

ON THE RELATIONSHIPS OF PERCEIVE PRODUCT VALUE, SATISFACTION AND BRAND LOYALTY: EVIDENCES FOR THE YOUNG ADULTS BEHAVIOR IN THE HI-TECH MARKET

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ABSTRACT

Taking into account how expensive it is to maintain customer loyalty, it is necessary to know which aspects of the firm's offering are the ones that really deliver value to the customer. This is especially critical for young adults which are very vulnerable to competitors' propositions. The aim of this paper is to study the relationships between consumer perceived value, satisfaction and consumer loyalty in the hi-tech industry including products such as smart phones, laptops, notebooks, tablet PCs, and digital cameras, in order to identify which factors are the most important for gaining the young adults' loyalty. Particularly, we posit that perceived value and satisfaction are important antecedents of loyalty. A novel aspect is that we take a multidimensional formative view of perceived value, analysing the effect of each dimension individually, which is of great potential utility for both researchers and professionals. More precisely, perceived value is decomposed in four dimensions including functional value, monetary value, social value and emotional value. Furthermore, to explain the loyalty behaviour of the consumer, both the attitudinal and the behavioral aspects of loyalty were considered, based on the four-stage loyalty framework, where loyalty is structured as customer goes through its cognitive, affective, conative and action stages. A personal survey was made of 1100 youngsters, and structural equations model were used to test the relationships posited. The result suggests that delivering superior value enables a firm to achieve customer satisfaction and retain their customers. In terms of perceived value dimensions importance, monetary and emotional value dimensions seems to be the most important factors of perceived product value determination, followed by functional and social value dimensions. Implications for practice, study limitations and future research are discussed at the end of the study.

Keywords: Customer-perceived value, satisfaction, brand loyalty, attitudinal loyalty, behavioral loyalty, consumer behavior, young adults, hi-tech products