

# Impact of perceived public relation on customer loyalty with moderating role of brand image

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## Abstract

As the Indian service industry is rapidly growing day by day, proper marketing strategy has become important issue before the service providers in knowing customers' perception. The current study is focused on the complex relationship among public relation perception, perceived brand image, and customer loyalty, specifically in Indian mobile phone industry. This study was field survey based and data were collected through a tested structured questionnaire from 214 randomly chosen mobile phone users. Survey result implicated that, perceived brand image plays full moderating role in the relationship between public relation perception and customer loyalty.

**Keywords:** Public Relation Perception, Perceived Brand Image, Customer Loyalty, Telecommunication, India

## Introduction

The Indian Telecom Industry has developed vastly during the previous hardly any years because of the development of wireless telephony in India and framework which not exclusively is beneficial for the telecom business yet become the foundation of India economy. Indian Telecom Sector is the quickest developing telecom market in the world. It has the world's third highest number of internet clients. Telecom Industry of India has experienced a tremendous change from being a Government possessed venture to that of a competitive environment after its liberalization in 1991. The quick blast in the telecom division of India has been made possible because of the active participation of private service operators, income produced through Foreign Direct

Investment (FDI), arrangement of changes taken by the Government and through the adoption of most recent technologies.

Telecom sector especially the mobile telephony has indicated an enormous development helping billions of people remain associated. Mobile telephony has changed the way of life, economy, education, health care, finance and significantly more. At present India is a potential marketing center for telecom operators over the globe. Telecom Regulatory Authority of India is a significant activity taken by the Indian Government for better connectivity and customer satisfaction by directing the Telecom administrators.

Now days every organisation is building long term relationship to advantage customer and to

keep them. Due to the tough competition in the market customer loyalty is a developing situation of today. Indian Telecom operators has passed through a transformation change in beyond decade especially after the idea of privatization and strongly felt the need of customer loyalty. This want became felt due to availability of sizable variety of market gamers in India. This stiff opposition has compelled the service user to compete inside the marketplace and to differentiate themselves on the basis of a factor apart from price. Hence, the concept of public relation arises and won attention.

Loyal customers are bound to repurchase a similar brand, spread positive word of mouth and ready to pay extra for better service. Public relations are characterized as the management of communication between a company and its public [12]. As per reference [2] PR is a relationship management. PR is the management function that builds up and keeps up mutually beneficial relationships between an organization and the publics on whom its success and failure depends [8].

Higher customer loyalty generates higher revenue through taking relatively higher prices as compared to competitors and also increase market share. Public relations are important promotional tools, which help in building good relation with public by favorable publicity, enhancing corporate image and minimizing the effect of unfavorable activities.

According to many practitioners and bosses the powerful press relation and the mentioned goodwill that outcomes extremely have an impact on key public individuals to be favorably inclined in the direction of the organisation, so organisation image is connected to key public contributors 'behavior.

The connection between image of brand and client satisfaction has been considered extensively. In the greater part of the exploration the examination the positive effect of brand image on consumer loyalty and satisfaction has

been affirmed, thereby and by exists minor war of words between explicit scientists. A few examinations demonstrate that brand picture impact client devotion straightforwardly as well as have sway on it through other intervening components. Some examination yield shows that brand image applies no immediate effect on client loyalty; however it can affect client dedication by means of customer satisfaction. Theoretically it tends to be discovered that service quality and customer satisfaction will lead to customer loyalty. Brand image strongly affects customer perceived service quality and customer satisfaction. Brand image and its effect on customer loyalty should be tried more. It is in this manner important to think about further to investigate the effect of brand image on purchaser behavior. On the off chance that clients become progressively faithful towards the brand its market share increases and the company can charge generally more significant expense contrasted with those of opponents [3]. According to reference [22] loyalty factors are the most reliable success factors. Public is another important factor on which organization's success or failure depends. There are so many works have been done related to customer loyalty but the relationship between customer loyalty and public relation needs more attention. When Organisation plans to cultivate PR and fulfill commitment consumers become more loyal to organisation [6]. Very few researches done to identify the factors that has positive effect on customers public relation perceptions practices. This inconsistent result may be brought about by moderator like brand association. Negative brand image of an organisation reduce the effectiveness of PR. Public Relation play an important role in improving the various activities of corporations also have a primary role in improving the vision of organizations to customers with regard to developing the mental picture towards the clients . The hugeness of client relationship the board has been expanding unmistakably in this forceful period. The structure of right association with clients gives corporate competitive advantage [23]. Rumored brand image go about as a satisfaction resource for

business. A depended and perceived brand identity gives trust among clients to utilize their items. In presently days brand image is utilized as a gigantic measurement tool for current publicizing and showcasing methodology. Subsequently, the methodology of building a presumed corporate brand picture and drawing in new customers stay a vital test for each business association. A reputed brand with higher faithfulness has a superior commercial center rate and capacity to infer better expense for their items and administrations [21]. The effect of brand image on purchaser satisfaction discover in limit of the examinations. As indicated by reference [9], dedication toward any item or administrations has been noticeable as a center component of publicizing and showcasing exercises like advancement. Customer's reputation of associate organisation and customer relationship could improve their dedication toward the company which allows in enhancing association pay, upgrading percentage of market place and procuring corporate targets [2].

In the above referred context, the present paper focuses at looking at the impact of customer perception of public relation on their loyalty level with mediation of brand image perception in Indian Telecom industry.

### **Literature Review**

Successful retention of 5% customers may elicit profitability by 25-95% in industries. Therefore a small variation in loyalty and retention can resulted in more profitability [23]. According to reference [15], "The success of a brand on the long term is not dependent on the number of regular purchase by customers rather than number of purchase." Client commitment for long span additionally brings long haul benefit to the organizations. For creating, keeping and protecting piece of the market share, brand loyalty is fundamental.

As indicated by the early examinations on loyalty, it is a conduct off buying of a specific item more than once over some undefined time frame. As indicated by [5] purchased arrangement shifts in which brands considered,

while [7] considered loyalty by level of buying added to a given service business. As a rule loyalty is estimated regarding repeated acquisition of a similar brand [7], [19].

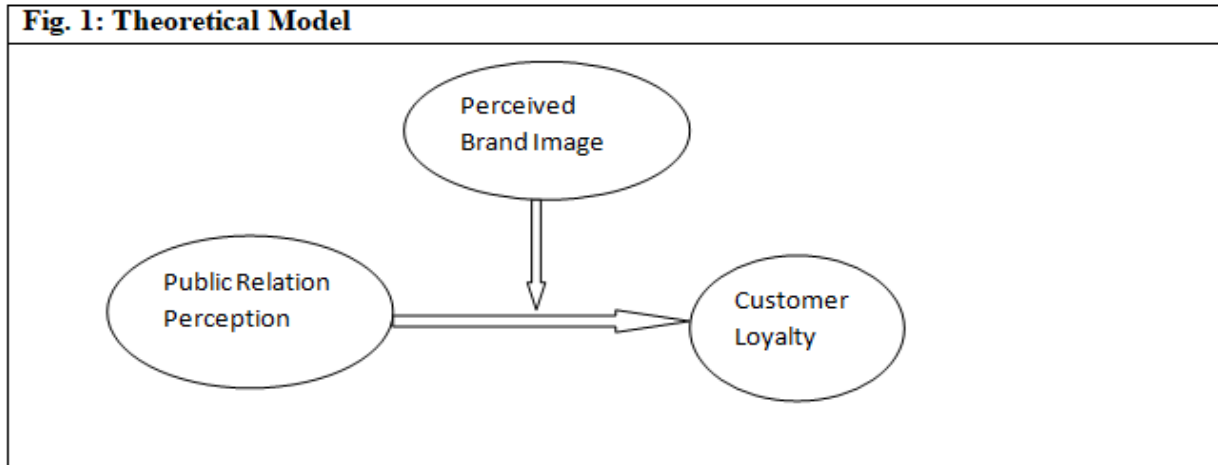
Brand image is a particular arrangement of mental portrayals of what clients consider about a brand, why it exists and the significance it appears. As per reference [17], the arrangement of beliefs, thoughts and impression that an individual holds in regards to an item characterizes image of a Brand. Brand image is a significant driver towards loyalty, brand value, brand performance and buying practice of customers [18]. Reference [10] added that customer would wish to purchase and utilize items from recognizable brand name which influence their practices in various situational points of view. As per reference [20] service quality, brand image and consumer loyalty have an immediate connection with loyalty, and from another way service quality likewise indirectly affects customer loyalty through satisfaction.

As indicated by reference [13] perceived public relation has a valuable association with customer loyalty that is moderated by organization's brand image. At the point when image of the brand is ideal, the positive impact of perceived public relation on customer loyalty is excessively good. Reference [16] illustrate that brand image has solid effect on customer loyalty. Reference [1] explain brand image as a moderator variable between client public relation perception and loyalty. As indicated by reference [14] the effect of public relations perception on purchaser loyalty is stronger and more considerable when the brand image is effective and if it isn't high-quality the effect of public relation perception on purchaser loyalty is immaterial.

Based on the past studies, following hypothesis was formulated.

H1: Perceived brand image (PBI) moderates the direct impact of Public Relation Perception (PRP) on (CL) Customer Loyalty in telecom organisation services.

Figure 1 features the theoretical model of present research.



### Methods and Design

The study modified into conclusive in its plan and design, giving investigative idea about involvement of customer in Indian telecommunication sector. 214 mobile service clients have been chosen randomly who had been using cellular telephone service, from 13 telecom districts of Odisha state, India. Each of the respondents changed into approached

personally and informed to give reactions in structured survey through questionnaire in field. The survey end up being planned having three principle builds of watch, for which a large portion of the examination things were referred from, [25], [14], [4], [22], [11] and [24]. All the essential information was gathered in 7-point Likert scale format.

**Table 1:** Reliability Test Results (Cronbach's alpha score)

Variables:	PRP	CL	PBI
Score:	0.82	0.81	0.84

In first phase; pilot review was led to test the reliability and validity of research study instrument (Table 1 and 2).

**Table 2:** Measurement Scale validity test indices

Variables	CMIN/df	GFI	CFI	RMSEA	AVE
PRP	2.08	0.973	0.963	0.071	0.82
CL	1.83	0.963	0.941	0.061	0.81
PBI	1.38	0.975	0.959	0.066	0.83

Data reliability was affirmed utilizing Cronbach's alpha score, and in the present investigation this score was seen as more than 0.80 for all constructs.

At that point, Confirmatory Factor Analysis (CFA) was done to investigate the validity of reactions gathered from respondents and the outcome is displayed in table 2. It was seen that all the goodness of fit files was inside the adequate range.

### Results and Discussions

After collecting primary responses from all the sample respondents, data were entered in MS-Excel and then transferred to SPSS software with data editing work. Hierarchical regression analysis was made to examine the perceived brand image's moderating role on the connection between loyalty of customer and public relation perception in Indian Telecom industry. Results are delineated in table-3.

**Table 3:** Hierarchical regression output

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.248 <sup>a</sup>	.061	.057	1.22431
2	.282 <sup>b</sup>	.080	.071	1.21530
3	.319 <sup>c</sup>	.102	.089	1.20319

a. Predictors: (Constant), PR1

b. Predictors: (Constant), PR1, PR2

c. Predictors: (Constant), PR1, PR2, PRXBI

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.792	1	20.792	13.871	.000 <sup>b</sup>
	Residual	317.773	212	1.499		
	Total	338.566	213			
2	Regression	26.928	2	13.464	9.116	.000 <sup>c</sup>
	Residual	311.638	211	1.477		
	Total	338.566	213			
3	Regression	34.555	3	11.518	7.957	.000 <sup>d</sup>
	Residual	304.010	210	1.448		
	Total	338.566	213			

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.466	.239		18.692	.000
	PR1	.186	.050	.248	3.724	.000
2	(Constant)	3.446	.554		6.222	.000
	PR1	.191	.050	.254	3.846	.000
	PR2	.168	.082	.135	2.038	.043
3	(Constant)	3.596	.552		6.512	.000
	PR1	.097	.064	.129	1.513	.132
	PR2	.107	.086	.086	1.242	.215
	PRXBI	.026	.011	.200	2.295	.023

a. Dependent Variable: CL\_Avg

From table 3, it was observed that both of the valid dimensions of perceived public relation (PR1 and PR2) were having significant impact on customer loyalty. However, the impact of PR1 (Customer oriented PR) was found to be little bit more in comparison to PR2 (Society oriented PR). But when Brand Image was introduced in this relationship, both PR1 and PR2 became insignificant. Hence, it is

concluded that Perceived Brand Image (PBI) has full moderating role in the link between Public Relation Perception and Customer Loyalty, which supported the hypothesis taken earlier.

### Managerial Implication

The present study was about the investigation on complex relationship among public relation perception, customer loyalty and perceived



brand image in Indian mobile phone service. In order to survive in stiff competition, service providers have to be more customer centric and proper strategy of relationship marketing approach should be maintained. As per the current study, customers' perception on brand image of service providers plays a major role in generating positive response, like customer loyalty. Although maintenance of one to one public relation is important, establishment of appropriate brand image to enhance this approach is becoming more important in Indian mobile phone service sector. Indian telecommunication service management would then be able to be all around actualized if more efforts will be given on perceived brand image and client orientation as opposed to more market orientation endeavors.

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