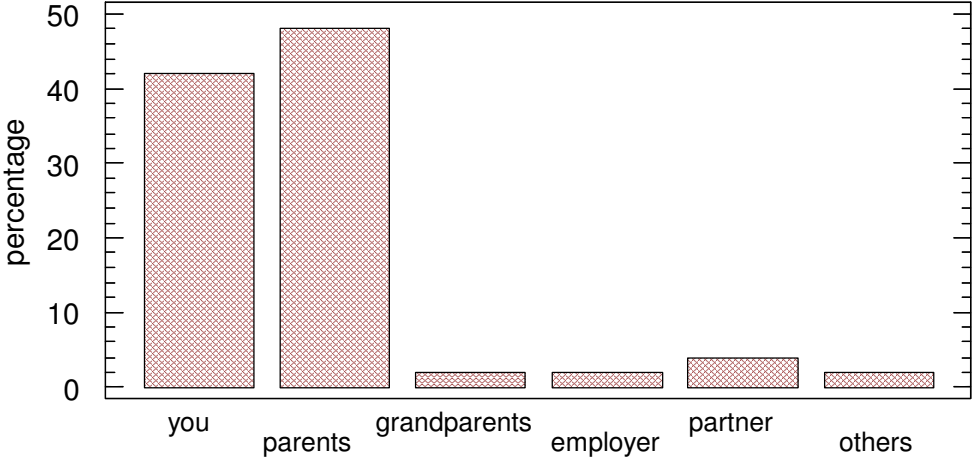
In question 10, the researcher was interested in the amount of monthly household income. Most respondents, in total 23 placed themselves in the group of 22001-35000Kc. 15 students noted that their household income is bigger than 35000Kc, 11 others ticked 10001-22000Kc and there was only one respondent who lived in the household with the income lower than 5000Kc.

Diagram 4.40 – Monthly household income



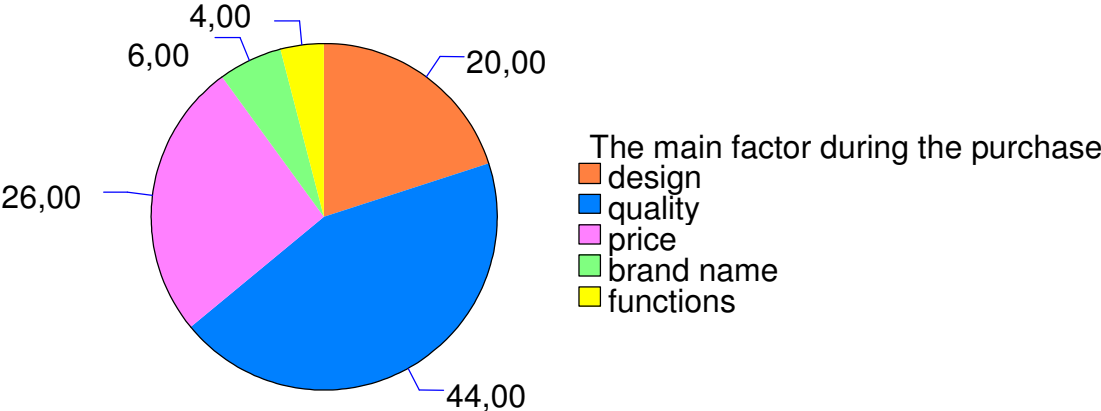
As for the person who paid for the last mobile phone, 24 respondents named parents. Another 21 bought their mobile phone themselves. 2 students got it from partner, 1 from grandparents, 1 from employer and the other 1 ticked “others”.

Diagram 4.41 - Person who paid for the last mobile phone



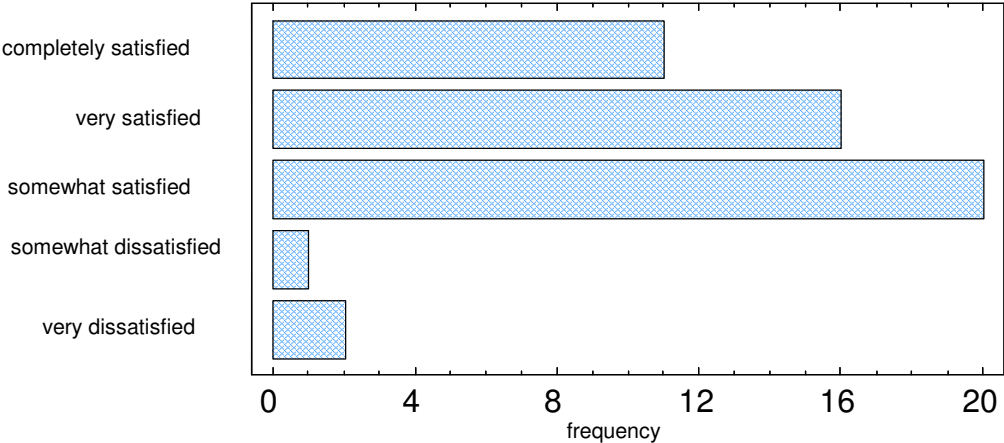
In the first place among the main deciding factors during the purchase was quality, which was noted by 22 students. Second was price with 13 responses. 10 others stated that the main factor for them was design, 2 named brand name and 2 students considered as a main factor the functions of the mobile phone.

Diagram 4.42 – The main deciding factor during the purchase



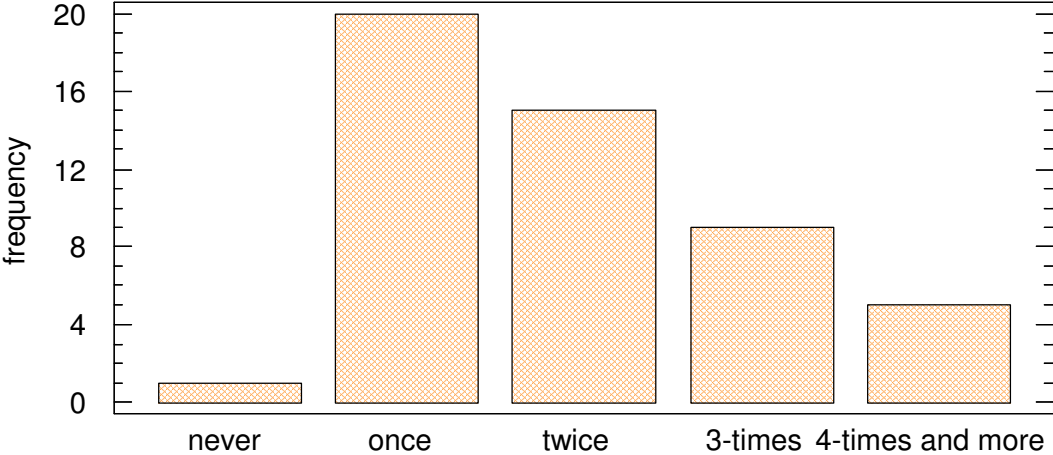
Asking about satisfaction with the current model of mobile phone, 94% of respondents stated that they were satisfied. 22% of them completely, other 32% noted very satisfied and the most, 40%, were somewhat satisfied. Only 6% of students expressed themselves as dissatisfied, 4% of them as very dissatisfied.

Diagram 4.43 - Satisfaction with current model of mobile phone



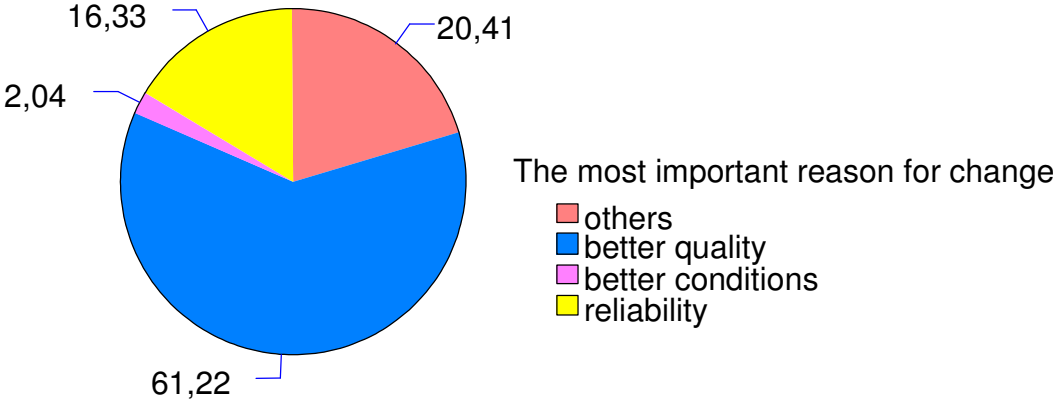
The following question asked students about their frequency of changing a mobile phone during the last five years. Only 1 respondent have never changed his mobile phone. From others, most students have done it once, which was 40% of all questioned. Other 30% of respondents have changed their mobile phone at least twice, 18% of others three times. There were then 10% of students who have done a change four times and more.

Diagram 4.44 - Frequency of changing mobile



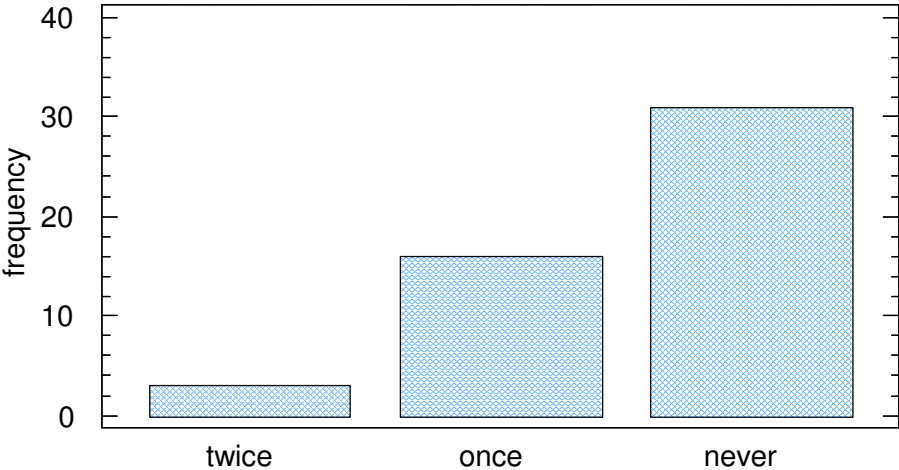
It was Important then to know the reason for changing. 30 of all respondents answered that the most important reason for them was the better quality. Other 8 students named reliability and one noted the better conditions. There were more than 10 respondents that ticked “others” as a possibility.

Diagram 4.45 – The most important reason for change



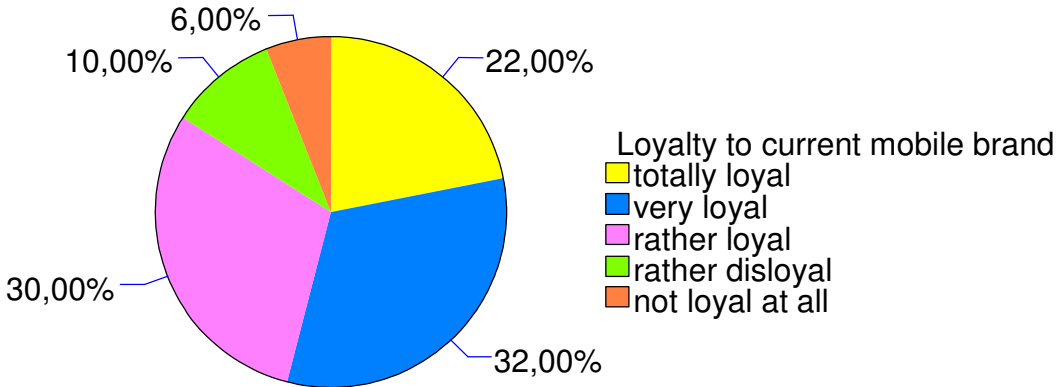
On the contrary to changing a mobile phone, all the respondents have changed their mobile provider at the most twice. 62% of them have never done it, 32% only once and other 6% of students confessed to two changes.

Diagram 4.46 - Changing a mobile provider



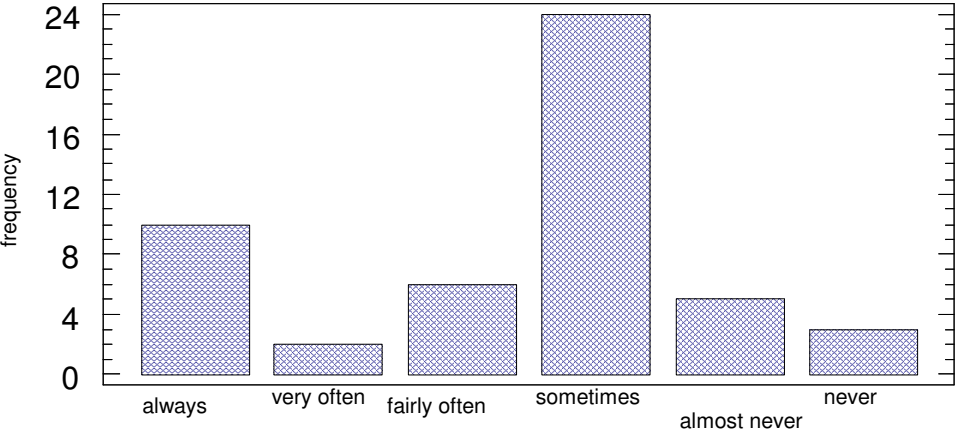
Asking about loyalty to the current brand of mobile phone, 42 students stated themselves as loyal. The most, 16 of them, as very loyal, 15 respondents felt like rather brand loyal and 11 others even totally loyal. On the other hand, 5 students ticked “rather disloyal” and there were three respondents who noted that they were not loyal at all.

Diagram 4.47 – Loyalty to the current mobile brand



Another question was focused on switching behaviour. 84% of students would switch to another brand if they could not get their chosen one at most sometimes. From this group there were only 20% of respondents who would switch always, 4% of students noted that they would do it very often and 12% of others fairly often. Whereas, 6% of respondents would never switch to another brand and other 10% ticked “almost never” as a possibility.

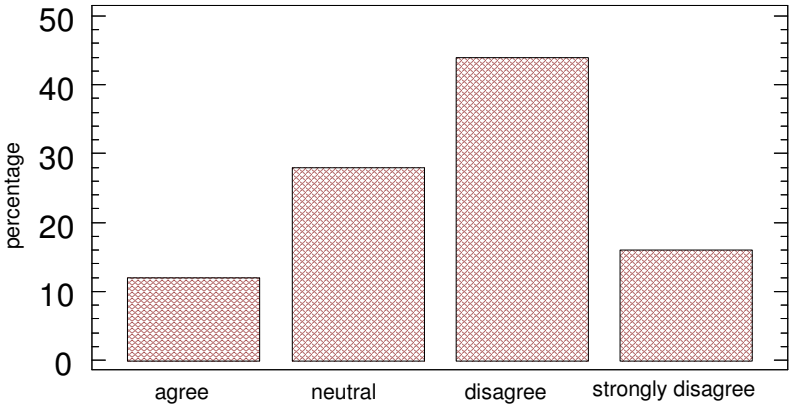
Diagram 4.48 - Switching to other brand



The last question in this section targeted the factors that influence students during their purchase. This question consisted of six subgroups.

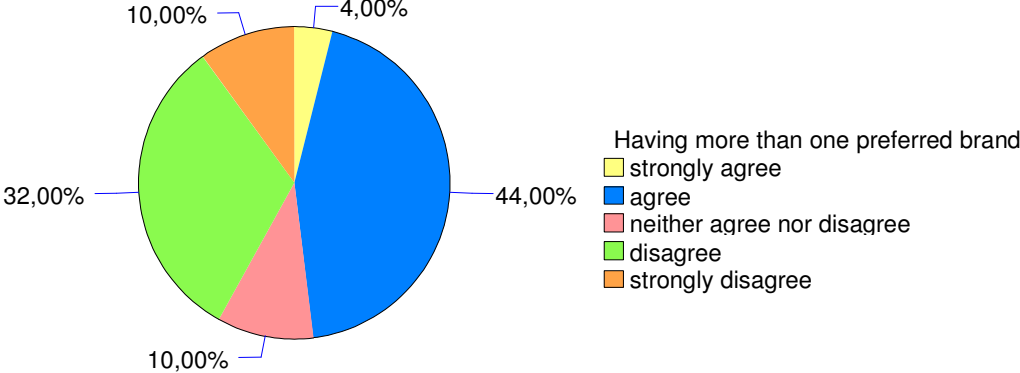
a) The first one asked whether respondents make their purchase according to their favourite brand regardless of price. 30 students disagreed with this statement, 8 of them strongly. Other 14 respondents stayed neutral and there were only 6 people who agreed, thought nobody strongly.

Diagram 4.49 - Making a purchase according to favourite brand regardless of price



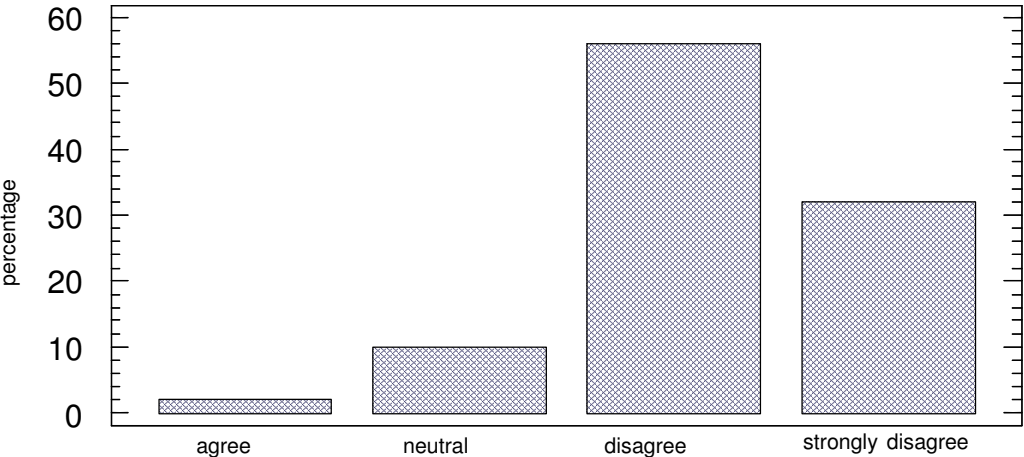
b) The following part explored whether students have more than one preferred brand. Nearly half of respondents agreed, from which 4% strongly. 10% of students were neutral, while 42% of others disagreed, 10% even strongly.

Diagram 4.50 – Having more than one preferred brand



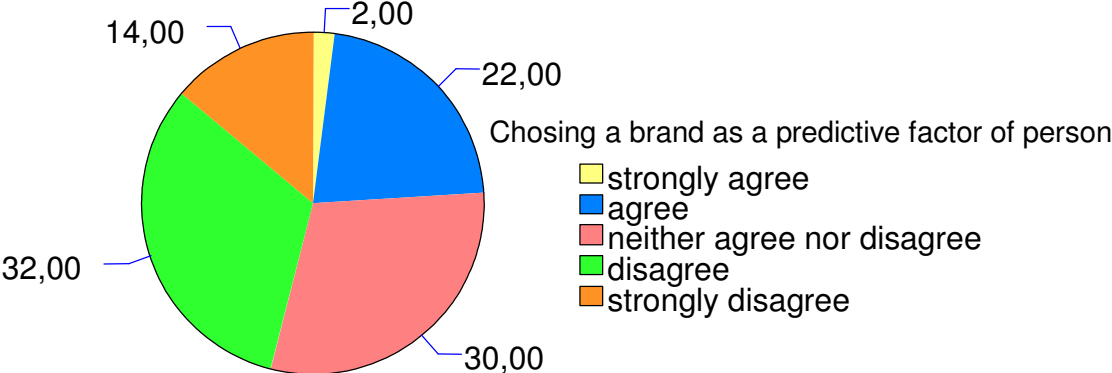
c) In this subgroup the researcher focused on the influence of friends. There was only one student that agreed with the statement: “I buy the brands that my friends buy”. 5 others stayed neutral and 46 respondents disagreed, 16 of them strongly.

Diagram 4.51 - Buying the same brand as friends



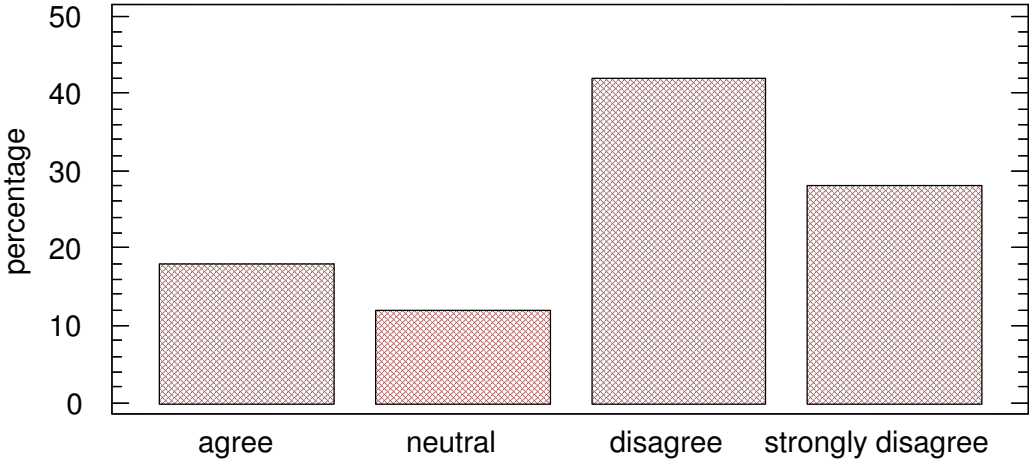
d) The next part asked respondents whether they feel that their choice of brand says something about them as a person. The majority of students, 38, were either neutral or disagreed. From these 7 respondents disagreed strongly and 15 expressed themselves as neutral. There were only 12 people who agreed, one strongly.

Diagram 4.52 – Choosing a brand as a predicative factor of person



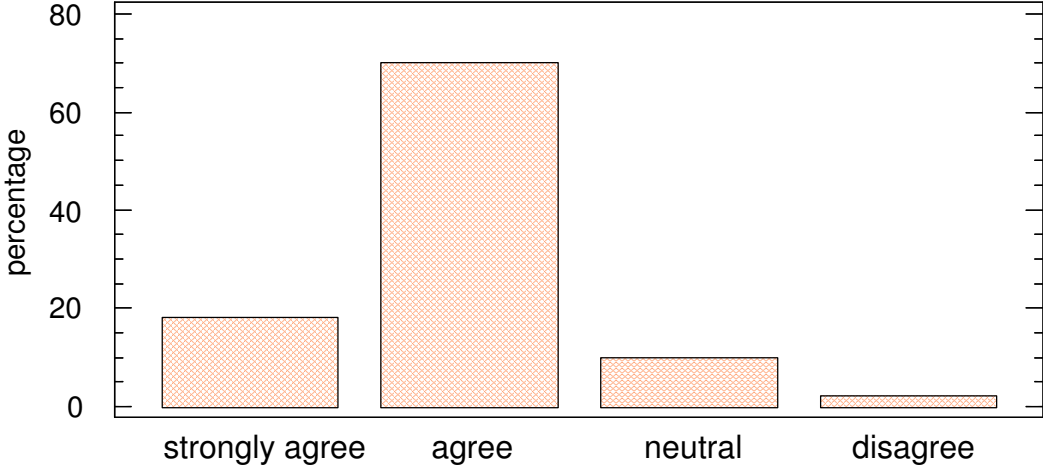
e) This subgroup discovered whether students’ choice of brand is based on what their friends say. 69% of respondents disagreed with this statement, from which 28% strongly. 12% of others were neutral and the rest, 19% of students, agreed but nobody did strongly.

Diagram 4.53 - Dependence of brand choice on what the friends say



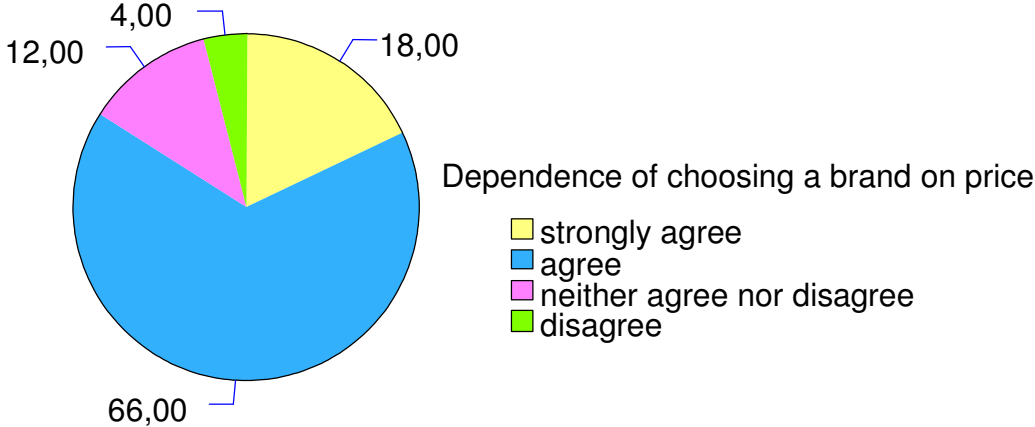
f) In the following part, the researcher investigated the choice of brand. 44 students confirmed that they selected their brand of mobile phone primarily according to quality. 5 others neither agreed nor disagreed and only one respondent refused this statement.

Diagram 4.54 - Choosing brand primarily according to quality



g) The last section explored the dependence of selecting a mobile phone on price. 42 students agreed that they are influenced by price when choosing a new mobile phone, 9 of them strongly. 6 respondents stayed neutral and there were only 2 others that disagreed.

Diagram 4.55 – Dependence of choosing a brand on price



4.3 Analysis of Hypothesis

4.3.1 Hypothesis 1

H_1 : Students with higher personal income are more likely to make their purchase according to their favourite brand, regardless of price.

This Hypothesis was analysed through the use of the Test of significance of categorical data = Chi-squared test of significance in contingency tabulation. There were two cases: one for Czech students and the other one for English students.

4.3.1.1 English students

On the significance level of 5%, the researcher examined firstly whether the high of personal income influences making the purchase according to favourite brand, regardless of price.

The significance level is the measurement important for deciding whether to reject the null hypothesis or not. In the test itself, if the P-value (the minimal level on which it is still possible to reject the null hypothesis) is less than or equal to the significance level, then the researcher can reject null hypothesis and adopt the alternative one. The results can be declared as statistically significant. The most common value of significance level used by experimenters is either 5% or 1%. This choice is largely subjective.

The null and alternative hypotheses were set:

Null hypothesis: H_0 = the high of personal income and making the purchase according to favourite brand regardless of price do not depend on each other.

Alternative hypothesis: H_1 = non H_0 (There is some dependence between the factors)

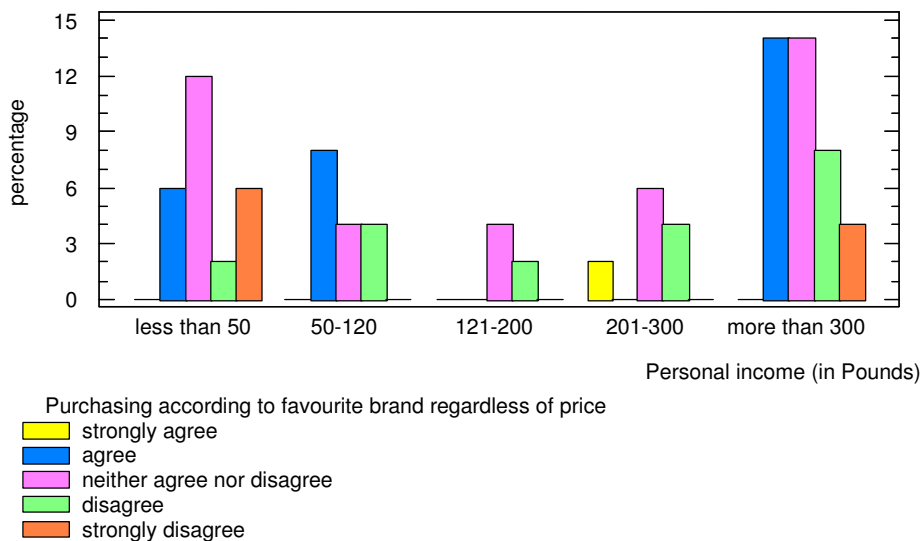
Table 4.1 -Tests of Independence:

<i>Test</i>	<i>Statistic</i>	<i>Df</i>	<i>P-Value</i>
Chi-Squared	18,888	16	0,2745

Using the statistical program Statgraphics, it was ascertained that P-value is equal to 0,2745. On the base of this value, the researcher can determine whether to reject the null hypothesis or not. As the gained P-value was greater than the significance level (0,05) the rejecting of the null hypothesis and therefore also accepting the alternative one was not possible at the 95% confidence level. The researcher did not prove the existence of dependence between the high of personal income and making the purchase according to favourite brand, regardless of price.

The confidence level is a measure of reliability of the results got from a statistical test. The percentages show how big the probability that the results are correct is.

Diagram 4.56 – The relationship between personal income and making purchase according to favourite brand, regardless of price - UK



4.3.1.2 Czech students

On the significance level of 5% the same influences were investigated also for Czech students.

Null hypothesis: H_0 = the high of personal income and making the purchase according to favourite brand regardless of price do not depend on each other.

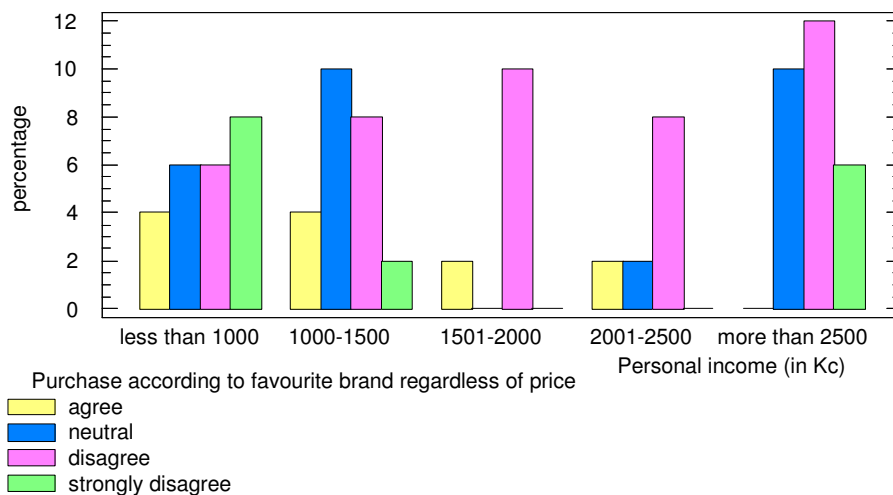
Alternative hypothesis: H_1 = non H_0 (There is some dependence between factors)

Table 4.2 - Tests of Independence:

<i>Test</i>	<i>Statistic</i>	<i>Df</i>	<i>P-Value</i>
Chi-Squared	14,407	12	0,2755

The P-value in this case was 0, 2755. As this minimal value for rejecting H_0 was grater than the significance level (0, 05), the researcher could not reject null hypothesis at the 95% confidence level as well as adopt the alternative hypothesis. The dependence between the high of personal income and making the purchase according to the favourite brand, regardless of price was not demonstrated even by Czech students.

Diagram 4.57 - The relationship between personal income and making purchase according to favourite brand, regardless of price – Czech Republic



By students from the Czech Republic as well as by respondents from the UK the existence of dependence was not demonstrated. Therefore, it can be mentioned that students who agreed that they make their purchase according to their favourite brand regardless of price do not always belong automatically to students with the highest personal income. These two factors do not influence each other in neither of surveyed universities.

4.3.2 Hypothesis 2

H₂: Students, who spend more money on using their mobile phone, are more loyal to their current brand of mobile phone.

To examine this hypothesis the same test like by the previous one was used - Test of significance of categorical data = Chi-squared test of significance in contingency tabulation. The researcher firstly explored the statement by English respondents and then did the same by students from the Technical University of Liberec.

4.3.2.1 English students

The primarily effort during this analysis was to discover on the significance level of 5% whether the high of expenses on using a mobile phone influences the brand loyalty to the current make of mobile phone.

As by every hypothesis test, the null and alternative hypotheses were stated:

H₀ = the spending on using the mobile phone and brand loyalty to the current make do not depend on each other.

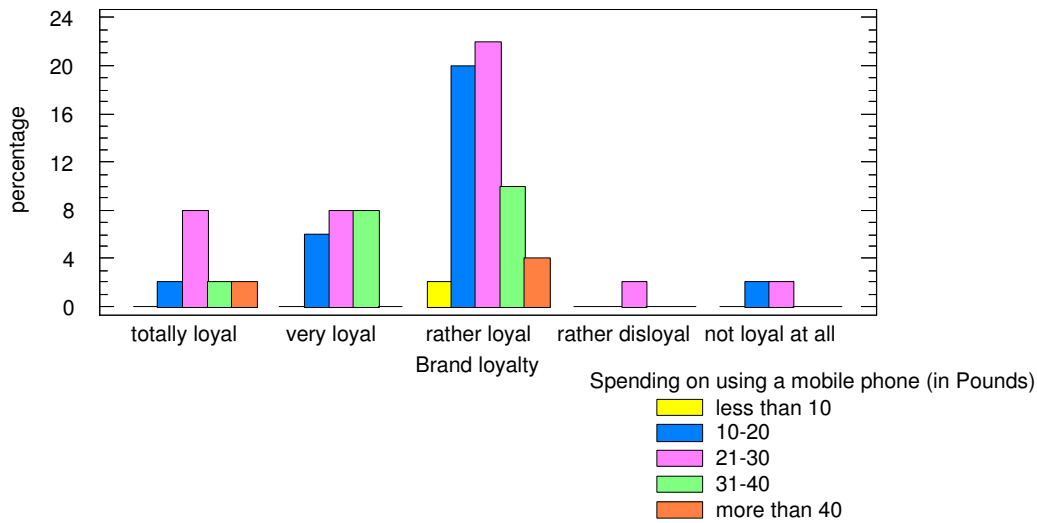
H₁ = non H₀ (There is some dependence between the investigating factors)

Table 4.3 -Tests of Independence:

<i>Test</i>	<i>Statistic</i>	<i>Df</i>	<i>P-Value</i>
Chi-Squared	7,477	16	0,9629

Processing the data through Statgraphics, the enclosed table was gained. From this the gained P-value = 0,9629 is very important, as it indicates the lowest level for which the possibility of rejecting the null hypothesis exists. In comparison to the significance level, the value 0,9629 is greater than 0,05, therefore H₀ cannot be rejected and the alternative hypothesis accepted. On the significance level of 5% the researcher did not proved that there is any dependence between the high of expenses on using a mobile phone and brand loyalty to the current make.

Diagram 4.58 – The relationship between spending on using mobile phone and brand loyalty - UK



4.3.2.2 Czech students

The same investigation as for English students was done also for respondents from the Czech Republic. On the significance level of 5% the researcher pursued to evidence if there is any connection between the high of spending on using a mobile phone and brand loyalty to the current make.

Null as well as alternative hypotheses were set out exactly the same way as by English students:

H_0 = the spending on using the mobile phone and brand loyalty to the current make do not depend on each other.

H_1 = non H_0 (There is some dependence between the investigating factors)

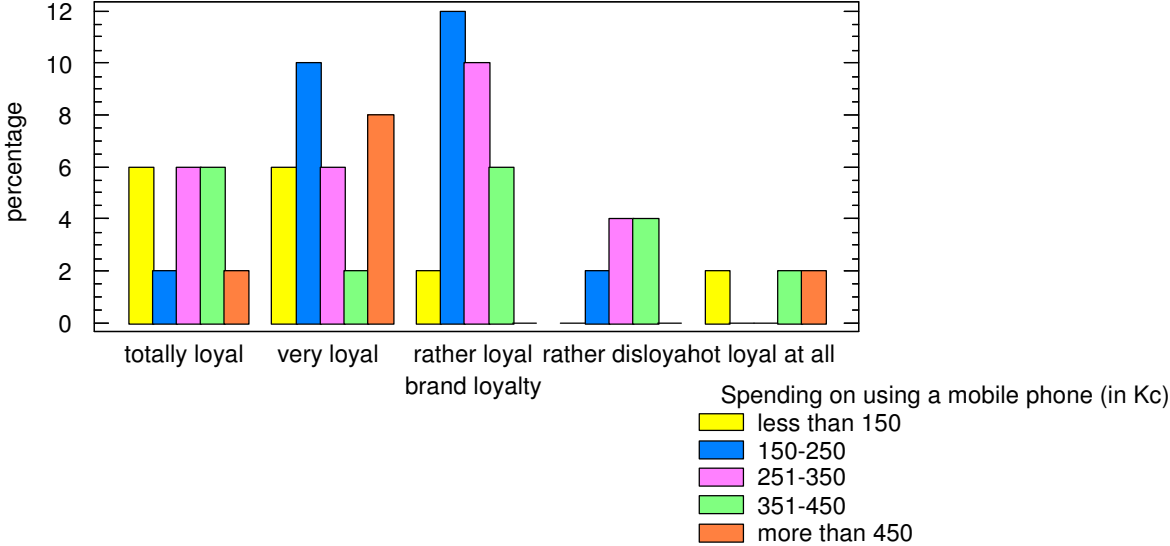
4.4 - Tests of Independence:

Test	Statistic	Df	P-Value
Chi-Squared	17,225	16	0,3712

The P-value presented above in the Table of Independence proved that the null hypothesis cannot be rejected, because the value 0, 3712 is greater than the significance level = 0, 05. Therefore, the researcher could not accept the alternative hypothesis and stated that the

dependence between the high of spending on using a mobile phone and brand loyalty to the current brand was demonstrated.

Diagram 4.59 – The relationship between spending on using mobile phone and brand loyalty – Czech Republic



At the University of Huddersfield as well as at the Technical University of Liberec, the researcher did not prove any dependence between studied factors. It is evident that the high of money that students spend on using their mobile phone does not influence their loyalty to their current mobile phone brand.

4.3.3 Hypothesis 3

H₃: Czech students purchase and change their mobile phones less frequently than English students do.

To analyze this hypothesis, the researcher decided to use the Test of significance of rank correlation and investigated on significance level of 5% whether there was any conformity between the answers of Czech and English students on question: “How often during the last five years have you changed your mobile phone?”.

The both basic hypothesis, the null one and the alternative one were set out:

H₀ = there is no conformity between the answers of Czech and English students.

$H_1 = \text{non } H_0$ (there is a conformity of answers)

Table 4.5 - Correlations:

	E.Col_1	E.Col_2
E.Col_1		0,0000
		(5)
		1,0000
E.Col_2	0,0000	
	(5)	
	1,0000	

In the enclosed table the correlation coefficient, sample size and P-value are seen. The last one tests statistical significance of the estimated correlations. As its value, 1, 0000, is greater than the value of set significance level, 0,05, there is no possible to reject the null hypothesis and adopt H_1 . This means that the researcher did not demonstrate that any conformity between the answers exists. Conversely, the answers of Czech students are almost opposite that the ones of English respondents. While the majority of students from the UK have changed their mobile phones four times or more, the most students from the Czech Republic have done it only once.

Due to this analysis it was proved that there is no conformity between the frequencies of changing the mobile phones by English and Czech students. Moreover, it was explored that English students change their mobile phones more often than the Czech do.

4.3.4 Hypothesis 4

H_4 : Czech students are more often willing to switch to other brands, if they cannot get their chosen one, than English students are.

Also for this case, the Test of significance of rank correlation was implemented. The main task was to explore if there is a similarity between the answers of respondents from the each university. On the significance level of 5% the researcher studied whether any dependence between the ranks of each group exists.

Firstly the null and alternative hypotheses were stated:

H_0 = the ranks are not correspondent

H_1 = non H_0 (there is a conformity between answers)

Table 4.6 - Correlations:

	G.Col_1	G.Col_2
G.Col_1		0,8286
		(6)
		0,0416
G.Col_2	0,8286	
	(6)	
	0,0416	

The P-value gained from the table of correlation seen above was equal to 0,0416. This value was smaller than the value of the significance level (0,05). This resulted into determination that the null hypothesis can be rejected and the alternative one accepted. On the significance level of 5% it was proved that the conformity between the ranks of individual answers exists. This means that the answers of Czech students were to the certain extent dependent on the answers given by English respondents. The Pearson coefficient, which normally ranges between -1 and +1 and measures the strength of the linear relationship between variables, is in this case 0,8286. This quite high number predicates about quite high strength of linear dependence as well. It could be said that the willingness of English and Czech students agreed to the certain extant with each other.

By this analysis the invalidity of H_4 was demonstrated. The Czech students cannot be considered as more willing to switch to other brand than the English ones.

This chapter presented all results of analyzed data gained from the questionnaires handed out in both countries, the UK and the Czech Republic. The following one is targeted the comparison of answers from Czech and English students and the discussion about hypotheses tested above. The comparison is divided into two parts: the first one describes the most similarities between the responses at both universities and the other one is focused on the main differences that were found.

CHAPTER 5. DISCUSSION

This chapter introduces the comparison of individual answers given by both groups of respondents, English and Czech students and describes the results of four tested hypotheses. It is separated into three sections. The first section applies and discusses the most similarities between both universities and the second one concerns on the most differences which were discovered during the analysis. The argumentation is linked to the key findings set out in the Chapter 2. Subsequently, the validity of results and findings related to the analysis of individual hypothesis is discussed. Each hypothesis is evaluated separately.

5.1 The most similarities in answers

In both countries the most students possessed only 1 mobile phone. Moreover, by both groups the most favourite payment method was monthly one, although the proportion by each was slightly different. Czech students the same way as English ones lived in most cases in student accommodation when doing their university.

Looking at satisfaction with the current model of mobile phone, the majority of respondents in each university stated that they were satisfied. However by Czech students the most frequent answer was “somewhat satisfied” and by English respondents “very satisfied”. The other similarity was discovered by the most important reason of changing, when the better quality dominated.

Both groups of students have changed their mobile provider at the most once. In the Czech case, the majority of respondents ticked never and there was nobody with more than two changes. By English students all the possible answers were chosen and the most frequent one was “once”. Quite similar was then the switching behaviour. In the both universities the most people stated that they would switch to other brand only sometimes.

Most students confirmed further that they have more than one preferred brand, even though the difference between “neutral” and “disagree” was clearly significant by each group. Moreover, Czech students the same as English ones most often disagreed with the statement:

“I buy the brands that my friends buy”. Both groups of respondents were also consistent in the opinion on predictive factor of choosing their brand and they stayed either neutral or disagreed.

Furthermore, the similarity was by question 19e), when the majority of respondents from each country disagreed that their choice of brand is based on what their friends say. Very strong agreement came from Czech as well as English students to the brand choice made primarily according to quality.

5.2 The most differences of responses

First of all, there were differences between makes of mobile phone and their supply. The English common makes, such as Apple or Blackberry would not be found in the Czech Republic. Moreover, while in the UK the proportion among individual mobile phone brands was quite similar, in the Czech Republic dominated only two makes and possessing of the rest was rather casual.

Furthermore, in the Czech Republic operate only 3 mobile providers, while in the UK there is the whole range of them. Therefore, there are almost no differences between the mobile providers which the Czech students use. In the case of the UK, the most respondents named four big companies (O2, Orange, T-Mobile and Vodafone) and the rest was divided among many others.

Other difference partly linked to the culture and habits in each country was in the place of residence when students were not in university. Almost all Czech students lived with their parents. In the UK the most respondents also stayed with parents, but in contrary, there were number of others who named other possibilities, such as student accommodation or with grandparents too.

With the respect to household income, the most Czech students placed themselves into the two highest given groups, while by English respondents the all groups were represented similarly. With this statement relates to a certain extend the person who paid for the last

mobile phone. The most students in the Czech Republic got their mobile phone from parents. In the UK respondents had to buy it themselves most often.

When asking about the main deciding factor during the purchase, the majority of Czech respondents answered quality, while English respondents decided mostly according to design or price. It is also true that the higher the amount of changes of mobile phone was, the more answers were put by students in the University of Huddersfield, so the most respondents have changed their mobile phone more than four times. In the University of Liberec, the most frequent change was “once” and there were only 5 students with four and more changes.

Important difference for this research was then the attitude to brand loyalty. Even though the number of students that stated themselves as brand loyal to their current brand of mobile phone in each country was very similar, some variation appeared in the level of this loyalty. In the Czech Republic, this variation was not so significant: 16 students considered themselves as very loyal, 15 others as rather loyal and 11 respondents named completely loyal. But in the UK, the most students, 29 of them felt like rather loyal, 11 ticked “very brand loyal” and there were only 7 respondents that considered themselves as completely loyal.

To the question 19a), which asked about making purchase according to favourite brand, regardless of price the majority of Czech students expressed their disagreement. Approximately one third of respondents neither agreed nor disagreed and there were only 6 people who agreed. In the University of Huddersfield the most respondents stayed neutral and there were the same number of students who agreed as well as disagreed. Moreover, in the contrary to the Czech university, there was even one respondent who agreed strongly.

Talking about differences, the gender has to be mentioned as well. In the University of Huddersfield there were almost same proportion of males as females, whilst in the Technical University of Liberec the males represented only 26% and females 74% of respondents. In the view of age, all Czech students had 18-22 years, while in the UK there were 6 respondents older than 25.

5.3 Results of analysis

H₁: Students with higher personal income make their purchase more according to their favourite brand regardless of price.

The first hypothesis focused on the personal income of young people. It investigated whether the high of this income has any influence on the purchase, more precisely whether students that earn more money buy more according to their favourite brand disregarding to price.

As it results from literature review, some authors such as Rubel (1996) note that price stays very important for many consumers during their purchase. However, he also adds that the effect of price itself is not sufficient when making a decision. This statement was supported by Rondán Cataluña, Navaro García and Phau (2006), who declare that brand loyalty is for customers' shopping more meaningful than any price effect.

By testing the hypothesis it was not proved that any dependence exists between the studied factors. Therefore, the researcher did not demonstrate the true of H₁ and could proclaim that there is no connectedness between the high of students' personal income and making the purchase more according to the favourite brand, regardless of price.

Pelsmacker, Geuens and Bergh (2004) note that the loyal consumers become less price-sensitive over time. It would be logical that people with the higher income are also less price-sensitive. Thought, this statement was not demonstrated by young people – which in this work were students.

Even thought, the majority of respondents at both universities chose the highest group of income from given answers, the affirmation about making purchase more often according to their favourite brand evoked rather disagreement and neutrality than acceptance. More significant it was by Czech students, from who 14 admitted personal monthly income over 2500Kc but only 6 agreed with the presented statement.

H₂: Students, who spend more money on using their mobile phone, are more loyal to their current brand of mobile phone.

The second hypothesis explored the high of students' spending on using their mobile phone and any link between this high and loyalty to the current possessed brand of mobile phone. It was predicated that students who normally spend more money during a month become also more loyal to the brand which they are currently using.

In the view of Gelber (2003), it does not mean enough for an organisation to have loyal customer, if these do not purchase and use a certain brand repeatedly or if they are not willing to pay a higher price. Liu (2007) points out that many companies implement loyalty programs to gain and keep customers loyalty. The principle of these programs is to reward consumers, especially the ones that spend the most, for their shopping (Liu, 2007). Liu (2007) explains that by this companies try to persuade their customers to purchase more for earning more as a result.

As was also noted earlier by Pelsmacker, Geuens and Bergh (2004), loyal customers are expected to be less price-sensitive in the course of time. Thereby, the higher expenses on using the brand are expected too. On the other hand, Lau and Lee (1999) see the real brand loyalty as a customers' plan to continue to purchase the same brand in the future and as their ability to wait when the brand is not available. They do not consider paying a higher price or spending more money as a main component of this loyalty.

To examine the second hypothesis the same test like by the previous one was used. It resulted from it that it was not possible to accept the alternative hypothesis stated for dependence between studied factors. Thereby, the relationship between the usual high of expenses on using a mobile phone and brand loyalty to the current brand was not proved.

It cannot be expected by university students that the more money they spend on using their mobile phone during a month, the more loyal they will be to their possessed brand. Thereby, the validity of H₂ was not demonstrated. By young people, the brand loyalty to the mobile phone may be based more on the satisfaction with the brand, as show the answers: 94% of respondents in the UK considered themselves as loyal and 96% of all English students were

also satisfied with their current model. In the Czech Republic there were 84% of loyal students and 94% of satisfied respondents.

H₃: Czech students purchase and change their mobile phones less frequently than English students do.

This third hypothesis was focused on the comparison of answers given by each group of students. The aim was to investigate whether there is any similarity in changing of mobile phones. The researcher predicated that English students are more likely to change their mobile phone than Czech ones are.

From the literature review arises that customers' decisions during their purchase are strongly effected by attitudes towards brand and its image as well as by competitors (Lin, Wu and Wang, 2000). It was proved earlier that in each country the supply of mobile phone brands is slightly different. Moreover, the share of price on available income is significant too. While the prices of mobile phones do not almost differentiate after the transfer into the same currency, the high of wages is completely unequal. For English students it can be normally enough to work 7-8 hours - one day on full-time - to buy an ordinary mobile phone. Czech students have to work about 18 hours - two and a half day on full-time - to get the same mobile phone.

Analyzing the H₃ the researcher examined whether any conformity between the answers of Czech and English students on asked frequency of changing their mobile phone exists. As the resulted P-value value was greater than the value of set significance level, the researcher could not reject the null hypothesis and adopt H₁. This meant that the conformity between the answers was not demonstrated. Conversely, the rank of answers given by Czech students was almost opposite than the one analyzed by English respondents. While the majority of students at the Technical University of Liberec have changed their mobile phone only once, the most students from the UK have done it four times or more.

Due to this analysis the validity of H₃ was proved. The researcher explored that students in the UK change their mobile phones more often than the Czech do.

H₄: Czech students are more often willing to switch to other brands, if they cannot get their chosen one, than English students are.

The H₄ targeted the switching behaviour in the both countries. Its goal was to investigate which group of students, if any, is more often willing to switch to other brands, if their chosen one is not available. The presume set out in this study was that this willingness is more typical for Czech students than for the English ones.

Liu, Wu and Wang (2000) declare that there are the individual customers' characteristics that affect each brand loyalty and according to which the consumers decide whether to buy a product by a certain brand or to turn to another one. Feinberg, Kahn and McAlister (1992) note further that the predisposition for switching is given by consumers on the base of variety seeking. Trijp, Hoyer and Inman (1996) add that such behaviour is more common only for one product category and is dependent in a measure on consumers favour to one or more brands. Moreover, they state that the stronger the consumer prefers his brand, the less probable the switching becomes.

By testing the hypothesis the researcher got the P-value smaller than the value of the significance level. Because of this finding, it was possible to reject the null hypothesis and to accept the alternative one. Therefore, the researcher proved the conformity between the ranks of individual answers given by university students.

Consequently, the answers of respondents in the Czech Republic were to the certain extent dependent on the answers given by English students. As the value of Pearson coefficient - explained earlier - was quite high the strength of linear dependence was predicated as quite high too. In other words, the willingness of English and Czech students to switch to another brand agreed to the certain extent with each other.

Therefore, the analysis did not prove the validity of H₄. Because of the certain agreement between answers, Czech students cannot be taken for more willing to switch their brand and turn to another one than the English respondents.

5.4 Recommendation

This chapter discussed in total four hypotheses. During their analysis some additional findings for future researches were discovered. One of the most relevant, partly described in discussion about second hypothesis, was students' satisfaction with the current model of mobile phone. As was indicated there could be some relationship between this satisfaction and brand loyalty to the current used mobile phone as predicate the gained answers. By both groups of students the majority of them were loyal to their current brand of mobile phone. The same refer to the satisfaction with the current model, where again the majority of respondents considered themselves as satisfied.

CHAPTER 6. CONCLUSION

This research focused on brand loyalty by university students. Its task was to discover how loyal the young people are these days and make a comparison between two countries: the UK and the Czech Republic. In each country one university was chosen for distributing the questionnaires. Firstly, their results were analyzed separately and then got together as a comparison of similarities and differences. Individual factors, such as personal income, place of residence, frequency of changing and satisfaction were studied to investigate if there is any influence between them and the choice of mobile phone.

The main objectives for this work were to identify brand loyalty and the factors which affect it; to determine customers-brand relationship, their satisfaction with a brand and the meaning of brand-loyalty; to explore the differences of brand loyalty between Czech and English university students and compare them together with all factors influencing purchase by these students. Consequently, four hypotheses were stated from these main objectives to be analysed by the research.

It resulted from the comparison that in general the answers given by each group of respondents were similar. The majority of all students either in the UK or in the Czech Republic possessed only one mobile phone and they used mostly a monthly tariff as a payment method.

When asking about the satisfaction with the current model of mobile phone, 94% of English respondents considered themselves as satisfied. In the Czech Republic the satisfied students presented 84% of all respondents. The most important reason for changing a mobile phone regarded most students from both universities as the better quality. All of them have changed their mobile provider at the most once.

The biggest differences appeared in mobile providers and makes of mobile phones as in each country the supply is diverse. For instance, in the UK many mobile providers operate but in the Czech Republic there are only three of them.

Furthermore, almost all Czech students stated that they lived with their parents when they were not at university. Among English respondents there were a number of answers which

named other categories, such as student accommodation and with grandparents as well. Moreover, the person who paid for the last mobile phone was different too. While most students in the Czech Republic got their mobile phone from their parents, the English students had to pay for it themselves.

The frequency of changes of mobile phones was higher at the University of Huddersfield, where students mainly decided according to design or price during their purchase. Czech students chose their mobile more according to quality and the most of them have change it only once.

The main task of the first hypothesis set out in this research was to investigate the personal income of university students and its impact on making the purchase. It was demonstrated that there is no relationship between the high of students' income and making the purchase according to the favourite brand, regardless of price.

The second hypothesis discovered whether university students who pay more money on using their mobile phone are also more loyal to their current used brand. After testing the hypothesis it was not proved that any relationship exists between the high of students' expenses and their loyalty to the current brand. As indicate the gained answers, young people are more influenced by their satisfaction with the brand than with the money they pay on using it.

The third hypothesis was focused on the frequency of changes of mobile phones and the comparison of these changes made by Czech and English students. It was predicated that there are the English students who change their mobile phone more often. By testing the hypothesis the conformity between the answers of both groups was not demonstrated. Moreover, the significant opposite between the ranks could be seen. It was proved that whilst most Czech students have changed their mobile phone only once, the majority of English students have done it four times and more.

The fourth hypothesis investigated the switching behaviour of university students and explored if any of the questioned groups is more often willing to switch to another brand when they could not get the one they chose. From the analysis of the hypothesis it was evident that there is the conformity between the answers given by each university. It was demonstrated that the ranks of individual answers gained at the Technical University of

Liberec were to the certain extent dependent on the ones from English students. Therefore, the higher willingness of Czech students to switch to another brand was not proved. Exactly conversely, there was a certain agreement between the answers.

Finally, some limitations of this study should be mentioned and taken in account:

The respondents participating in this research were chosen only from two universities, each representing one country. Therefore, the findings might not reflect to the whole country, or more precisely to two of them. Moreover, because of the limit of time and length, the sample of respondents was quite small, 50 students from each university. The respondents were mostly selected as colleagues and through the known teachers, which could have caused a slight bias of researcher too. Lastly, the data analyzed in this research were all quantitative, as the qualitative ones were not necessary for testing the hypotheses.

It is advisable, for the further research to concentrate on a larger number of respondents as well as involve more universities into the study, preferably from different regions of each country. Moreover, it is suggested to implement some other method to get in-depth analysis, e.g. follow-up interviews to examine some parts of the research in more details.

APPENDIX A – English questionnaire

1. How many mobiles do you have? Tick **one** only.

None	1	2	3	4	more
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. What make of mobile phone do you have? If more than one, please tick **all** of them.

Alcatel	Apple	Blackberry	LG	Motorola	Nokia	Samsung	Sony Ericsson
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Others:

3. Who is your mobile phone provider? If more than one, please tick **all** of them.

Orange	O2	T-Mobile	Vodafone	Virgin	3(Three Mobile)	Tesco	Sainsbury's
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Others:

4. How long have you be using a mobile for? Tick **one** only.

Less than 5 years	5-7 years	8-11 years	12-15 years	more than 15 years
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Which type of payment method do you use?

Monthly	Pay as you go
<input type="checkbox"/>	<input type="checkbox"/>

6. How much do you usually spend on using your mobile during a **month**? Tick **one** only.

Less than £10	£10-£20	£21-£30	£31-£40	more than £40
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Which of the following best describes your personal **monthly** income during the last year?
 Tick **one** only.

Less than £50	£50-£120	£121-£200	£201-£300	More than £300
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Where are you living when doing university? Tick **one** only.

With parents	with grandparents	with partner	student accommodation	alone
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. Where do you live when you are not at university? Tick **one** only.

With parents	with grandparents	with partner	student accommodation	alone
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. Which of the following best describes your **monthly** household income during the last year? Tick **one** only. (*The term household income means the income of your family you live with – parents/grandparents/partner/husband or wife*)

Less than £1000	£1000-£2000	£2001-£3000	£3001-£4000	More than £4000
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. Who paid for your last mobile? Tick **one** only.

You	parents	grandparents	employer	friend	partner	others
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

12. What was the **main** deciding factor during your purchase? Tick **one** only.

Design	quality	price	reputation	brand name
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Others:

13. Which of the following characterize your **satisfaction** with your current model? Tick **one** only.

Completely satisfied	very satisfied	somewhat satisfied	somewhat dissatisfied	very dissatisfied	completely dissatisfied
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. How often during the last five years have you **changed** your mobile phone? Tick **one** only.

Never	once	twice	three times	four times and more
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

15. What was the most important **reason** of changing? Tick **one** only.

Better price	better quality	better conditions	brand reputation	reliability	other
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16. How often during the last five years have you **changed** the mobile **operator**? Tick **one** only.

Never	once	twice	three times	four times and more
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. Which of the following characterizes your **loyalty** to your current brand of mobile phone? Tick **one** only.

Totally brand loyal	very brand loyal	rather brand loyal	rather brand disloyal	not loyal at all
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. If you could not get your chosen brand of mobile, would you **switch** to other brand? Tick **one** only.

Always	very often	fairly often	sometimes	almost never	never
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. Which of the following things would you say influence you during the selection of a new mobile? Tick **one** from each only.

a) I make my purchase according to my favourite brand regardless of price:

Strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b) I have more than one preferred brand:

Strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

c) I buy the brands that my friends buy:

Strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

d) My choice of brand says something about me as a person:

Strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
[]	[]	[]	[]	[]

e) My choice of brand is based on what my friends say:

Strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
[]	[]	[]	[]	[]

f) I chose the brand primarily according to the quality:

Strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
[]	[]	[]	[]	[]

g) My choice is largely based on price:

Strongly agree	agree	neither agree nor disagree	disagree	strongly disagree
[]	[]	[]	[]	[]

Information about you:

20. Gender

M [] F []

21. What is your nationality?

.....

22. What is your age range? Tick **one** only.

17 and less	18-21	22-24	25-27	28 and more
[]	[]	[]	[]	[]

23. What is your university status?

1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
[]	[]	[]	[]	[]

Thank you for completing this questionnaire!

Appendix B – Czech questionnaire

1. Kolik vlastních mobilních telefonů? Označ **jednu** možnost.

Žádný	1	2	3	4	více
[]	[]	[]	[]	[]	[]

2. Jaký typ mobilního telefonu máš? Pokud více, označ **všechny**.

Alcatel	LG	Motorola	Nokia	Panasonic	Samsung	Siemens	Sony Ericsson
[]	[]	[]	[]	[]	[]	[]	[]

Další:
[]

3. Jakého mobilního operátora používáš? Pokud více, označ **všechny**.

T-Mobile	Telefonica O2	Vodafone
[]	[]	[]

4. Jak dlouho už máš mobil? Označ **jednu** možnost.

Méně než 5 let	5-7 let	8-11 let	12-15 let	více než 15 let
[]	[]	[]	[]	[]

5. Jaký způsob placení používáš? Označ **jednu** možnost.

Měsíční paušál	Předplacený tarif (dobíjecí karta)
[]	[]

6. Kolik většinou platíš **měsíčně** za svůj mobil? Označ **jednu** možnost.

Méně než 150 Kč	150-250 Kč	251-350 Kč	351-450 Kč	více než 450 Kč
[]	[]	[]	[]	[]

7. Která z následujících skupin nejlépe vystihuje tvůj osobní **měsíční** příjem za minulý rok?
Označ **jednu** možnost.

Méně než 1000 Kč	1000-1500 Kč	1501-2000 Kč	2001-2500 Kč	Více než 2500 Kč
[]	[]	[]	[]	[]

8. Kde bydlíš, máš **vyučování** na univerzitě? Označ **jednu** možnost.

U rodičů	u prarodičů	u přítele/partnera	Na kolejích	sám
[]	[]	[]	[]	[]

9. Kde bydlíš během **volna** (víkendy, prázdniny)? Označ **jednu** možnost.

U rodičů	u prarodičů	u přítele/partnera	Na kolejích	sám
[]	[]	[]	[]	[]

10. Která z následujících skupin nejlépe vystihuje **měsíční** příjem tvé domácnosti za minulý rok? Označ **jednu** možnost. (*Příjem domácnosti je míněn jako příjem lidí, se kterými žiješ-rodiče/prarodiče/partner/manžel nebo manželka*)

> 5000 Kč	5000-10000 Kč	10001-22000 Kč	22001-35000 Kč	< 35000 Kč
[]	[]	[]	[]	[]

11. Kdo platil tvůj poslední mobil? Označ **jednu** možnost.

Ty	rodiče	prarodiče	zaměstnavatel	kamarád/ka	partner	další
[]	[]	[]	[]	[]	[]	[]

12. Co bylo nejvíce rozhodující během nákupu? Označ **jednu** možnost.

Design	kvalita	cena	pověst	značka
[]	[]	[]	[]	[]

Další:

[]

13. Která z následujících skupin charakterizuje tvou spokojenost se stávajícím modelem?
Označ **jednu** možnost.

Naprosto spokojený	velmi spokojený	celkem spokojený	celkem nespokojený	velmi nespokojený	naprosto nespokojený
[]	[]	[]	[]	[]	[]

14. Kolikrát jsi za posledních 5 let změnil mobilní telefon? Označ **jednu** možnost.

Nikdy	jednou	dvakrát	tříkrát	čtyřikrát a víc
[]	[]	[]	[]	[]

15. Co bylo nejdůležitějším důvodem změny? Označ **jednu** možnost.

Lepší cena	lepší kvalita	lepší podmínky	pověst značky	spolehlivost	další
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16. Kolikrát za posledních 5 let jsi změnil mobilního operátora? Označ **jednu** možnost.

Nikdy	jednou	dvakrát	tříkrát	čtyřikrát a víc
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. Která z následujících skupin nejlépe charakterizuje tvou oddanost k současně používané značce mobilu? Označ **jednu** možnost.

Naprostο věrný	velmi věrný	spíše věrný	spíše nevěrný	naprostο nevěrný
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. Pokud bys nemohl/a sehnat vybranou značku mobilu, kterou chceš, přešel/přešla bys k jiné značce? Označ **jednu** možnost.

Vždy	velmi často	poměrně často	někdy	téměř nikdy	nikdy
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

19. Které z následujících věcí tě, podle tvého názoru, ovlivňují během výběru nového telefonu? Označ vždy **jednu** možnost.

a) Svůj nákup provádím podle oblíbené značky bez ohledu na cenu:

Silně souhlasím	souhlasím	ani nesouhlasím	ani souhlasím	nesouhlasím	silně nesouhlasím
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b) Mám více než jednu upřednostňovanou značku:

Silně souhlasím	souhlasím	ani nesouhlasím	ani souhlasím	nesouhlasím	silně nesouhlasím
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

c) Kupuji značku, kterou nakupují moji kamarádi:

Silně souhlasím	souhlasím	ani nesouhlasím	ani souhlasím	nesouhlasím	silně nesouhlasím
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

d) Můj výběr značky o mně jako člověku něco vypovídá:

Silně souhlasím	souhlasím	ani nesouhlasím ani souhlasím	nesouhlasím	silně nesouhlasím
[]	[]	[]	[]	[]

e) Můj výběr značky je závislý na tom, co říkají moji kamarádi:

Silně souhlasím	souhlasím	ani nesouhlasím ani souhlasím	nesouhlasím	silně nesouhlasím
[]	[]	[]	[]	[]

f) Vybírám si značku především podle kvality:

Silně souhlasím	souhlasím	ani nesouhlasím ani souhlasím	nesouhlasím	silně nesouhlasím
[]	[]	[]	[]	[]

g) Můj výběr je do značné míry závislý na ceně:

Silně souhlasím	souhlasím	ani nesouhlasím ani souhlasím	nesouhlasím	silně nesouhlasím
[]	[]	[]	[]	[]

Informace o tobě

20. Pohlaví

M []

Ž []

21. Jaká je tvá národnost?

.....

22. Do které z následujících věkových skupin patříš? Označ **jednu** možnost.

17 a méně	18-21	22-24	25-27	28 a víc
[]	[]	[]	[]	[]

23. Ve kterém jsi ročníku? Označ **jednu** možnost.

1. ročník	2. ročník	3. ročník	4. ročník	5. ročník
[]	[]	[]	[]	[]

Děkuji za vyplnění tohoto dotazníku!

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