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Branding and brand preference in the mobile phone service industry

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BRANDING AND BRAND PREFERENCE IN THE MOBILE PHONE SERVICE INDUSTRY

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Dedication

This thesis dedicated to my father

and my family

ABSTRACT

This thesis reports a research study that offers a range of insights into the branding or brand strategy of mobile phone services in Jordan, and its relationship with consumer brand preference. This study interweaved this relationship through a model. Within the context of this model the following objectives are addressed:

- To explore Jordanian mobile phone service providers' brand strategies and their role in building and/or influencing brand awareness, brand image, and consumer attributes.
- To examine mobile phone services and their users and usage in Jordan.
- To determine the factors that influence consumer brand preference in the telecommunications market.

The model, through these articulated objectives, represents the main contribution of this research. It does so, in three ways: (a) providing evidence concerning the general way whereby companies use branding, (b) providing evidence concerning branding in a specific context (i.e. the mobile phone service industry), (c) providing evidence concerning branding that may be specific to Jordan and the Middle East.

Equally if not more important, the present study may be of value to theory. Through its focus on brand preference, it suggests a re-categorisation and integration of existing branding models and bridges gaps in the previous models, and suggests a better understanding of the processes that lead to brand preference. It does so through focusing on three *overarching* antecedents brand awareness, brand image, and consumer attributes, each of which comprises a number of variables. Brand awareness comprises: controlled communication (advertising) and uncontrolled communication (WOM and publicity); brand image comprises: brand personality, price, quality, country of origin, service (location and employee), and corporate status (corporate reputation and corporate image); consumer attributes comprises: satisfaction, perceived risk, and reference group. The model provides, for the first time, a holistic approach to the identify brand preference antecedents.

Satisfying the study's objectives demanded the use of a two stage mixed method approach. The first is a qualitative stage, which involved interviews with 12 senior managers with responsibility for branding and marketing strategy in the mobile phone service sector in Jordan. The qualitative phase uses a case study analysis strategy, based on the four mobile phone service providers in Jordan, Orange, Zain, Umniah, and XPress. A thematic analysis, within case analysis, and cross case analysis is conducted to provide a profile of branding strategies within the competitive context.

The second is a quantitative stage, and involved a questionnaire survey of users of mobile phone services in Jordan. Respondents were university students; 648 responses were received. Descriptive data analysis was used in order to profile the use and usage of mobile phone services, with specific reference to issues such as brand awareness, brand image, and consumer attributes. Next, Principal Components Analysis (PCA) and multiple regression were used to refine the proposed list of antecedents to brand preference, and to investigate the relative significance of the antecedents.

The case study analysis of the branding strategies of the four mobile service providers generated a rich picture of branding strategies in their competitive context. There is strong evidence that branding strategy has a significant impact on both market share and brand preference, although other factors such as being first in the market intervene in direct relationships between brand strategy and its outcomes. Specifically, Zain is the market leader, but Orange is seen to be more proactive and to have a more coherent and consistent branding strategy; this has allowed Orange to achieve second-place in the marketplace, but Zain's longevity has denied it first position. Similarly, XPress, whose brand strategy is almost non-existent, is languishing in fourth place. Key findings are that brand strategy is a multi-component concept, is typically determined top-down, involves added values, and that strategies and tactics must be consistent and coherent.

The descriptive part of the quantitative analysis reveals that customers respond to company brand strategy in the ways that the company marketers wish them to respond. For instance, this is witnessed by the low levels of consumer perceptions of XPress services, and the conversely high perceptions of those of Zain and Orange. These differences in perception reflect the importance given to branding by the companies.

The inferential part of quantitative analysis reveals that brand preference antecedents could be simplified, from an original list of 14 to a working one of 11. All these antecedents are important, but one service—location and employee—was not. All of these significant antecedents individually accounted for only a small proportion of the variance of brand preference, which suggests that there are a large number of contributing factors impacting on the formation of brand preference. Amongst these antecedents, controlled communication (i.e advertising) had the most significant impact, and this supports the case for continued investment in advertising as a key component of brand strategy. In addition, uncontrolled communication (publicity and WOM) was also identified as important, and, brand managers might usefully explore their strategies for influencing WOM.

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CHAPTER 1: INTRODUCTION

1.1. AREA OF STUDY

The concept of branding—loosely defined as the way companies seek to give their goods or services qualities that distinguish them from rival products and services in the market—appears central to marketing theory. Companies that brand well tend to sell more goods and services than companies that brand poorly. The literature on marketing is in broad agreement on this point. So is everyday experience. Casual inspection of television, newspaper, magazine, or other media advertisements suggests that the advertisers do not always provide "information"; instead, they provide "something else". Advertisements tend to entertain and delight. This is part of branding.

The literature is unclear, however, on several issues. These include the manner in which companies should brand, the manner in which companies actually do brand (as opposed to how they should brand), whether branding strategies differ (or should differ) between industry or sector, and what exact terminology should be adopted when speaking of "branding". In other words, the broad picture of branding is clear—it works—but the details of the picture are fuzzy. The present study removes some of the fuzz, and points to future research that may remove still more.

The present study focuses on branding in the context of Jordanian mobile phone service providers. This choice is justified on two grounds. First, competition between mobile phone providers—Jordanian or otherwise—is intensely fierce, and change within the industry is especially rapid. One should therefore expect, if branding is of paramount importance, for branding to be especially salient in mobile phone service provision. Thus the mobile phone service provision industry may be viewed as a microcosm in which the realities of branding are played out in relatively pure form. Second, not much is known about branding in the Middle East, much less Jordan. At a purely empirical level, it would be useful to know how Middle Eastern economies operate, and Jordan provides a convenient starting point. In addition, as is explained in the thesis, Jordan has a well developed telecommunications industry, at least by Arab nation standards.

Thus the present study investigates the theory and practice of branding. It uses mobile phone service provision as an illustrative example (a case study), and it provides the "sub-case" of mobile phone service provision in Jordan.

1.2. AIMS AND OBJECTIVES

The aims of the present study comprise identifying the salient factors in effective branding, determining how, in practice, companies brand, and developing and empirically testing a model of branding. In each of these, it highlights the importance of so-called *brand preference*. This may be loosely defined as the degree to which consumers favour one brand over another.

This focus on brand preference is at variance with the focus of much of the literature on branding. Much such literature portrays brand preference as being of peripheral significance. The present study thus investigates a minority view, supported by some of the literature, that suggests that brand preference, rather than being of peripheral consequence, is (or should be) central to branding theory, and that promoting it is (or should be) central to effective branding practice.

In realising its aims, the study has three specific objectives, namely:

- *Objective 1*: to explore Jordanian mobile phone service providers' *brand strategies* (loosely defined as how companies set about branding) and their role in building and/or influencing *brand awareness* (loosely defined as consumers' familiarity with brands), *brand image* (loosely defined as consumers' perceptions of brands), and *consumer attributes* (loosely defined as the features of consumers).
- *Objective 2*: to examine mobile phone services and their users and usage in Jordan,
- *Objective 3*: to determine the factors that influence consumer brand preference in the telecommunications market.

More precise definition of technical terms used in the above definitions are provided in later chapters.

1.3. METHODOLOGY

The present study is empirical, and uses a mixed methodology. The methodology is in three parts. The first comprises qualitative analysis of the senior management views among Jordanian mobile phone service providers. The second comprises a quantitative description of Jordanian consumers' views concerning Jordanian mobile phone service providers. The third comprises a quantitative analysis of how consumers' views concerning Jordanian mobile phone service providers relate to the consumers' brand preferences. This part uses inferential statistics. These three aspects of the methodology are then integrated so as to meet the three study objectives as described above.

1.4. CONTRIBUTION AND RATIONALE OF THE STUDY

Authorities point to a general "empirical gap" in the literature on branding (see Chapter 5), not just to branding in the Middle East. Thus a major contribution of the present study is to help fill this gap. It does so in three ways: (a) it provides evidence concerning the general way in which companies may use branding, (b) it provides evidence concerning branding that may be specific to mobile phone service providers, and (c) it provides evidence concerning branding that may be specific to Jordan or the Middle East.

Equally if not more important, the present study may be of value to theory. Through its focus on brand preference, it suggests a recategorisation and integration of existing branding models (see Chapter 3). The model suggested by the present study bridges gaps in the previous models, and suggests a better understanding of the processes that lead to brand preference. However, an important part of the model is that it suggests three antecedents of brand preference: fostering brand awareness, enhancing brand image, and understanding consumer attributes. The suggested model accords with Popper's philosophy (see Braun, 2003). Good models are always accepted provisionally, and good models are those that promote understanding.

Brand preference, however, is (or should be) the goal of brand strategy, because it helps ensure the long-term life of a company (e.g., Nilson, 2000, Lin, 2001; Knox and Bickerton, 2003). Thus, fostering brand preference should be the central activity of branding. In this context, Knox and Bickerton (2003) states that "the goal of branding [brand strategy] as it evolved over this period [40 years] has been to explore ways to add value to the basic product and service and thus create *brand preference* [emphasis added] and brand value" (p.1001).

1.5. STRUCTURE OF THESIS

The thesis is structured as follows:

Chapter 2: Telecommunications and Jordan and the Middle East. This chapter provides background to the telecommunications industry, especially as regards mobile phones. It then describes the situation as regards Jordan and the Middle East. It defines Jordan as an Arab country, and briefly compares Jordan's telecommunications industry with that of other Arab countries.

Chapter 3: Branding. This chapter provides history, technical definition of, and discussion on branding. It describes models of branding. In doing so, it provides a review of the literature on branding.

Chapter 4: Brand strategy and brand preference. This chapter provides discussion of the components of branding as described by the literature. The chapter also provides discussion of the antecedents of brand preference, to be investigated in the present study, and points to ambiguities/gaps in the literature. The chapter provides further technical definition, and completes the review of the literature on branding.

Chapter 5: Research objectives, conceptual model, and research hypotheses. This chapter points to ambiguities/gaps in the literature. It then presents a model by which the three research objectives described above were investigated. The chapter also provides 14 specific hypotheses related to certain objectives.

Chapter 6: Methodology. This chapter provides a brief discussion of the philosophy of science, comparing the two main paradigms (defined as *positivist* and *phenomenological*). It then explains how the two paradigms may be combined, and how they are combined in the present study. It then provides detailed description of the procedures employed in the present study, both as regards how data were collected and how data were analysed and hypotheses were tested.

Chapter 7: Qualitative analysis. This chapter provides description and discussion of each of the mobile phone service providers in Jordan, and qualitative analysis of interview data from senior managers working within each of Jordan's mobile phone service providers.

Chapter 8: Descriptive statistics. This chapter provides descriptive statistics and discussion of consumers' features (e.g., gender) as regards mobile phone service provider use, and descriptive statistics as regards the consumers' brand preferences and their perceptions of the different Jordanian brand service providers.

Chapter 9: Inferential statistics. This chapter provides results of and discussion on data reduction techniques (principal component analysis) and inferential statistics, as used to test the specific hypotheses identified in Chapter 5.

Chapter 10: Overall discussion and conclusion. This chapter integrates the three previous chapters as regards how their diverse results relate to the three research objectives, as outlined above. It presents specific and general conclusions. It then presents the contribution of the study, then points to limitations of the present study, and areas for future research, and how the results of the present study may help practising marketers, especially those in the mobile phone service industry. It concludes that the fostering of brand preference is an important component of brand strategy—one that is often neglected in the literature—and highlights three means by which companies may facilitate brand preference among customers, and thereby gain market share.

1.5. SUMMARY

This thesis investigates branding, using the Jordanian mobile phone service provider industry as a context. It provides insights into branding strategies in a dynamic and increasing competitive marketplace. In addition, it developed and test a model of the relationship between brand strategies and brand preference in the context of mobile telecommunications service providers. Overall this study demonstrates the importance of brand preference to brand strategy.

CHAPTER 2: TELECOMMUNICATIONS AND JORDAN AND THE MIDDLE EAST

2.1. Introduction

The present chapter first discusses telecommunications in general. In doing so, it covers the history of telecommunications, the development of telecommunications, factors that have pushed the growth of world telecommunications, submarkets, and the role of telecommunications companies in society. It then discusses telecommunications within Jordan.

2.2. Telecommunications

2.2.1. History

The word *telecommunication* derives from two words: *tele* and *communications.* Tele means distance, and was coined by Edouard Estaunié (1862–1942)—a French novelist, scientist, and engineer—in his book *Traité Pratique de Télécommunication Electrique (télégraphic-téléphonie).* Communications is derived from the Latin word *communicatio,* meaning social exchange of information. Communication pertains to direct contact and mutual understanding (Huurdeman, 2003). Huurdeman (2003) describes telecommunication as "a technology that eliminates distances between continents, between countries, between persons" (p.3).

Telecommunications are of many types. Huurdeman (2003) presents them in chronological order. Figure 2.1 lists them.

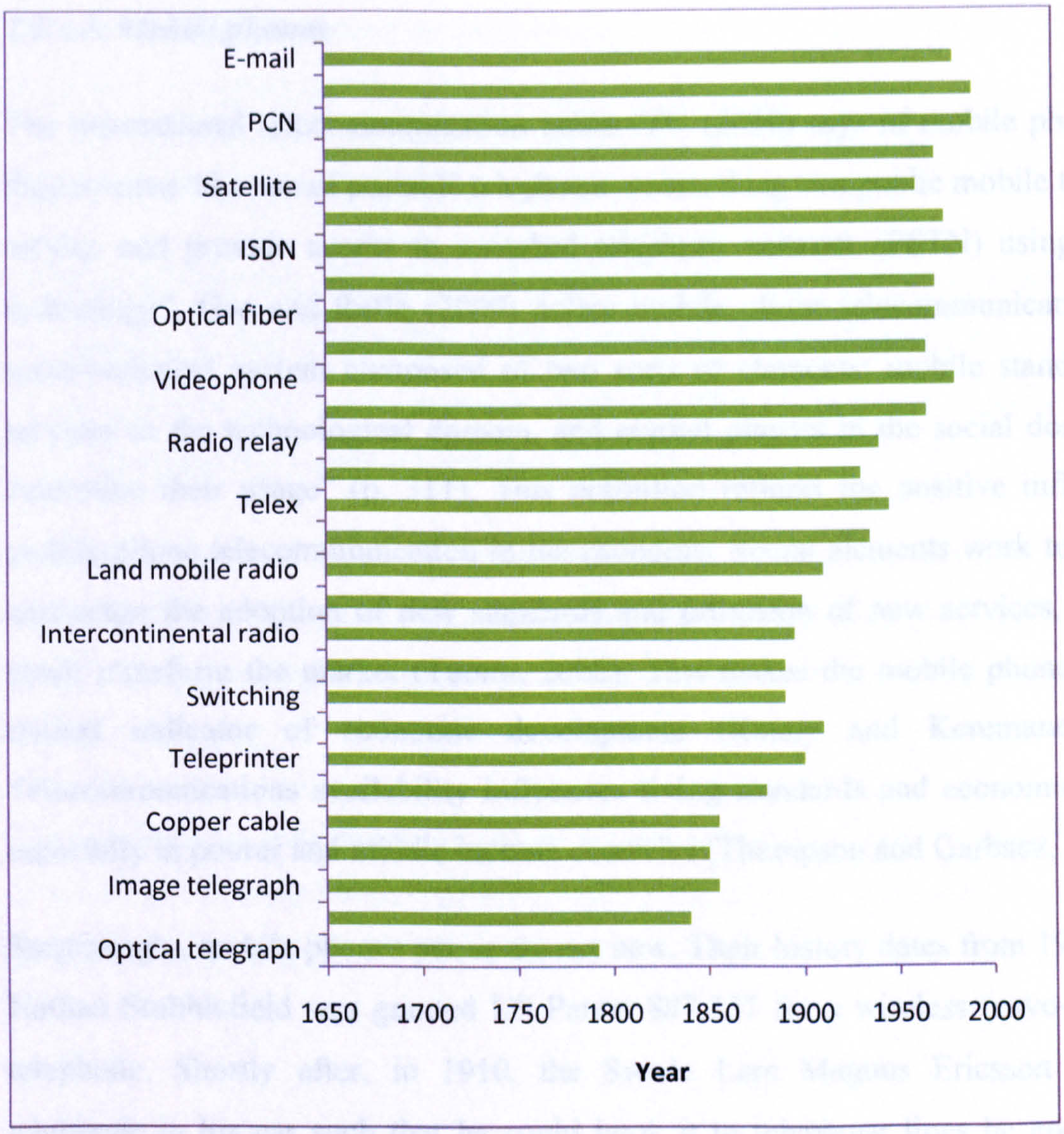

Figure 2. 1. Timeline of developments in telecommunications

Source: Adapted from Huurdeman (2003, p. 11)

Huurdmean (2003) argues that telecommunications have passed through five stages. The first was before 1792, before the invention of the telegraph. During this stage people used to telecommunicate, if at all, via relatively primitive means—lighting fires, banging drums, using carrier pigeons, and so forth.

The second stage, between 1800 and 1850, was the era of the optical telegraph. The third stage, between 1850 and 1900, was the era of the electronic telegraph, and open wire and copper cable. The fourth stage, between 1900 and 1950, was the era of the teleprinter, telephone, radio, and land mobile. The fifth stage, between 1950 and 2000, was the era of telex, telefax, internet, and mobile phones. Of these, arguably the most important are mobile phones.

2.2.1.1. Mobile phones

The international telecommunication union ITU (2010) says of mobile phones that they involve "the use of portable telephones subscribing to a public mobile telephone service and provide access to switched telephone network (PSTN) using cellular technology". Gao and Rafiq (2009) define mobile phone telecommunication as "a socio-technical system composed of two sorts of elements: mobile standards and services in the technological domain, and market players in the social domain that determine their usage" (p. 311). This definition reflects the positive influence of mobile phone telecommunication in the economy. Social elements work together to encourage the adoption of new standards and provision of new services, and as a result transform the market (Tuomi, 2002). This makes the mobile phone sector a critical indicator of economic development (Kenny and Keremane, 2007). Telecommunications availability influences living standards and economic growth, especially in poorer and middle income countries (Thompson and Garbacz, 2007).

Surprisingly, mobile phones per se are not new. Their history dates from 1908, when Nathan Stubblefield was granted US Patent 887,357 for a wireless (cave-operated) telephone. Shortly after, in 1910, the Swede Lars Magnus Ericsson placed a telephone in his car such that he could hook it to telephone lines he encountered when travelling (Agar, 2003). Although not "mobile" in the sense that the phone did not rely on a radio network, it was mobile in the sense that Ericsson could use it in diverse places. Such developments evolved to the use of two-way radios, some of them portable ("walkie-talkies") in the 1940s and after. These two-way radios were used extensively by taxi companies, ambulances, and the military. However, they were not mobile phones in the true sense because they were not linked to the telephone network.

True mobile phones emerged in the 1950s. These, however, were bulky, and were fitted only in vehicles. These "car-phones", although produced commercially, were also expensive. The problem of expense and bulk continued through the 1980s, by which time truly portable phones were available, at a price, and were used by those people, often company executives who could afford them (Agar, 2003). Mobile phones in the sense of easily portable (i.e., small and light) phones with access to nationwide (and, later, international) telephone networks emerged in the 1990s. The 1990s may be remembered as "the decade of the mobile phone".

2.2.2. Telecommunications today

Telecommunications today are dominated by mobile phones and, to a lesser extent, the internet. Today, almost 70% of the world's population subscribes to a mobile phone, and over 26% use the internet. Less than 18% of the world's population has a fixed telephone line (landline) at home (ITU, 2010).

This rise has been rapid. In 1998, only about 5% of the world's population subscribed to mobile phones, and only about 3% used the internet; at the same time, about 14% had landlines at home, and broadband had yet to be developed, so nobody used it (ITU, 2010).

The growth in mobile phone use has far outstripped that of internet use. The growth of both has coincided with a relative fall in landline use, as has increased use of broadband. Figure 2.2 shows the trends for the period 2005–2009.

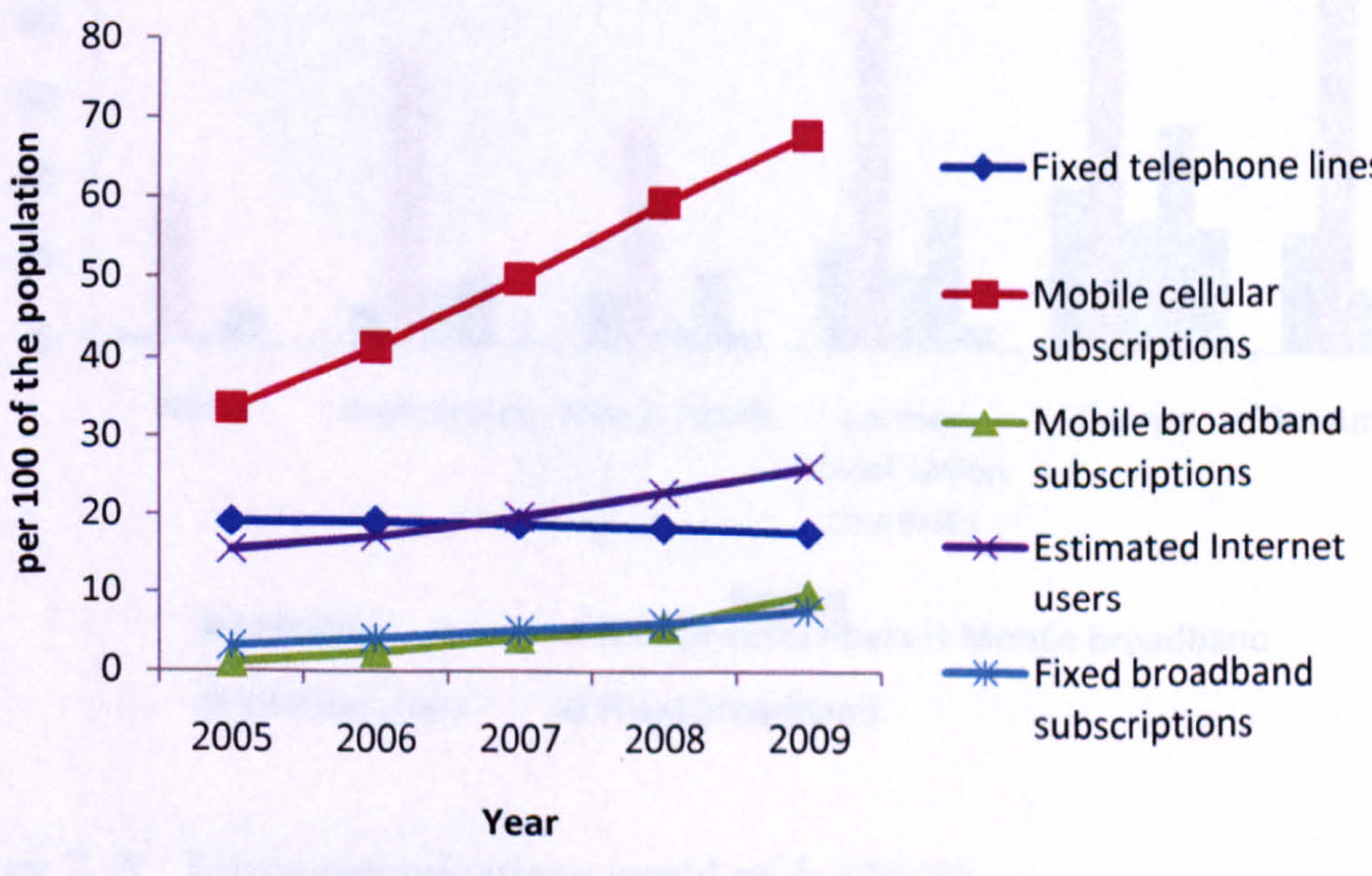

Figure 2. 2. World telecommunications use 2005–2009.

Source: Constructed from (ITU, 2010)

The figure shows that mobile phone use is greater than that of landline and internet use combined, and that, fast as internet use may have grown, its growth has been much less than that of mobile phone use.

The rapid growth of use of telecommunications is reflected in financial statistics. Data show that the total telecommunications market revenue at current prices and exchange rate increased from US$1,440 billion in 2009 to US$1,482 (estimated) billion in 2010 (IDATE, 2009). Mobile services account for more than half of this revenue US$785 (IDATE, 2009). The importance of mobile phones to such wealth is reflected in the world's superrich. The world's richest individual—Carlos Slim Helu (net worth US$53.5 billion)—is the major shareholder of Latin America's largest mobile phone service (Movil) (*Forbes Magazine*, 2010), and mobile phone services represent the major part of his income.

The ITU (2010) observes that the mobile phone is the most rapidly adapted technology in the history, and that it is the most popular and widespread personal technology on the earth. Figure 2.3 illustrates this. Mobile phones are the dominant form of telecommunications in every major world region.

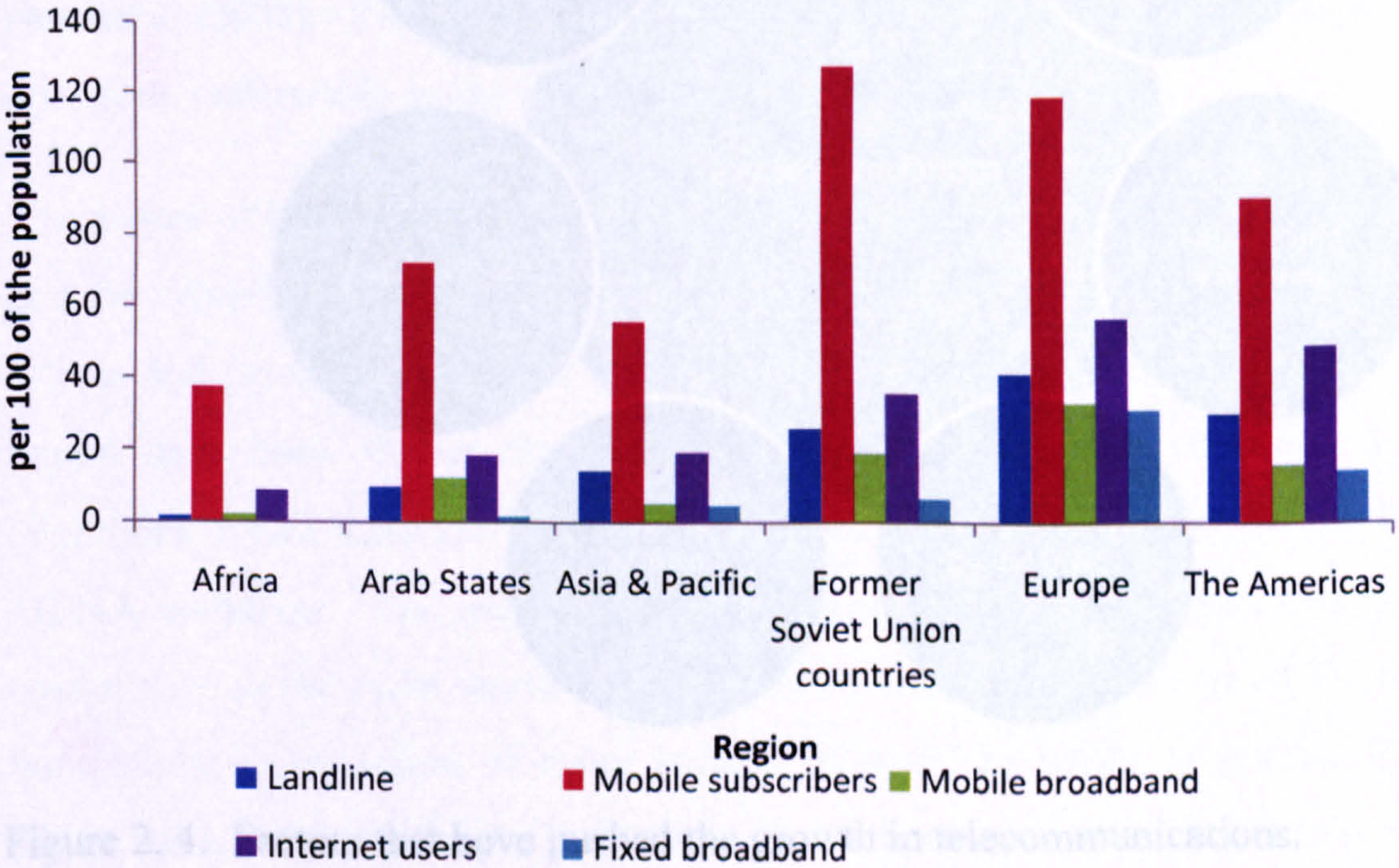

Figure 2. 3. Telecommunications world wide (2008).

Source: Constructed from (ITU, 2010)

The figure suggests that mobile phones are the preferred method of telecommunication, especially in poorer countries. In African region countries, almost 40% of people subscribe to mobile phones, which is about four times the number who use the internet, and about 20 times the number who have landlines.

This contrasts with the Americas and Europe—richer regions—in which the percentage of mobile phone subscribers is only about double that of people who use the internet, and only about treble that of people who have landlines.

2.2.3. Factors that have pushed the growth of world telecommunications

Several factors have pushed the recent growth in telecommunications—political, technological, social, and economic. These factors have interacted. The main ones are shown in Figure 2.4.

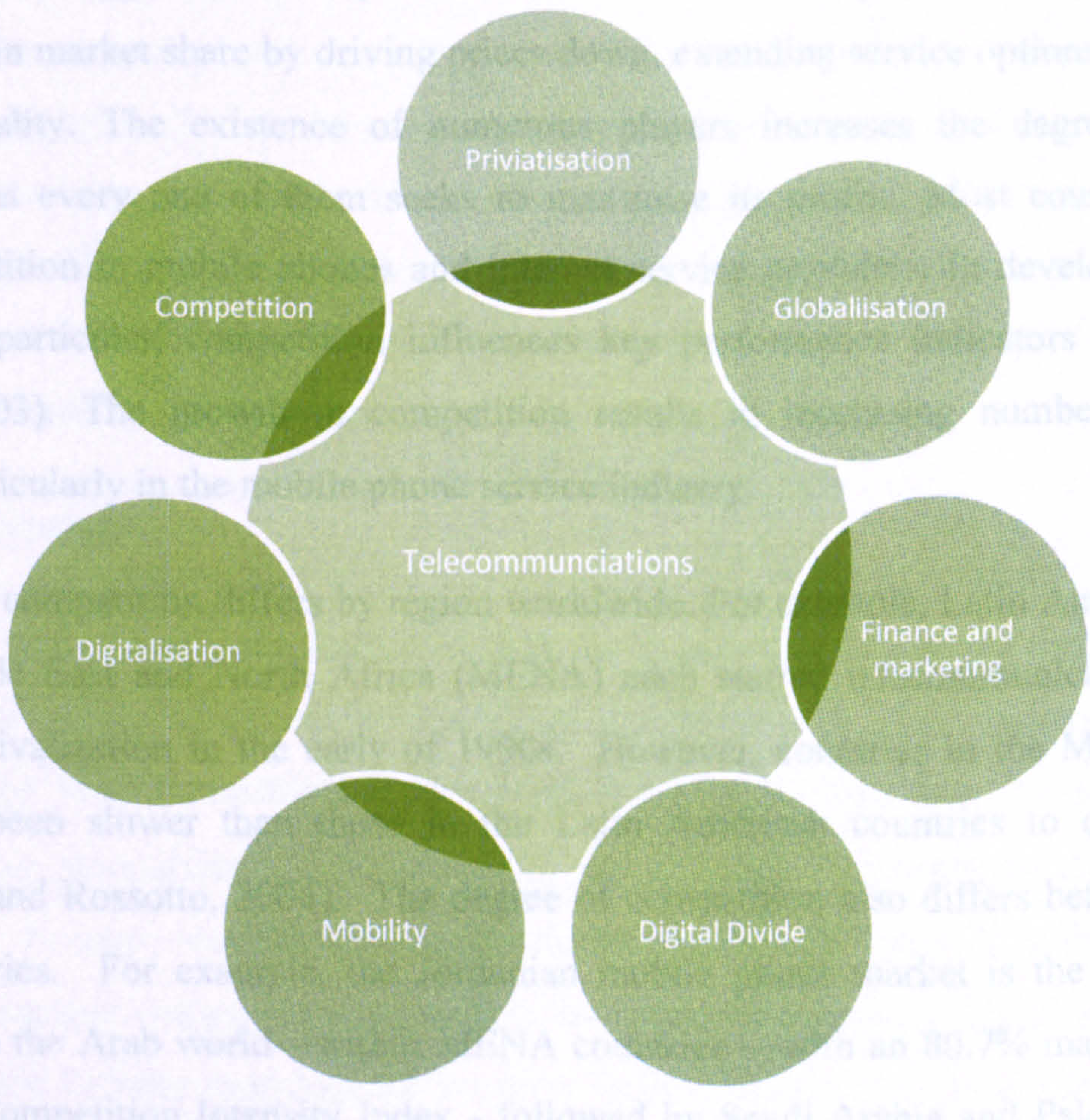

Figure 2. 4. Factors that have pushed the growth in telecommunications.

Source: Developed by the researcher

2.2.3.1. Privatization

Privatization refers to the transfer the ownership of a state-owned business fully or partially to the private sector. Privatisation has influenced the telecommunications industry worldwide, in particular the mobile phone industry, especially in the developing world (Thompson and Garbacz, 2007). The privatisation of British Telecom during the mid-1980s through early 1990s triggered many countries around the world to follow the UK's example. At present, more than 80 countries around the world have fully or partially privatised telecommunications industries (Kang, 2009). Certain Asian countries (e.g., Japan) began the privatisation in the 1980s, as did European countries other than the UK (Eliassen and Sjovaag, 1999). Jordan began privatising its telecommunications industry during the late 1990s.

2.2.3.2. Competition

Privatization fosters competition. The literature (e.g., Schleifer, 1998; Megginson and Netter, 2001) suggests that competition enables markets to expand, as companies compete to gain market share by driving prices down, extending service options, and increasing quality. The existence of numerous players increases the degree of competition, as every one of them seeks to maximise its profits. Most countries permit competition in mobile phones and internet service providers. In developing countries, in particular, competition influences key performance indicators (e.g., Guitérrez, 2003). The growth in competition results in increasing numbers of operators, particularly in the mobile phone service industry.

The degree of competition differs by region worldwide. For example, Latin America and the Middle East and North Africa (MENA) each started telecommunications reform and privatization in the early of 1990s. However, countries in the MENA region have been slower than those in the Latin American countries to do so (Varoudakis, and Rossotto, 2004). The degree of competition also differs between MENA countries. For example, the Jordanian mobile phone market is the most competitive in the Arab world—within MENA countries —with an 80.7% mark on the Cellular Competition Intensity Index - followed by Saudi Arabia and Palestine (West Bank and Gaze Strip), 75.3%, and 65.7% % respectively (ITU, 2010).

2.2.3.3. Mobility

Until the advent of mobile phones, use of telecommunications for the vast majority of people was "static". People had to use land lines for making telephone calls, sit at home to watch television, and stay at a desk to use a computer. The few exceptions "static" communications—field radios, for instance—were cumbersome. Mobile phones have especially changed this. Today, one can make international calls via mobile, access the internet, and watch television. Moreover, the growth of portable computers, especially when coupled with wireless internet connection, allow people to use full computer technology almost anywhere in the world where there is an appropriate power supply. The convenience of mobile phones has doubtless contributed to their growth.

2.2.3.4. Digitalisation

Modern telecommunications hardware uses digital information. The consequence of this is not only that the information so processed has greater fidelity; it is also that the distinction between different forms of hardware is becoming blurred. In the 1970s, for instance, a telephone was just that, a telephone, and a television was just that, too, a television. Today, however, a mobile phone may also be a pocket calculator, a television set, a personal organiser, a games console, and a camcorder (IDATE, 2009). The same may be said, but even more so, of television sets. Digitalisation therefore has made telecommunications more integrated, more versatile, and, arguably, easier to use.

2.2.3.5. Globalisation

The effects of globalisation are threefold. First, many telecommunications operators from the richer nations countries have holdings in operators in other nations—for example, France Telecom operates in Jordan and Vodafone has interests in Egypt—with consequent rationalisation, specialisation, and strategic investment in the less rich countries. Second, multilateral organizations—the World Trade Organization (WTO), for example—have lowered barriers for traditional goods. Third, global services—mobile cellular roaming, for instance—allow customers to use a service away from their home country (ITU, 2002).

2.2.3.6. The digital divide

The digital divide refers to the unequal availability of information and communications technology (ICTs) to different socio-economic groups within the world and within individual countries. The digital divide exists between countries at different levels of development, and within a country, between urban and rural areas, between rich and poor, between educated and uneducated, between men and women, and between the young and the elderly. An example of a country with a large digital divide is India, where the telecommunications gap between rural areas and big cities is huge. However, the digital divide appears to be shrinking. For example, in Thailand, almost 51% of internet users are women, and in the USA over 52% of internet users are women (ITU, 2003). The key point here is that modern telecommunications are accessible to virtually everybody.

One may illustrate this as follows. At the outset of the telecommunications revolution, the regions of Americas and Europe had many more subscribers for telecommunications services than had Africa and the Asian-Pacific region. However, today the Americas and Europe are nearly saturated, but subscribers in Africa and the Middle East region are increasing faster. This region has the highest growth in recent times (IDATE, 2009).

A plausible result of this is that poorer people, especially people in poorer nations, are becoming empowered, in that they now have access to knowledge that was hitherto denied them. The rate of development of this empowerment—as measured by access to the latest technology—provided by modern telecommunications is unprecedented (ITU, 2010). Yet the digital revolution is affecting, and has affected, almost all people in all nations in less than a generation. Moreover, it appears that leaders of poorer and middle income countries appreciate this—hence the substantial investments made in these countries in telecommunications and their infrastructure.

2.2.3.7. Shift from engineering to finance and marketing

Although telecommunications is a high-technology industry, it is increasingly driven by marketers and financiers, not by technocrats. Today telecommunications operators are private companies publicly traded on stock exchanges, such as Vodafone, Orange, and Nokia, and they are enthusiastic to gain customer preference and loyalty. For example, consumer traffic on the internet exceeded business traffic in 2008 (IDATE, 2009). This highlights that telecommunications now are consumer-oriented (IDATE, 2009), and relates them more than before to marketing, and *branding* in particular.

2.3. Submarkets

The submarkets of the world telecommunications market can be divided into broad categories based on geography, and technology.

2.3.1. Geography

Unfortunately, different authorities use different criteria for dividing the world into regions. Table 2.1 shows world classification by area according to different authorities.

Table 2. 1. World regions as classified by different authorities.

Digiworld (IDATE)	CIA	WHO	ITU
North America	North America	Africa	Europe
Latin America	Central America	Americas	Asia and Pacific
Western Europe	South America	Eastern Mediterranean	The Americas
Central and Eastern Europe	Europe	Europe	CIS (former Soviet Union countries)
Africa and Middle East	Africa	South-East Asia	Arab states
Asia-Pacific	Middle East	Western Pacific	Africa
	Central Asia		
	East and Southeast Asia		
	South Asia		
	Australia/Oceania		

Sources: Digiworld (IDATE) (2009); CIA (2010); WHO (2010); ITU (2010).

None of these classifications is entirely satisfactory. That of the CIA (2010) seems the most thorough. However, it ranks Iran (a non-Arab country) alongside Arab countries in West Asia; and classifies Libya, Tunisia, Morocco, and Algeria (all of which are Arab) as African, not Arab. The ITU (2010) is the only body listed in the table that mentions Arab states. However, the Arab states it includes do not include all members of the Arab League (it omits Comoros, Djibouti, Mauritania, and Somalia). The present study uses the ITU's (2010) classification, but reservedly.

Table 2.2 lists the countries designated "Arab" by the ITU (2010).

Table 2. 2. Arab countries as defined by the ITU

Countries			
Algeria	Kuwait	Qatar	UAE
Bahrain	Lebanon	Saudi Arabia	West Bank and Gaza
Egypt	Libya	Sudan	Yemen
Iraq	Morocco	Syria	
Jordan	Oman	Tunisia	

2.3.2. Technology

The telecommunications industry has two technological subsections: equipment and service providers. Equipment includes mobile phones and computer equipment. Service providers include mobile phone, landline services, and internet account providers.

Table 3.2 shows the major providers for each type of technology by rank, worldwide.

Table 2. 3. Major world telecommunications technology.

Rank	Equipment	Service providers
1	Nokia (Finland)	AT&T (USA)
2	Ericsson (Sweden)	Verizon (USA)
3	Cisco (USA)	NTT (Japan)
4	Motoloa (USA)	Deutsche telekcom/ T.Mobile (Germany)
5	Samsung (South Korea)	Telefonia (Spain)
6	Alcatel Lucent (France)	France Telecom/ Orange (France)
7	Sony Ericsson (UK)	Vodafone (UK)
8	NEC (Japan)	China Mobile (China)
9	PTIC (China)	Telecom Italia (Italia)
10	Huawei (China)	BT (UK)

Source: (Digiworld (IDATE), 2009, pp. 41, 43).

Note, however, that, given the dynamism of the telecommunications industry, these rankings are likely to change.

2.4. The role of telecommunications companies in society

Modern telecommunications are vital to business. So much is obvious. Without modern telecommunications there would be, by definition, no electronic banking. However, Scott *et al.* (2004) observe that their economic impact runs deeper. This is especially so in poorer and middle income countries. The major use of mobile phones is "chatting", "keeping in touch", and other informal communication. This, Scott *et al.,* argue, not only adds to social cohesion; it also helps the people in the societies function more efficiently.

The benefits of modern telecommunications, especially mobile phones, include:

- They enable mobile commerce and promote dissemination of useful information; they therefore facilitate business creation (Suki and Suki, 2007).
- They directly create employment (Boadi and Shiak, 2006).
- They are a source of revenue for governments (through taxes) and for business operators (through profits) (Boadi and Shiak, 2006).
- They reduce travel costs (Suki and Suki, 2007).
- They allow for "instantaneous communication". Which in turn, facilitates economic and social efficiency (Boadi and Shiak, 2006).

There are of course, negative—or at least potentially negative—aspects of modern telecommunications. These include employees using company time to make private e-mails, mobile phone use when driving causing automobile accidents, and alleged health risks from mobile phone use.

2.5. State of telecommunications in Jordan

2.5.1. Jordan

Jordan is a Middle Eastern country, situated between Israel and the West Bank to the west, Saudi Arabia to the east and south, Syria to the north, and Iraq to the north-east. See Map 2.1.

Map 2. 1. Jordan

Source: (the CIA, 2010)

Jordan has a land surface area of approximately 92,000 km^2, most of which is desert. Her population is just short of 6.2 million, of whom 63.7% are aged 15–64 years; the median age of her population is 23.9 years (CIA, 2010, 2008 estimates). Her population comprises 98% Arabs. The predominant religion (92%) is (Sunni) Moslem, with most of the remainder being Christian of one form or another (Catholic, Orthodox, Coptic, and others). Approximately 90% of the population is literate. About one-third of Jordan's population live in Amman, the capital city (Foreign and Commonwealth Office, 2010).

In contrast to the majority of Arab Islamic states, Jordan is relatively liberal—politically, economically, and religiously. Her press is relatively free, and general elections to the Jordanian Parliament are held every four years. Suffrage has been universal for all over 18 years. Women obtained the vote in 1989, and, today, 20% of municipal seats are reserved for women. Arab–Israeli tension notwithstanding, Jordan has no important disputes with her geographical neighbours. Note, however, that Jordan is a predominantly Arab country. Arab values may differ substantially from those of the West in two respects. First, Arab cultures, like those of sub-Saharan Africa, stress the importance of tribal membership, often with tribal membership being more important than notional national identity (Alon, 2009). Second, Arab cultures tend to lay greater emphasis on family including extended family, loyalties (Alon, 2009).

Jordan has few natural resources. Her main industries comprise textiles (mainly clothing), mining (phosphates), fertilizers, pharmaceuticals, petroleum refining, cement, potash, inorganic chemicals, light manufacturing, and tourism. Her GDP is (US$ 33.05 billion, official exchange rate; per capital GDP, US$5,300, purchasing power parity), but her growth rate is healthy (3.1%) (all estimates 2009, CIA, 2010). She is making extensive efforts to encourage economic development. She has participated in the European Free Trade Agreement since 2001, and has a free trade accord with the USA. At present, she encourages foreign investment (CIA, 2010).

2.5.2. Jordanian telecommunications infrastructure

Jordan's telecommunications infrastructure dates from the establishment of the state in 1921.

In 1921, the government set up a post and telegraph department to provide telecommunications services. In 1930, the telecommunications services were updated to cable and wireless equipment. In 1951, the government established the first ministry of telecommunications under the name of the Ministry of Telegraph and Telephony. In 1961, Jordan introduced its first automatic telephone service. In 1971, the government established the telecommunications corporation (TCC). This was to be responsible for the various telecommunications services. From 1973 through 1985 telecommunications in Jordan developed extensively, mainly because of the boom in oil prices; although Jordan is not an oil producer, she benefitted from expatriates' remittances. The Jordanian government used the resultant extra revenue to fund public investment. In 1988, the first paging company in Jordan was established. In 1993, the government allowed, for the first time, private sector investment in telecommunications projects. In 1994, the first mobile phone licence was given to the Fastlink Company (currently Zain).

The real privatization process started in 1997, when the TCC changed to a government-owned company operating on a commercial basis. In 1999, French Telecom (Orange) bought 40% of Jordan TCC, and was granted the second mobile phone license in Jordan, Mobilcom (currently Orange).

In 2000, Jordan became a member of WTO; this obliged Jordan to liberalise its telecommunication sector by 2004. In 2003, a third mobile phone company, Xpress, was established. This was followed in 2006, by a fourth, Umniah. In 2006, French Telecom bought the rest of the TCC shares (Telecommunications Regulatory Commission Jordan, 2010).

Today, Jordan has good telecommunications infrastructure. She has over 503,000 telephone landlines, around 5.9 million mobile phone users, over 1.5 million internet users, and over 28,896 internet hosts (CIA, 2010; 2009 estimates). As of 2009, she had 28 FM radio stations and 4 television stations. Fibre optics are employed on all trunk lines; she has cable links to Saudi Arabia and microwave radio relay links to Egypt and Syria. She has 33 satellite–Earth stations. Since 1995, all non-fixed line services have been open to private competition, and since 2005 all her telecommunications have been, too.

2.5.3. Jordan's telecommunication market in relation to Arab states region

Jordan's telecommunications market has developed in line with other markets in the Arab world (as defined by the ITU, 2010). See Figure 2.5.

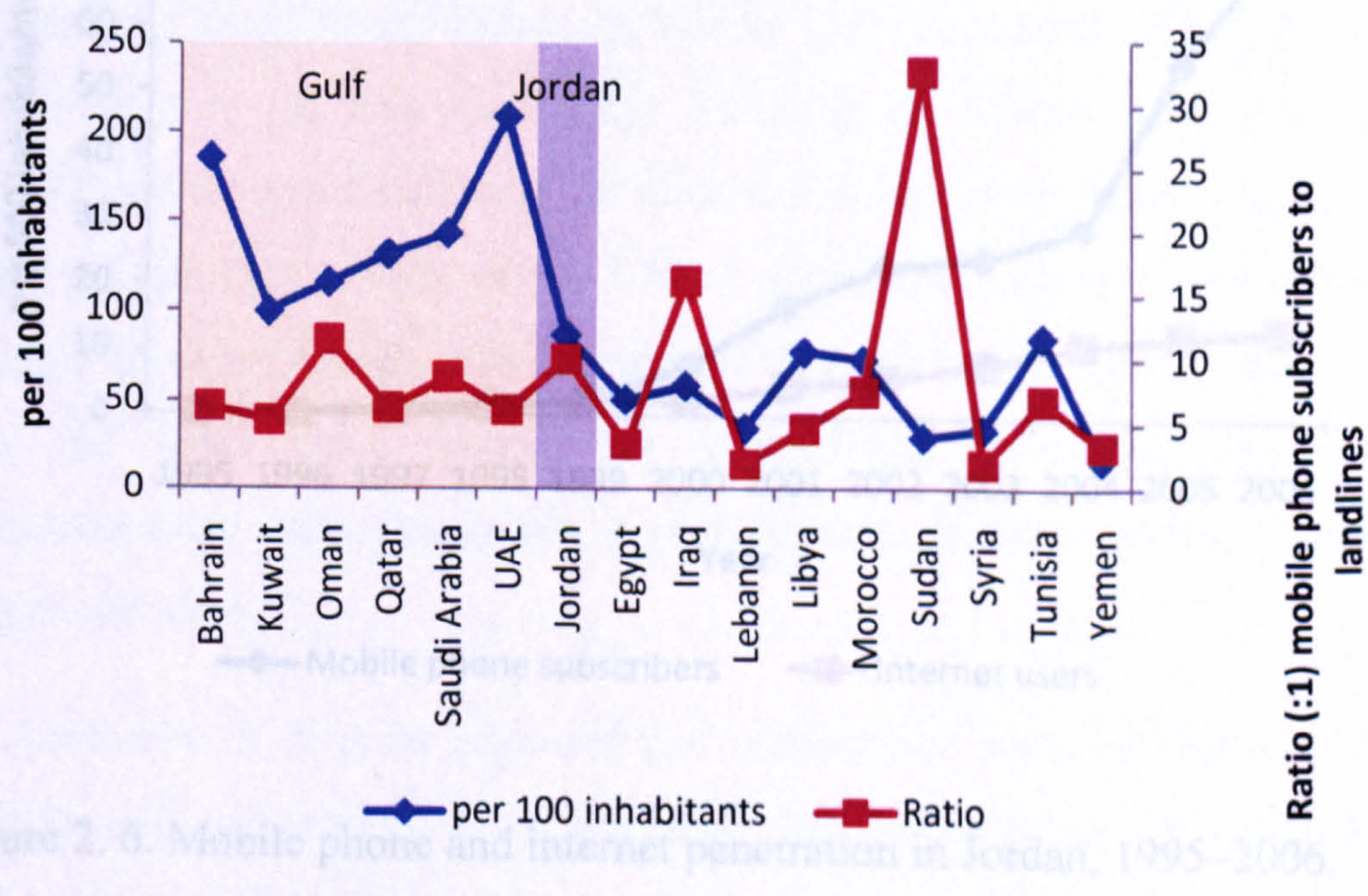

Figure 2. 5. Mobile phone penetration (2008) in Arab countries.

Source: Constructed from (ITU, 2010); includes all countries for which data are available.

The figure shows two phenomena: the number of mobile phone subscribers per 100 inhabitants and the ratio of mobile phone subscribers to landlines. Jordan has a lower level of mobile phone subscribers than have Arab Gulf countries—the richest countries in the Arab world—but, with the exception of Oman, a greater penetration of landlines. Jordan also has about the same level of mobile phone penetration as have the richer non-Gulf countries in the Arab world, such as Libya. Note that the Arab Gulf countries tend to have more mobile phone subscribers than inhabitants, indicating that in the richer countries people tend to have more than one mobile phone each. Also note the high ratio of mobile phones to landlines in Sudan, among the poorest of Arab countries (mirroring the experience of Africa, as noted above).

In 2003, Jordan had the highest rate of telecommunication revenue, 8.4 of its GDP, in comparison to the rest of Middle Eastern countries (Shirazi *et al.*, 2009). This suggests that telecommunications sector in Jordan is very lucrative, and makes a useful contribution to the country's economy.

As in other countries, mobile phone penetration in Jordan is higher than that of the internet. See Figure 2.6.

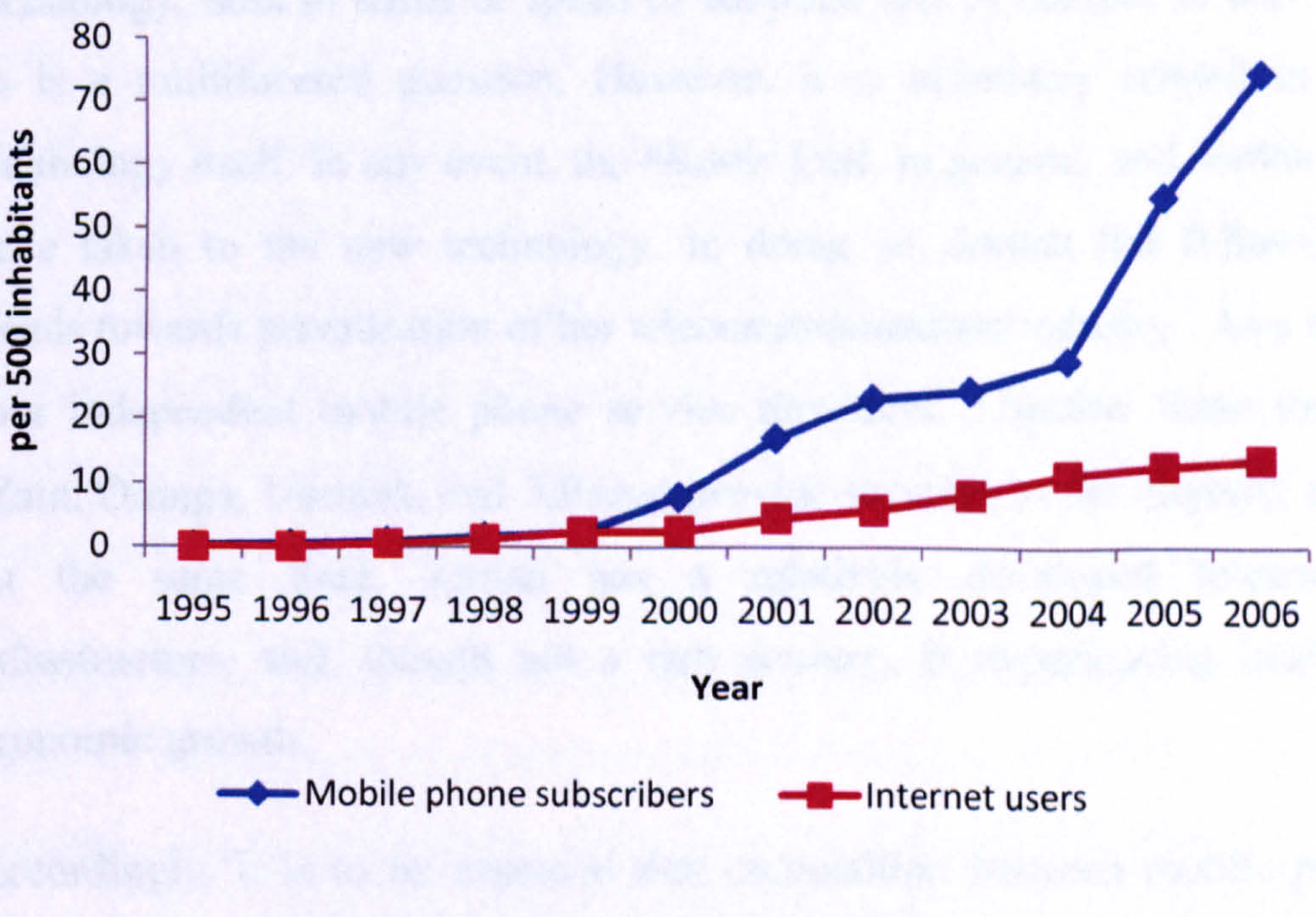

Figure 2. 6. Mobile phone and internet penetration in Jordan, 1995–2006.

Source: Constructed from (ITU, 2010).

The figure reveals a rapid increase in the number of mobile phone service subscribers since 1999.

2.5.4. Main players in Jordan's telecommunications market

As indicated, today Jordan has four mobile phone service providers: Zain, Orange, Umniah, and XPress. Again as indicated, the first to enter the market was Zain, and the last was Umniah. Further discussion of these companies is provided in Chapter 7.

2.6. SUMMARY AND CONCLUSION

Telecommunications have grown rapidly since the early 20th century, with growth being especially fast since the 1980s. The most important and substantial areas of growth have been use of the internet and mobile phones, with the latter's growth being by far the greater ad, arguably, more important. Use of mobile phones appears the form of telecommunications of choice for most people, especially in poorer countries, and appears related to economic growth.

The growth of the use of telecommunications appears unprecedented in the history of technology, both in terms of speed of adoption and of number of users. Why this is so is a multifaceted question. However, it is intimately related to advances in technology itself. In any event, the Middle East, in general, and Jordan in particular, have taken to the new technology. In doing so, Jordan has followed worldwide trends towards privatisation of her telecommunications industry. As a result, she has four independent mobile phone service providers. Together these four companies (Zain, Orange, Umniah, and XPress) provide services to the majority of Jordanians. At the same time, Jordan has a relatively developed telecommunications infrastructure, and, though not a rich country, is experiencing healthy levels of economic growth.

Accordingly, it is to be expected that competition between mobile phone services within Jordan is intense. If so, it is likely that the companies are using modern forms of marketing. This raises the issue of branding. This is the subject of the next chapter.

CHAPTER 3: BRANDING

3.1. Introduction

The present chapter begins with a history of branding. It then moves to definitions currently used within branding, including those used in the present study. The chapter then identifies key characteristics of branding, notably brand equity and branding models, and how they relate to service industries. The chapter concludes with a discussion on the characteristics of service industries, and concludes with a summary.

3.2. History of branding

3.2.1. Early history

The term *branding* comes from the Germanic word *brander*, meaning, literally, to mark by burning with a hot iron (Jevons, 2005). However, as used today it means, broadly, identifying "make", or "type". Branding in this sense is not new. It was used in the Middle East from about 1300 BC. Craftsmen put special marks on their pottery in order that it could be easily recognised by customers (Keller, 2003). In those days, branding may have helped customers distinguish between good and bad pottery at time of purchase; it may also have helped talented craftsmen charge premium prices (Nilson, 2000).

In more recent times, potters' marks were joined by printers' marks. There were many different ways of making a brand mark. An English law passed in 1266 required bakers to put their mark on every loaf of bread sold; goldsmiths and silversmiths were also required to mark their goods, in order to reduce the number of counterfeit goods (Keller, 2003). A more subtle use of branding was the practice of artists applying their signatures to paintings, as their way of authenticating the painting and thus the brand (Nilson, 2000).

When Europeans moved to North America, from the early 16th century onwards, they carried such brand conventions and practices with them. The 16th through mid-

18th century saw branding increasingly used by makers of patent medicines and tobacco manufacturers (Keller, 2003).

From such early history of branding, two features of branding emerge, each or both of which are still used today: (a) a brand as denoting quality; (b) a denoting ownership.

3.2.2. Later history

The development of railways, especially in the latter half of the 19th century—the USA's transcontinental railway was completed in 1869—profoundly changed the extent and use of branding. It became possible to transport goods across countries. The widespread industrialization of the era made it possible to efficiently produce goods, but in such quantities that manufacturers had to sell them across a broad area to realise high volume sales. The railways satisfied this need. The period between 1860 and 1914 witnessed the rise of modern brands such as Lord Leverhulme in the UK, and Messers Protector and Gamble in the USA (Nilson, 2000).

Because the distance between the producer and the consumer was larger, communication between manufacturer and consumer was necessary. A way for manufacturers to communicate was to brand the product. Brand marks ensured that three elements were available for producers, namely identity, quality, and efficient advertising (Nilson, 2000). This last—efficient advertising—was new: in pre-industrial times, branding, as indicated, denoted only quality and ownership. Advertising, quality, and ownership remain the key features of branding today (Nilson, 2000).

3.2.3. Recent history

The history of branding from 1915 through the present day may be divided into four phases. The first phase was from 1915 through 1929. Its main feature was the dominance of mass-marketing brands. During this phase, brands became well established, particularly in the USA. This period saw the emergence of professional marketers, and the related discipline, market research (Keller, 2003).

The second phase comprised the Great Depression (1929–1945). The economic downturn, especially in the USA, led to greater price sensitivity of goods. This led to retailers developing their own brands. This, in turn, led to greater pressure on manufacturers, whose brands had to compete—often unsuccessfully, with the new, and cheaper, retail brands (Keller, 2003).

The third period comprised the end of World War II through the early 1980s. This period was marked by high consumer demand, particularly for goods associated with high-quality life-styles, high population growth, and personal income growth. The period also saw the establishment of brand management standards (Keller, 2003).

The fourth period lasted from the mid-1980s to the present day. The period was marked by a growth of branding jargon (see below) and by a corresponding growth in branding models and theory (again see below).

3.3. BRAND DEFINITION

Kotler and Pfoertsch (2006) speak of a brand as follows:

> A brand is a promise. A brand is the totality of perceptions—everything you see, hear, read, know, feel, think, etc.—about a product, service, or business. A brand holds a distinctive position in customers' minds based on past experiences, associations and future expectations. A brand is a short-cut of attributes, benefits, beliefs and values that differentiate, reduce complexity, and simplify the decision-making process. (p.5)

In other words, a brand is not just what a product or service *is* (a car, a packet of soup, a phone . . .), it is everything a consumer *thinks* it is (a spaceship, a medicine, a fashion accessory . . .). As Kapferer (2008) says, a brand is an *influencer*.

The literature is confusing in that it uses a plethora of terms to identify and measure brand, and many terms are vague (e.g., Kapferer, 2008; Davis, 2010). Nonetheless, as Davis (2010) states, "the concept of brand has been refined over 25 years, offering more sophisticated description, [but] while differences do exist . . . [one may] note their commonality" (p. 10).

The literature provides three perspectives in defining brand (Davis, 2010). First, there is the American Marketing Association definition: "A name, term, sign, symbol, or design, or 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" (as cited by Davis, 2010, pp. 10–11). Second, there is the legal definition: a brand is "a name and/symbol that uniquely identifies a seller's goods or services in the market" (as cited by Davis, 2010, p. 11). Third, there is the academic definition. This varies according to author, but each says substantially the same. Aside from Kotler and Pfoertsch's (2006) definition (above), one may compare Aaker's definition—"A brand is a set of assets linked to a brand's name and symbol that adds to the value provided by a product or service" (as cited by Davis, 2010, p. 11)—with Keller's definition—"a brand is something that has actually created a certain amount of awareness and reputation in the marketplace" (as cited by Davis, 2010, p. 11). From the above it follows that a brand is not only what a product or service is, it is also how people perceive it.

Kapferer (2008) presents two paradigms for defining brand: *customer-based* and *economic*. The first focuses on the relationship between the brand and customers, and thus includes such concepts as customer loyalty ("repurchase intention"). The second focuses on such concepts as brand value (in terms of currency, be it in US$, £sterling, or €). Kapferer (2008) argues both paradigms complement each other, so organisations need to use both. Because a brand influences potential buyers, it must influence revenue; as Kapferer puts it, "the value of the brand comes from its ability to gain an exclusive, positive and prominent meaning in the minds of a large number of consumers" (p. 25). Conversely, the extent of an organisation's revenue affects how its potential buyers may perceive it. This leads to the issue of how organisations may use brands.

3.4. THE FUNCTIONS OF BRANDS

Kapferer (2008) lists eight uses, or functions of brands. See Table 3.1.

Table 3. 1. The functions of brands for consumers.

Functions	Consumer benefits
Identification	To be clearly seen, to make sense of the offer, to quickly identify the sought-after products.
Practicality	To allow savings of time and energy through identical repurchasing and loyalty.
Guarantee	To be sure of finding the same quality no matter where or when you buy the Product or service.
Optimization	To be sure of buying the best product in its category, the best performer for a Particular purpose.
Characterization	To have confirmation of your self-image or the image that you present to others.
Continuity	Satisfaction brought about through familiarity and intimacy with the brand that you have been consuming for years.
Hedonistic	Satisfaction linked to the attractiveness of the brand, to its logo, to its communication.
Ethical	Satisfaction linked to the responsible behaviour of the brand in its relationship towards society.

Source: Kapferer (2008, p. 22); quoted directly.

Kapferer (2008) notes that the first two are mechanical and concern the essence of the brand ("to function as a recognized symbol in order to facilitate choice and to gain time" p. 22), that the next three function to reduce perceived risk, and, that the final three concern the affective aspects of a brand. The last three, he states, have qualitative aspects to them—studies show that buyers demand increasingly higher moral standards from suppliers, for example (Kapferer notes that some consumers still refuse to buy Nestlé's products because of the company's bad reputation from selling unhealthy baby milk to poor mothers in Africa).

Kapferer (2008) links the use of brands to the idea of *brand preference*. This is the idea that consumers may prefer one product or service over other seemingly identical products or services simply because they perceive their preferred brand as "better". However, to use brand preference successfully, organisations might have to provide genuinely superior products, services, or both. Nilson (2000), speaking in the context of competition, states:

> Successful brand management focuses on making brand preference, ensuring that products and/or services sold under the brand's umbrella of values really are perceived as superior to those of competitors; and that these products and services really offer the best perceived value for money possible. (Nilson, 2000, p. 26)

This leads to the idea of *branding.* This pertains to organisations' manipulation of their brands to their advantage.

3.5. BRANDING

Graham (2001) argues that branding is not an optional activity for organisations. This is for two reasons. First, no matter what the organisation does, consumers will brand the organisations' products. Branding is a fact of life: once there is a brand there is branding. Organisations may either use this (to their advantage), or fail to use it (to their disadvantage). Kapferer (2008) thus refers to branding as the process whereby organisations transform products or services such that they are preferred by consumers (and see Keller, 2003). Nilson (2000) states:

> As the value of a brand is made by all the different activities the customer will connect with the brand, the brand management process is identical to managing all the factors that are externally apparent and relates to the brand, i.e. virtually all the activities of the company. (pp. 25–26)

Similarly, Kotler and Pfoertsch (2006) state:

> [Branding] is about taking something common and improving upon it in ways that makes it more valuable and *meaningful* [emphasis added]. (p. 3)

And Nilson (2000) states:

> [Branding] is not just a marketing activity. It is something that relates to the whole company, hopefully, all activities within the company have some impact on the product or/service that is provided. (p. 6)

One may thus say that branding is the process of creating value through the provision of a compelling and consistent offer and customer experience that will satisfy customers and keep them coming back (and see Aaker, 1996; de Chernatony and McDonald, 2003; Kapferer, 2008).

Nonetheless, there is no common definition of branding (de Chernatony and Dall'Olmo Riley, 1997). In this regard, branding literature shifted during the 1990s, with the emergence of new authorities (including David Aaker, Kevin Keller, Jean-Noël Kapferer, and Lesley de Chernatony) and consequent new terminology.

3.6. The importance of branding

Keller (2003) highlights the importance of branding to customers and to manufacturers by listing its functions to each. See Table 3.2.

Table 3. 2. The functions of branding.

Consumers	Manufacturers
Identification of source of product	Means of identification to simplify handling or tracing
Assignment of responsibility to product maker	Means of legally protecting unique features
Search cost reducer	Signal of quality level to satisfied customers
Promise ,bond, or pact with maker of product	Means of endowing products with unique associations
Symbolic device	Source of competitive advantage
Signal of quality	Source of financial returns

Source: Keller (2003, p. 9); quoted directly

Keller's (2003) list of the functions of branding to consumers, unsurprisingly, mirrors Kapferer's (2008) list of functions of brands to consumers (Table 3.1). However, as Table 3.2 shows, the benefits of branding extend to manufacturers, too. These extend from the obvious (e.g., enabling consumers to more easily identify products) to the not-so-obvious. The not-so-obvious benefits include the potential for reducing handling and (if lost) tracing costs, and opportunities for developing intellectual property rights (copyrights, trademarks, patents . . .) and associated opportunities for franchising. Branding also helps ensure customer loyalty (Upshaw, 1995), and this may give rise to powerful barriers to competition (Aaker, 1996). For such reasons, companies that use extensive branding may have a real worth far greater than that of their tangible assets. Aaker (1991) provides the example of Kraft, which was was bought for nearly US$13 billion, which was six times the worth of its tangible assets.

It is for such reasons that Keller and Lehmann (2006) state that "branding has emerged as a top management priority in the last decade due to the growing realization that brands are one of the most valuable intangible assets that firms have" (p.2).

3.7. Brand Equity

The idea of brand equity arose in the 1980s to evaluate the health of the brand (de Chernatony and McDonald, 2003). It has been variously defined (Lassar *et al.*, 1995). As with the notion of brand, some examine it from a financial perspective (e.g., Farquhar *et al.*, 1991; Simon and Sullivan, 1993; Kapferer, 1997, Doyle, 2001a), others from a customer-based one (e.g., Keller, 1993; Shocker *et al.*, 1994; Chen, 2001). What brand equity "is" depends, in part, on the viewpoint of the marketers who are using it (Kim *et al.*, 2003). Farquhar (1989) defines it simply as "the 'added value' with which a given brand endows a product" (p. 24). By *added value* one means everything about the product or service other than the intrinsic nature of the product or service. Thus added value comprises intangible aspects (cf. Kotler and Armstrong, 2008), plus whatever physical aspects that are not intrinsic to the product or service. A jar of coffee, for instance, may have added value that includes the jar that contains the coffee, for the jar may be used as a container (for, e.g., pulses), after the coffee has been consumed; its added value may also include ethical values—some coffee is organic—and aesthetic aspects—some jars of coffee are "prettier" than others; it may also allow for self-expression—some men, for instance, might prefer macho brands of coffee (strong, bitter, etc.), sold in chunky, "muscular" jars. Thus Lassar *et al.*, (1995) define brand equity as "the enhancement in the perceived utility and desirability a brand name confers on a product" (p. 13).

Because high brand equity increases customer demand, extending a brand becomes easier; communication campaigns become more effective; and organisations can charge a premium, margins can be greater; and therefore the organisations becomes less vulnerable to competition (Bendixen *et al.*, 2003; Hoeffler and Keller, 2003). High brand equity generates a "differential effect", higher "brand knowledge", and a larger "consumer response" (Keller, 2003).

High brand equity is thus "good", both for consumers and producers. However, aspects of brand equity from customer and from financial perspectives can be subtle, as is explained next.

3.7.1. Customer perspectives

Although initially a brand may be synonymous with the product or service associated with it, it may develop, over time—through advertising, user experience, and so forth—a series of attachments and associations that transcend the objective product. Because of this, brand equity can be built on attributes that have no inherent value (Broniarczyk and Gershoff, 2003; Brown and Carpenter, 2000; Carpenter *et al.*, 1994). Pratkanis and Aronson (2007) provide the example of organic foods and health: some organic foods appear less healthy than their non-organic equivalents. Note, however, that Meyvis and Janiszewski (2002) show that irrelevant information can be counterproductive in consumer decision-making.

The important consideration here is that, though added value can often be seen as "good", in that it genuinely provides something "extra", however intangible, it may be useless, or even harmful. One may consider here the "Marlboro Man" cigarette advertising, which presented Marlboro cigarettes as promoting virility, an image that was arguably at best specious. See Figure 3.1.

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Figure 3. 1. Marlborough man.

Source: (Brandalyzer, 2010).

The Marlboro Man branding of Marlboro cigarettes is noteworthy in two ways: first, it is regarded as among the most successful uses of advertising in the second half of the 20th century, and thus illustrates the power of branding in creating sales; second, at the time of the branding (1954), filtered cigarettes were regarded as effeminate, and the branding changed this within months (Brandt, 2006); this illustrates the power of branding in changing public attitudes.

3.7.2. Financial perspectives

As indicated, from a financial market's point of view, brands are assets that, like plant and equipment, can be, and frequently are, bought and sold. The financial worth of a brand is therefore the price it brings or could bring in the financial market. This price reflects expectations about the discounted value of future cash flows. In the absence of a market transaction, it can be estimated, albeit with great difficulty (Feldwick, 1996; Ambler and Barwise, 1998), from the cost needed to establish a brand with equivalent strength or as a residual in the model of the value of a firm's assets (Simon and Sullivan, 1993). However, all such estimates of brand value are just that: *estimates*. They not only involve "guessing" how much it would cost to establish a "brand" in the public mind; they also involve "guessing" the worth of, and future earnings from such intangibles as intellectual property rights, as well as changes in public mood or fashion.

There is disagreement in the literature over the terms *brand value* and *brand equity*, with some authorities (e.g., Kapferer, 2008) arguing that they mean the same thing but other authorities arguing that they do not (e.g., Davis, 2010). The present study is agnostic on this issue—the issue is irrelevant to the study's area of investigation. The present study takes the view of Nilson (2000), who states that the aim of branding (brand management) is to make brand preference (see above).

3.5. Brand Management Models

Because of the importance of branding, a number of brand management models have been proposed. The main models are as follows.

3.5.1. Kapferer's model

As indicated, attitudes to brands changed in the 1980s. Kapferer (2008) states:

> What changed in the course of 1980s was *awareness* [emphasis added]. Before, in takeover bids, mergers or acquisitions, the buyer acquired a pasta manufacturer, a chocolate manufacturer or a producer of microwave ovens or abrasives. Now companies want to buy Buitoni, Rowntree (that is, KitKat, After Eight), Moulinex or Orange. (p.4)

And:

> The value of the brand comes from its ability to gain an exclusive, positive and prominent meaning in the minds of a large number of consumers. (p. 25)

In other words, before the 1980s industrial moguls bought things. Today they buy ideas. It follows that the value of a brand comes from consumers' perceptions of it and related brands—from their brand preference.

Kapferer (2008) mentions three aspects of branding: brand assets, brand strength, and brand value. Figure 3.2 shows these aspects, and how consumer perceptions (brand assets) translate to organisational revenue (brand value) via brand strength.

Figure 3. 2. Kapferer's model of how brand assets translate to brand value.

Source: Adapted from Kapferer (2008, p.14).

In the figure, brand assets (i.e., customer perceptions and other intangibles) create brand strength. Brand strength is indicated by market share, market leadership, and so on. Brand value is determined by brand strength, and represents the financial power of the brand. The model may be viewed as an exercise in propositional logic:

> If one has brand assets one has brand strength.
> If one has brand strength one has brand value.
> Therefore if one has band assets one has brand value.

Or:

$$p \rightarrow q$$
$$q \rightarrow r$$
$$\therefore p \rightarrow r$$

In this the model added value is an important component of brand assets. The model treats brand value and brand equity as being equivalent. Also that Kapferer (2008) treats brand preference as just one of many brand assets: he does not accord it any special significance in contributing towards brand value.

3.5.2. Urde's model

Urde (1999) presents a more holistic model, and suggests that branding, in the form of having a distinct brand identity reflected by *core values* (i.e., what the brand stands for, such as virility, eco-friendliness, youth, sophistication, whatever), is central to corporate enterprise. Urde states:

> Brand Orientation [Urde's model] is an approach in which the processes of the organization revolve around the creation, development, and protection of brand identity in an ongoing interaction with target customers with the aim of achieving lasting competitive advantages in the form of brands. (pp. 117–118)

Urde's model focuses on developing brands in an active and deliberate manner, starting with the brand identity as a strategic platform. As a consequence, the brand becomes an "unconditional response to customer needs and wants" (Urde, 1999, p. 120). This does not, however, imply that branding involves only following customer demands, but rather that marketers should both anticipate customers' needs and expectations and, be involved in creating and extending them in a way that strengthens the brand (cf. Marlboro Man). Urde states:

> What is demanded by customers at any given moment is *not* [emphasis added] necessarily the same as that which will strengthen the brand as a strategic resource". (p. 121)

And:

> The wants and needs of customers are not ignored, but they are not allowed to *unilaterally* [emphasis added] steer the development of the brand and determine its identity. (p. 122)

Urde (1999) further states:

> The starting point for a process of brand building is to first create a clear understanding of the internal brand identity. The brand then becomes a strategic platform that provides the framework for the satisfaction of customers' wants and needs. (p. 129)

Today, organisations tend to provide a "mission statement". Urde's model can be restated as a *brand mission statement.* The model integrates brand equity and brand identity with a company's direction, strategy, and identity. Urde (1999) uses a Brand Hexagon to illustrate and define his model as shown in Figure 3.3.

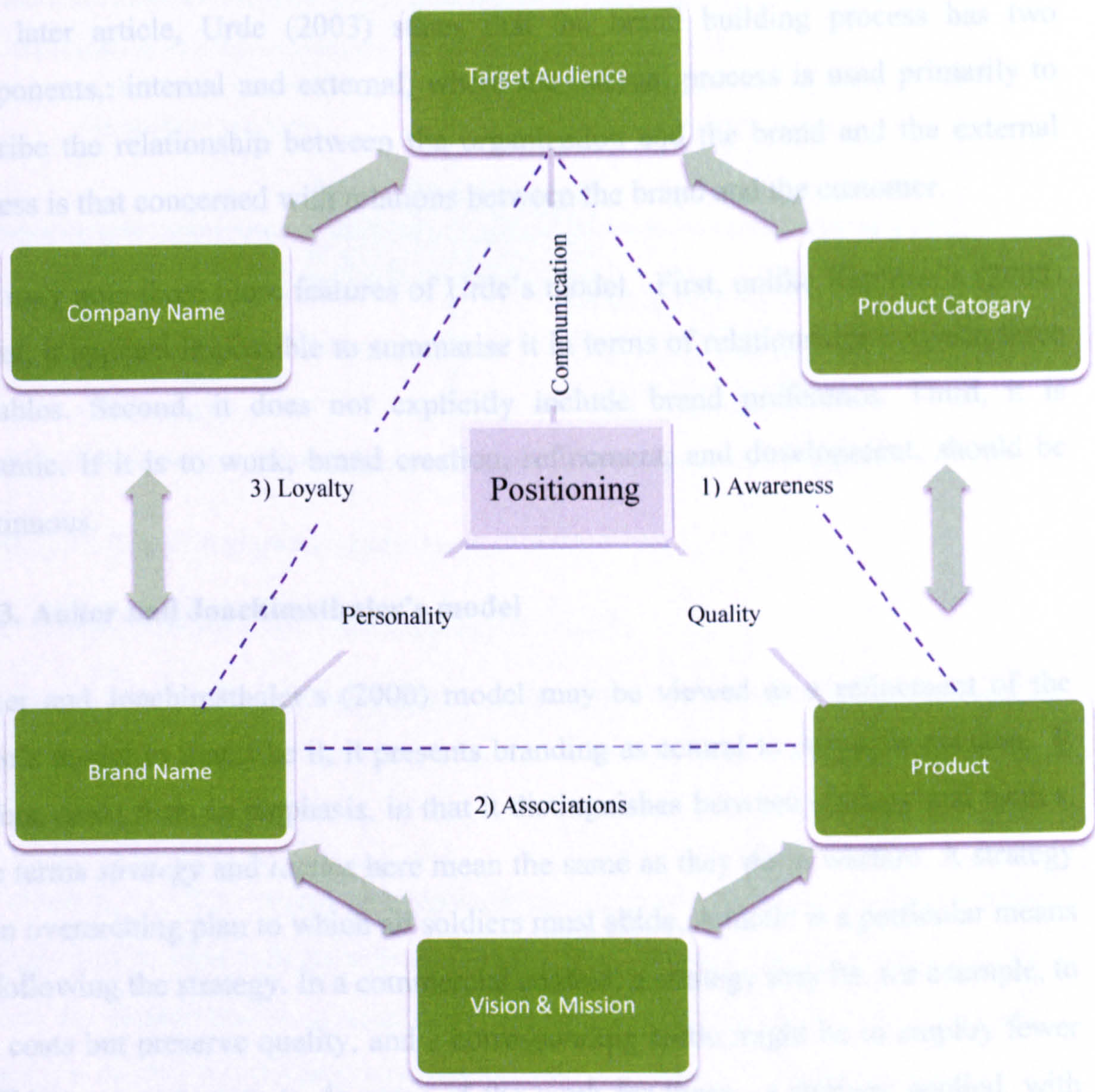

Figure 3. 3. Brand Hexagon

Source: Adapted from Urde (1999, 125)

The right side of the model constitutes the reference function (product category and product) which is analyzed rationally, whilst the left side of the model, corporate and brand name, constitutes the emotional function, which is analyzed emotionally. As Urde puts it, "A brand is experienced in its entirety" (p. 126), implying that both emotional and rational engagement with the brand is involved. The lower part of the model—mission and vision—reflects the company's intentions towards the brand, while the upper part reflects the way that target consumers interpret the brand. At the centre of the model lies the core process of positioning or brand meaning creation; this involves interaction with target audiences, brand name and product..

In a later article, Urde (2003) states that the brand building process has two components,: internal and external, where the internal process is used primarily to describe the relationship between the organization and the brand and the external process is that concerned with relations between the brand and the customer.

One may note three more features of Urde's model. First, unlike Kapferer's (2008) model, it appears impossible to summarise it in terms of relationships between three variables. Second, it does not explicitly include brand preference. Third, it is dynamic. If it is to work, brand creation, refinement, and development, should be continuous.

3.5.3. Aaker and Joachimsthaler's model

Aaker and Joachimsthaler's (2000) model may be viewed as a refinement of the Urde's model in that, like it, it presents branding as central to corporate success. It differs, aside from in emphasis, in that it distinguishes between strategy and tactics. The terms *strategy* and *tactics* here mean the same as they do in warfare. A strategy is an overarching plan to which all soldiers must abide. A tactic is a particular means of following the strategy. In a commercial context, a strategy may be, for example, to cut costs but preserve quality, and a corresponding tactic might be to employ fewer staff but get customers to do some of the work for them—a strategy applied, with evident success, by such food store chains as Adli and Lidl (Aldi and Lidl employ few staff, but "jobs" such as returning trolleys are "performed" by customers).

It follows that in the Aaker and Joachimsthaler's model those who determine brand strategy should be in the highest rank of corporate management. Within an organisation, senior marketers are not separate from the board, in a sense, they *are* the board.

Figure 3.4 summarises the model.

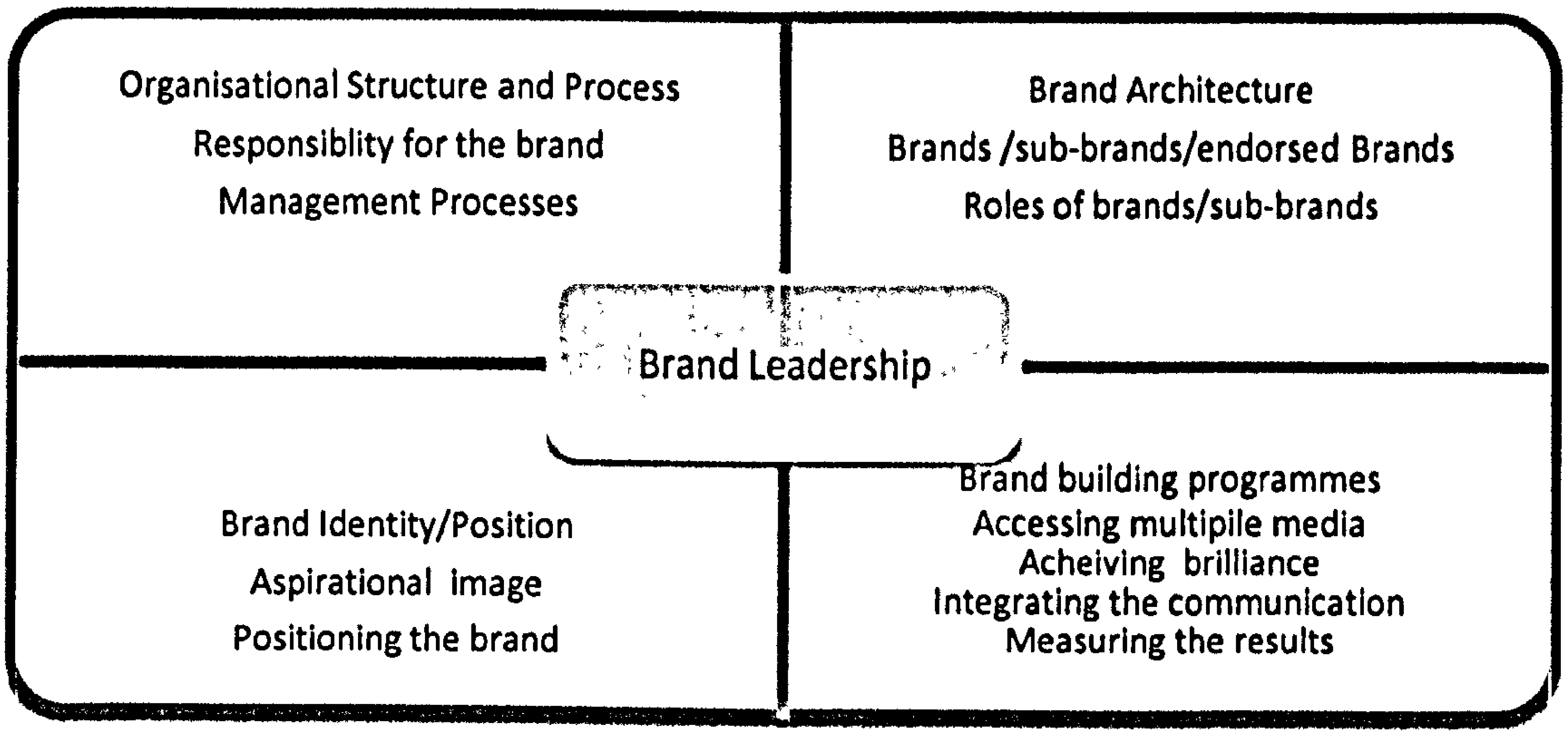

Figure 3. 4. Brand leadership challenges.

Source: Adapted from Aaker and Joachimsthaler (2000, p. 25).

The figure shows four "challenges", each revolving around brand leadership: organisational structure and process; brand architecture; brand identity/position; and brand building programmes:

This challenge in the context of organizational structure and processes is to design the organisation with reference to the organization's brand building capacity. This implies the establishment of common vocabulary, common tools, an information system that allows for sharing information, experiences and initiatives, and a brand-nurturing culture and structure. In this regard, McWilliam and Dumas (1997) discuss that everyone on the brand team needs to understand the brand-building process. Doyle (2001a) adds that brand management must be seen as part of the total management process and not only as a specialist marketing activity.

The brand architecture challenge is to identify brands, sub-brands, their relationships, and their roles. For example, Coca Cola was once a single brand, but now has sub-brands such as Diet Coke. It is necessary to clarify what is offered to the consumer and to create synergies between brands in the brand portfolio (i.e., to help ensure that each sub-brand promotes other sub-brands). It is likewise necessary to promote the leveraging of brand assets, so that each sub-brand may help finance others, and to understand the role of brands, sub-brands, and endorsed brands in order to know when to extend them. It is also necessary to determine the relative role of each brand within the portfolio.

Aaker (2004) renames brand architecture, calling it *brand portfolio strategy.* He comments: "the brand portfolio strategy specifies the structure of the brand portfolio and the scope, roles, and interrelationships of the portfolio brands" (p. 13).

The brand identity and position challenge is to assign a brand identity to each managed brand and to position each brand so as to create clarity. In this regard, Speak (1998) adds that the brand identity challenge should have a long-term focus in order to integrate brand building into the fabric of the organisation.

Third brand building programme challenge is to create communication programmes and other brand building activities in order to develop brand identity. Brand building must embrace whatever is necessary to change customer perceptions, reinforce attitudes, and create loyalty (e.g., by considering alternative media in addition to advertising). Doyle (2001b) also adds that the brand strategy must maximize shareholder value.

3.5.4. Davis's model

Davis's model (2000) presents brands, as do the models described above, as being among a company's most valuable assets. Thus:

> There is growing support for viewing and managing the brand as an asset and thus having the brand drive every strategic and investment decision (Davis and Dunn 2002, p. 15).
>
> Brand management has to report all the way to the top of the organization and has to involve every functional area (Davis, 2000, p. 9).
>
> [Brand asset management (Davis's model) is] a balanced investment approach for building the meaning of the brand, communicating it internally and externally, and leveraging it to increase brand profitability, brand asset value, and brand returns over time (Davis, 2000, p. 12).

Davis's model is different from the Urde and Aaker and Joachimsthaler's models in that it lays greater stress on the need to develop and maintain long-term customer loyalty (Davis, 2000; Davis and Dunn, 2002). Thus Davis (2000) distinguishes brand asset management theory from what he calls traditional brand management as being more long-term, especially as regards customer relations. See Figure 3.5.

Figure 3.5. The shift from traditional brand management to brand asset management

Source: Adapted from Davis (2000, p. 13)

Davis (2002) suggests a four-phase process for implementing his model, as is shown in Figure 3.6.

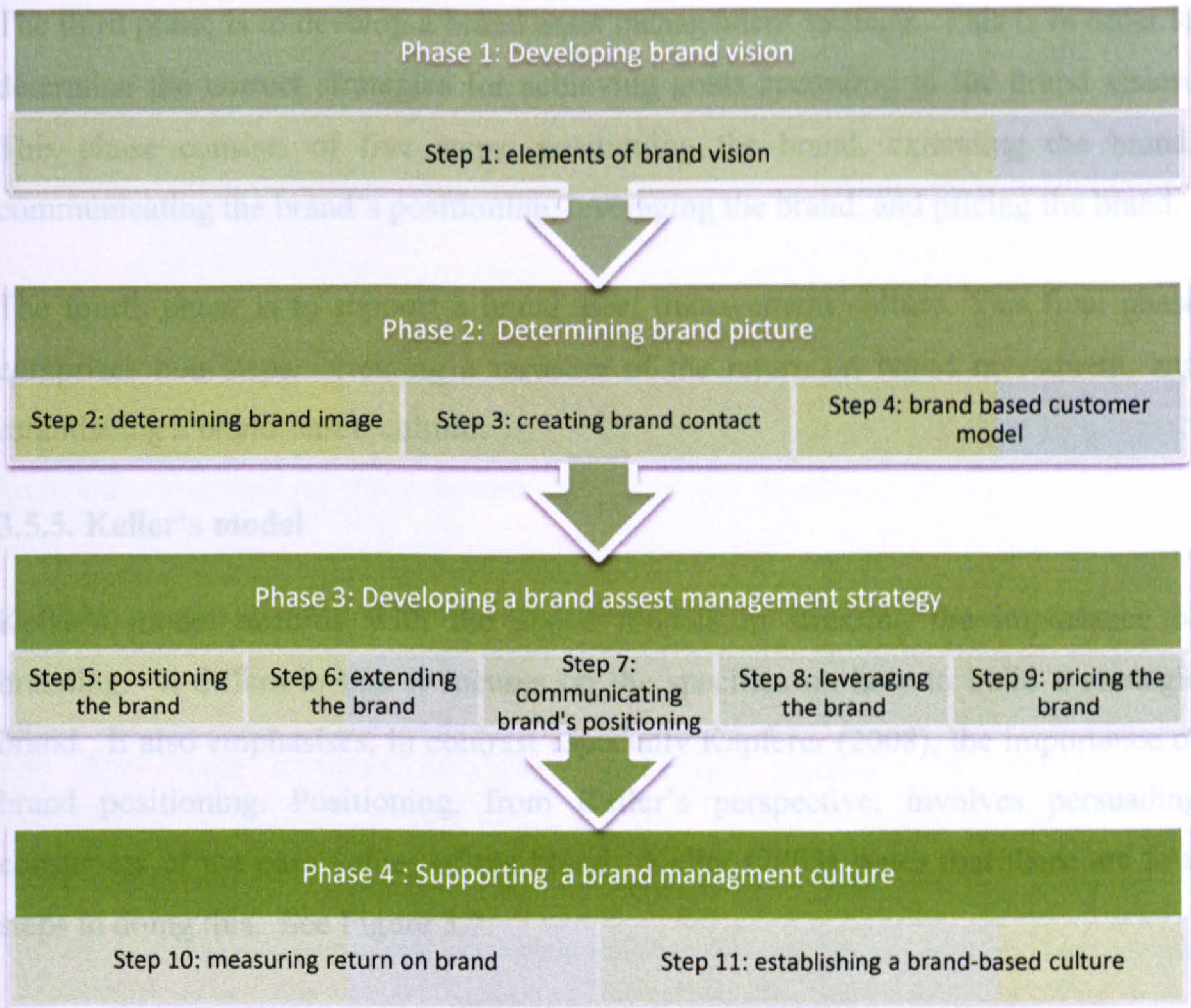

Figure 3. 6. Brand asset management process

Source: Adapted from (Davis, 2002, p. 18)

As is shown in the figure, each phase has involves one to several steps. In total there are 11 steps. The first phase is to develop a brand vision. This takes only one step. The objective of this step is to state what the branding efforts must do to meet corporate goals.

The second phase is to determine the company's "brand picture". It does this by understanding consumer perceptions of the brand and of competitor brands. Doing this takes three steps: (a) determining the brand's image, (b) creating the brand's *contract*—a list of customer perceptions of brand and those of its rivals, including what the customers expect the brand (and its rivals) to do—and (c) crafting a brand-based customer model—this to allow understanding of how consumers act and think, and how and why they make purchase decisions.

The third phase is to develop a brand asset management strategy. This is in order to determine the correct strategies for achieving goals according to the brand vision. This phase consists of five steps: positioning the brand, extending the brand, communicating the brand's positioning, leveraging the brand, and pricing the brand.

The fourth phase is to support a brand asset management culture. This final phase comprises two steps: creating a measure of the return on brand investment, and establishing a brand-based culture.

3.5.5. Keller's model

Keller's model accords with the above models in stressing the importance of branding. It differs in that it focuses on the specifics on how to build a strategic brand. It also emphasises, in contrast especially Kapferer (2008), the importance of brand positioning. Positioning, from Keller's perspective, involves persuading consumers of the core values of the brand. Keller (2003) states that there are four steps in doing this. See Figure 3.7.

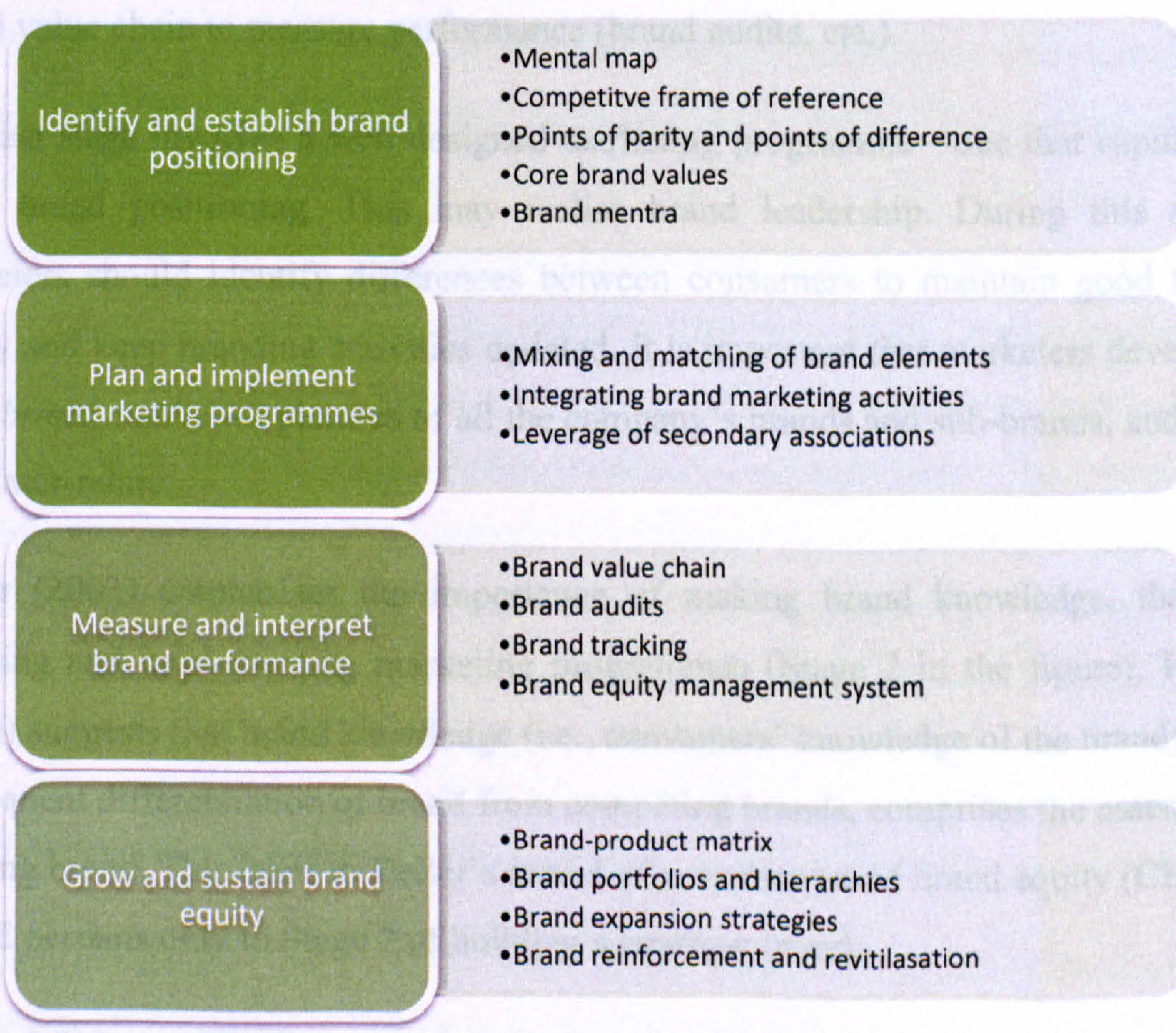

Figure 3. 7. Keller's four steps in building a strategic brand.

Source: Adapted from Keller (2003, p. 44).

The process starts with an understanding of what the brand means to customers, and how it may be distinguished from the brands of competitors. The terms Keller uses (*mental map, frame of reference, points of parity and difference, brand mantra*) represent the benefits that the brand needs to deliver.

The second stage involves implementing marketing programmes that aim to create brand awareness—recognition of the brand in consumers' mind—and brand image. This is building brand knowledge. Keller (2003) states that building brand knowledge depends on three factors: (a) the initial selections of the elements that make up the brand, (b) marketing activities that support the blend of these elements, and (c) other associations related to the brand; these may include country of origin and company name and reputation, for example.

The third stage involves monitoring marketing programs to determine the performance of the brand. The important step is understanding the *brand value chain.* This comprises understanding how consumers' understanding of the brand evolves or determining the steps in value creation of the brand. One can then use the brand value chain to measure performance (brand audits, etc.).

The last stage involves a well designed marketing programme—one that capitalises on a brand positioning. This may realise brand leadership. During this stage, marketers should identify differences between consumers to maintain good brand equity and keep branding activities updated. It is important that marketers develop a clear *brand matrix*—a pictures of all the company's brands and sub-brands, and how they inter-relate.

Keller (2003) emphasises the importance of making brand knowledge, through planning and implementing marketing programmes (Stage 2 in the figure). Keller (2003) suggests that brand knowledge (i.e., consumers' knowledge of the brand), and subsequent differentiation of brand from competing brands, comprises the essence of a strong brand. This leads to Keller's model of customer based brand equity (CBBE). CBBE pertains only to Stage 2 of building a strategic brand.

Figure 3.8 shows CBBE.

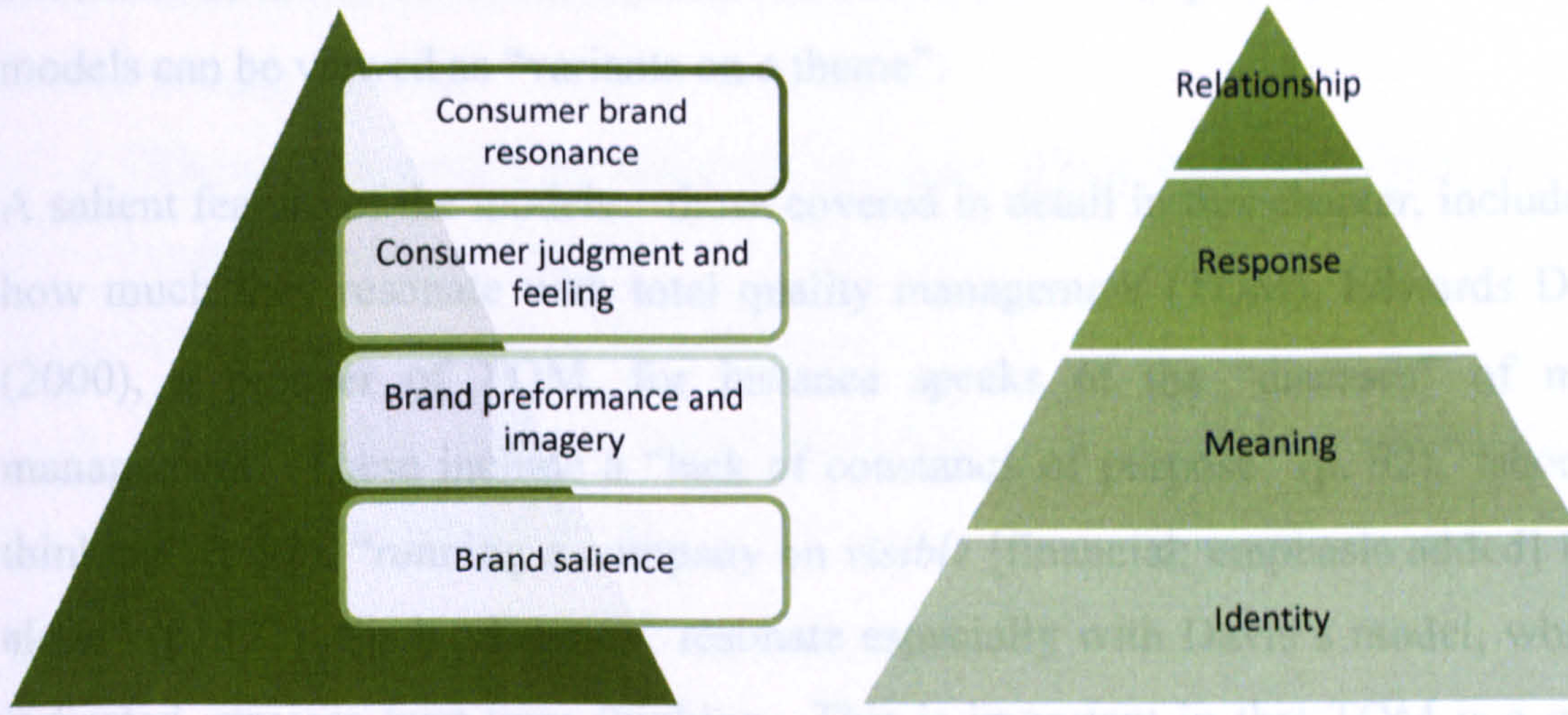

Figure 3.8. Keller's CBBE.

Source: Adapted from Keller (2003).

The figure, as presented here (Keller's, 2003, is slightly different in presentation, but substantially the same), comprises two parallel pyramids, and is largely self-explanatory.

The first stage (left pyramid) involves establishing brand *salience*—that is, ensuring that the brand is noticed by the public (a brand must be noticed if it is to sell; Keller calls it breadth and depth of awareness of the brand). This corresponds (right pyramid) to brand identity—as soon as a brand is noticed, it acquires identity. The next stage involves establishing a brand image (left pyramid) and noting the brand's performance. This translates (right pyramid) to what the brand means to consumers. The third stage involves determining consumer judgment about the brand (left pyramid) and how consumers respond to it (right pyramid) as a result. The final stage relates to how a corporation and a brand resonate (empathise) with consumers (left pyramid) and how, as a result, consumers develop a long-term relationship with the brand or brand loyalty.

3.5.6. Others models and overview

There are, of course, other models. There is, for example, Logman's (2004) model, which stresses the need for brands to be logically consistent. There is also Nilson's (2000) model, which concentrates on marketing. Nilson stresses the need to concentrate, not so much on consumers, but more on competitors. Such alternative models can be viewed as "variants on a theme".

A salient feature of the models—those covered in detail in this chapter, included—is how much they resonate with total quality management (TQM). Edwards Deming (2000), a pioneer of TQM, for instance speaks of the "diseases" of modern management. These include a "lack of constancy of purpose" (p. 92), "short-term thinking" (p.92), "running a company on *visible* [financial; emphasis added] figures alone" (p. 121). Such "diseases" resonate especially with Davis's model, which, as indicated, stresses long-term thinking. This is important in that TQM is a *general* theory of management, and has been proven successful, most notably by its adoption by Japanese industry after WWII (Edwards Deming, 2000). That models of branding accord broadly with TQM suggests that, whatever their differences, they a broadly correct. One may summarise this "correctness" as follows:

- Branding is important
- Branding involves long-term, strategic planning
- Branding involves developing relationships with customers
- Branding is holistic
- Branding involves providing added values

All the models agree, implicitly or explicitly, on these points. All the points accord with the TQM. All the points also point, again either implicitly or explicitly, to the need for providing service.

3.6. Service and branding

Despite the general worth of the models described in previous sections and their, albeit sometimes implicit, recognition that providing service is a major component of branding, they do not specify exactly how branding translates to service, or vice versa. This leads to the notion of *service branding*. Service branding is applying the same principles of branding (providing added value, etc.) to services as to goods.

de Chernatony and McDonald (2003) (pp. 207-209) state that service branding is important for four reasons:

- The service sector dominates the economies of rich nations and most middle income nations.
- There is increased deregulation of many industries; meanwhile, the public sector is being privatised.
- Consumers' lifestyles have changed.
- Globalisation, together with franchising, provide opportunity for increased profit to service industries.

3.6.1. Service characteristics

Services differ fundamentally from goods. Four main characteristics differentiate services from goods. The main differences concern intangibility, inseparability, heterogeneity, and perishability.

3.6.1.1. Intangibility

The most important characteristic of a service is its intangibility in that it illustrates the uniqueness of service in comparison with products (Murdick *et al.*, 1990). Services cannot be tasted, seen, heard, smelled or even resold (Palmer, 1994; Gabbott and Hogg, 1998; Mackay, 2001). Consequently, customers tend to buy a service only when they trust its provider. Consumers can be proud only of a service's performance, not of its possession (Gross *et al.*, 1993; de Chematony *et al.*, 1999). As a result of a service being intangible, it is difficult for the consumers to assess its quality before experiencing it. In addition, services have high credibility problems; they have a high perceived risk inherent in the purchase decision (Bharadwaj *et al.*, 1993; Palmer, 1994; Gabbott and Hogg, 1998; Lemon, 2001). As a result, the perception of a high quality of service plays a major role in influencing the consumers' decision to select it.

It is this intangibility of services that largely distinguishes them from goods (Zeithaml *et al.*, 1985; Bateson, 1991).

3.6.1.2. Inseparability

Since services are connected to their sellers, they cannot be separated from their providers. In order to provide a service the source of providing it must exist since services are inseparable from the source that delivers it (Zeithaml *et al.*, 1985; Zeithaml, 1991). As a result, the seller directly affects consumer loyalty (Zeithaml *et al.*, 1990; Mackay, 2001). The interpersonal interactions between the service provider and the consumer results in managing the service quality, and hence in enhancing consumer satisfaction (Laing *et al.*, 2002).

Tangible products tend to be produced, then sold and consumed. In contrast, services tend to be sold, and only then produced and consumed. The production and consumption of the services take place simultaneously (Bateson, 1991).

3.6.1.3. Heterogeneity

Since most services are labour-intensive, the performance quality of the service varies depending on the performance of the seller in contact with different buyers; consequently, the performance of the service differs according to the seller and the buyer (Murdick *et al.*, 1990; Mackay, 2001). As Gross *et al*, (1993) comment, "every time a business service is performed, the process and the customer experience will be different" (p.377).

Gross *et al.* (1993) emphasise that the service delivered depends on the ability of the service provider to perform the service each time it is demanded. They add that customer involvement in the service delivery directly affects the quality of the service provided. This aspect of services—that their quality may be contingent on consumer involvement—further distinguishes services from goods (Zeithaml *et al.*, 1985; Bateson, 1991); de Chematony and McDonald (2003) refer to the fact that the way in which consumers evaluate a service brand is heavily influenced by their level of engagement in the delivery of the service.

3.6.1.4. Perishability

Services are produced and consumed simultaneously. They are considered non-inventorable commodities because they cannot be stored (Murdick *et al.*, 1990; Mackay, 2001). Perishability further distinguishes services from goods (Zeithaml *et al.*, 1985; Bateson, 1991).

3.6.2. Service branding

Many services industries (e.g., financial services, telecommunications) are facing growing competition. In response, they seek to build strong brands to win customers and beat competitors. But because services differ from goods, service branding is different from product branding, at least to an extent.

There are three main models of service branding: de Chernatony and Segal-Horn's model, Berry's model, and O'Cass and Grace's model.

3.6.2.1. de Chernatony and Segal-Horn's model

de Chernatony and Segal-Horn (2003) discuss service branding from two perspectives: that of the interaction between organisations and consumers, and that of the brand image in consumers' minds.

An ideal interaction between organisations and consumers will result in making a differential advantage to the service provided. de Chernatony and Segal-Horn state that employees are mainly responsible for this. Employees should be aware of brand vision to ensure good success. Employees should be motivated to provide good service, should enjoy doing so, and should be rewarded for doing so.

As regards the second, de Chernatony and Segal-Horn (2003) focus on the role of employees to deliver and maintain the desired image. They argue that, if staff are sufficiently aware of the values that organisations aspire to convey, they will deliver them correctly and consistently. Employees are therefore a part of the organisation's communication tool. Employee awareness of organisational values flow downwards from senior managers such that they evolve round a cluster of service values. This cluster represents the brand's core values.

Figure 3.9 presents their model.

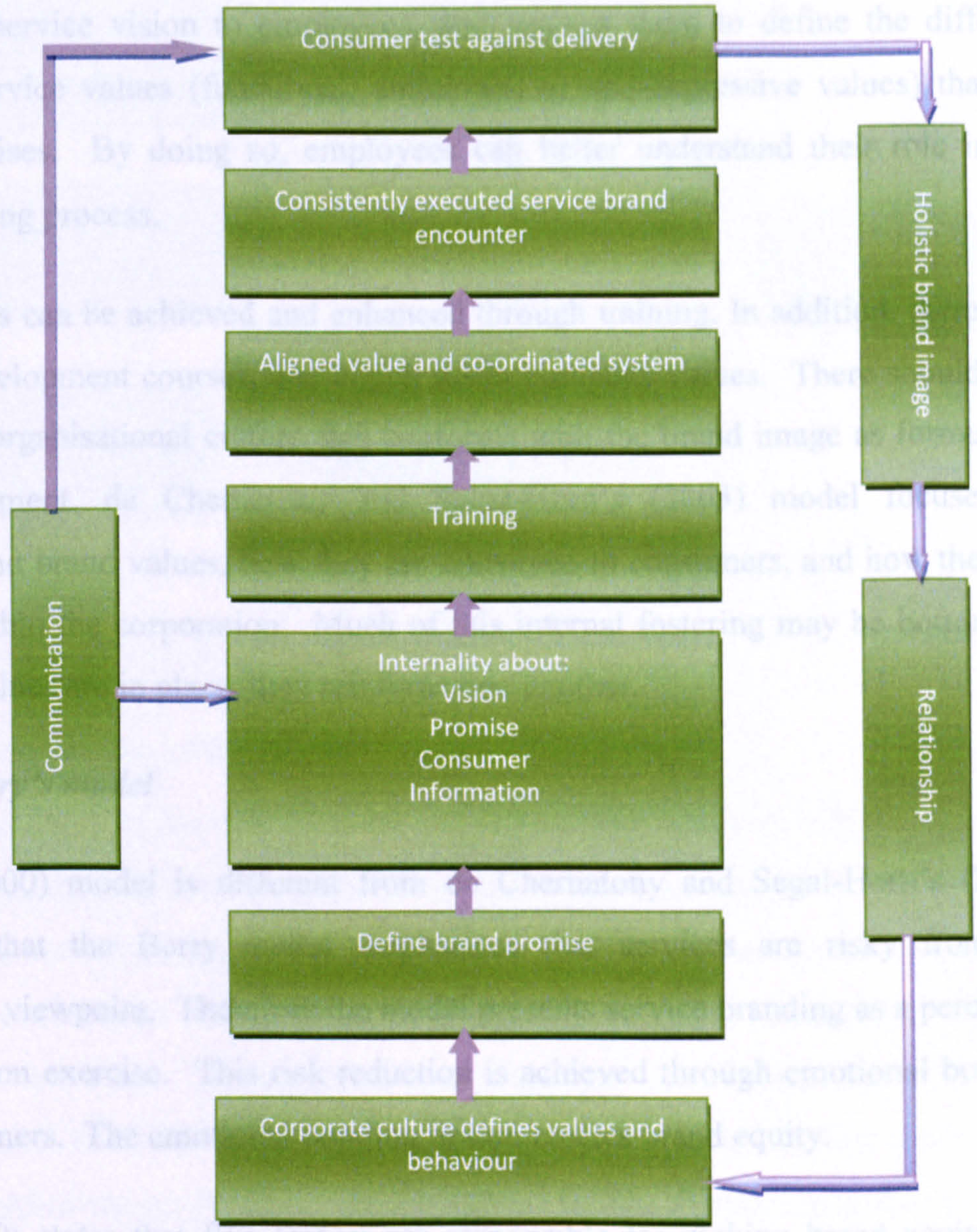

Figure 3. 9. de Chernatony and Segal-Horn's model

Source: Adapted from de Chernatony and Segal-Horn (2003, p. 1101).

The model first focuses on the corporate culture, and states that it defines values of the brand and the behaviour of employees. Employees are important in that, as indicated, they interact with customers, so their behaviour is essential in communicating brand values. As indicated, managers are responsible making and creating this good behaviour through a good reward system.

Delivering the core values depends on internal factors that management should cultivate and steer employees toward achieving. These factors are information, vision, consumer, and promise (brand values). By feeding employees with the correct information, management ensures that their employees are ready to serve customers in accordance with consumer expectations. This information should clarify the service vision to employees, and enables them to define the different blend of service values (functional, emotional, or self-expressive values) that the brand promises. By doing so, employees can better understand their role in the brand building process.

Much of this can be achieved and enhanced through training. In addition, there may be staff development courses, and which foster company values. There should thus emerge an organisational culture that conforms with the brand image as formulated by management. de Chernatony and Segal-Horn's (2003) model focuses on corporate and brand values, how they are conveyed to consumers, and how they are fostered within the corporation. Much of this internal fostering may be bottom-up. Once the values are in place, they reinforce one-another.

3.6.2.2. Berry's model

Berry's (2000) model is different from de Chernatony and Segal-Horn's (2003) model in that the Berry model emphasises that services are risky from the consumer's viewpoint. Therefore the model presents service branding as a perceived risk-reduction exercise. This risk reduction is achieved through emotional bonding with consumers. The emotional bonding in turn creates brand equity.

Berry (2000) states that five factors are responsible for making brand equity: the company's presented brand (logos, trademarks, etc.), external brand communication (company's presented brand, plus other forms of communication), the consumer's experience of the brand, brand meaning, and brand awareness. See Figure 3.10.

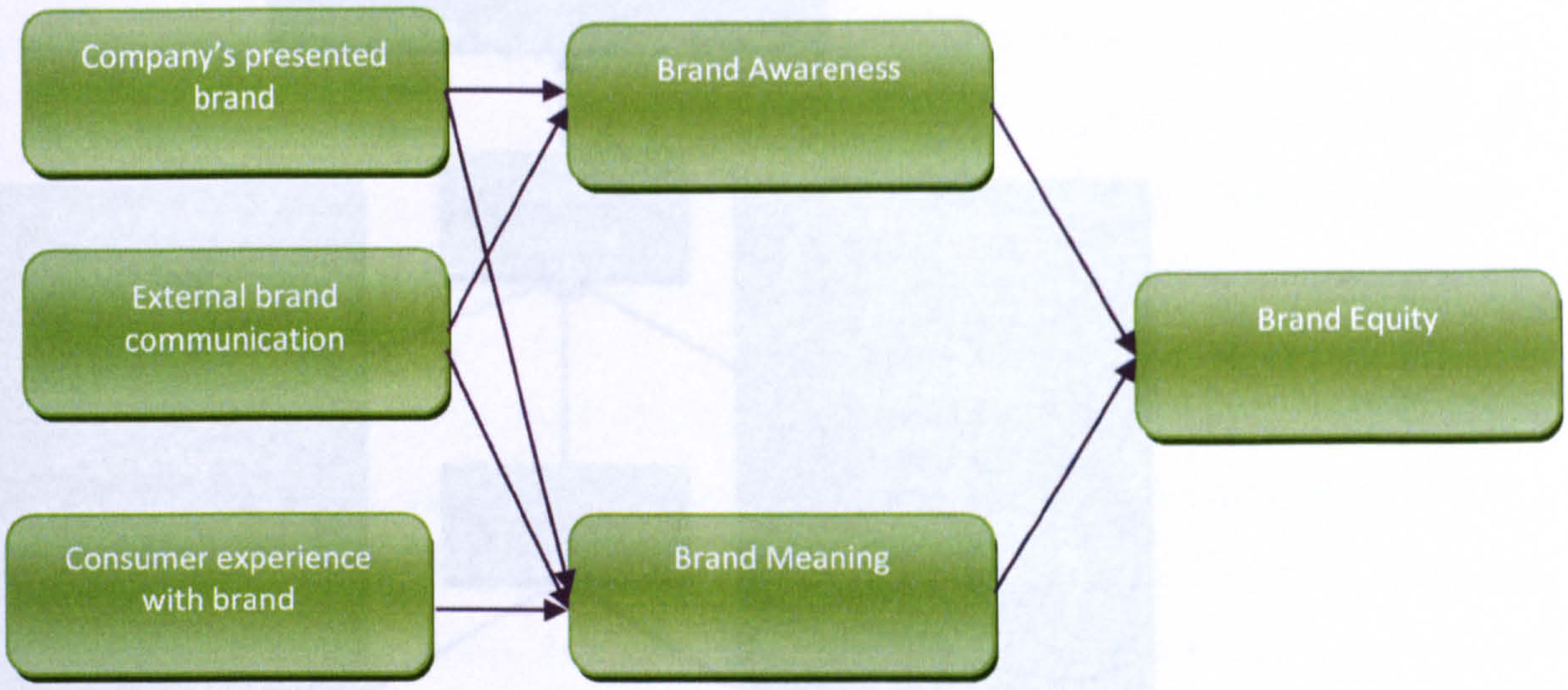

Figure 3. 10. Berry's model.

Source: Adapted from Berry (2000, p.130).

The figure shows that the first three factors produce the next two. Of the first three factors, external brand communication is arguably the most important. It comprises, as indicated, not only company trademarks and the like, but also such intangibles as employee relationships with customers. These, obviously, are important. Equally important, however, is so-called *uncontrolled communication*. This is communication aout the service that is not directly controlled by the company. It includes word-of-mouth (WOM)—people talking to one another about the service—news stories (unplanned) and similar reports in the media concerning the service, and happenstance, as when, for example, a character in a movie uses the service.

The other thing of note about Berry's (2000) model is that it is unidirectional. It flows from the first three factors through brand meaning and awareness through brand equity. This is arguably simplistic. It is conceptually possible that brand equity, for instance, feeds back and may influence brand meaning.

3.6.2.3. Grace and O'Cass's model

Grace and O'Cass's (2005a) suggest a model that aims to explain the processes that consumers follow when choosing one brand over another (this is making a *brand verdict*). There are five main components to this: brand evidence, brand hearsay, brand satisfaction, brand attitude, and brand verdict. See Figure 3.11.

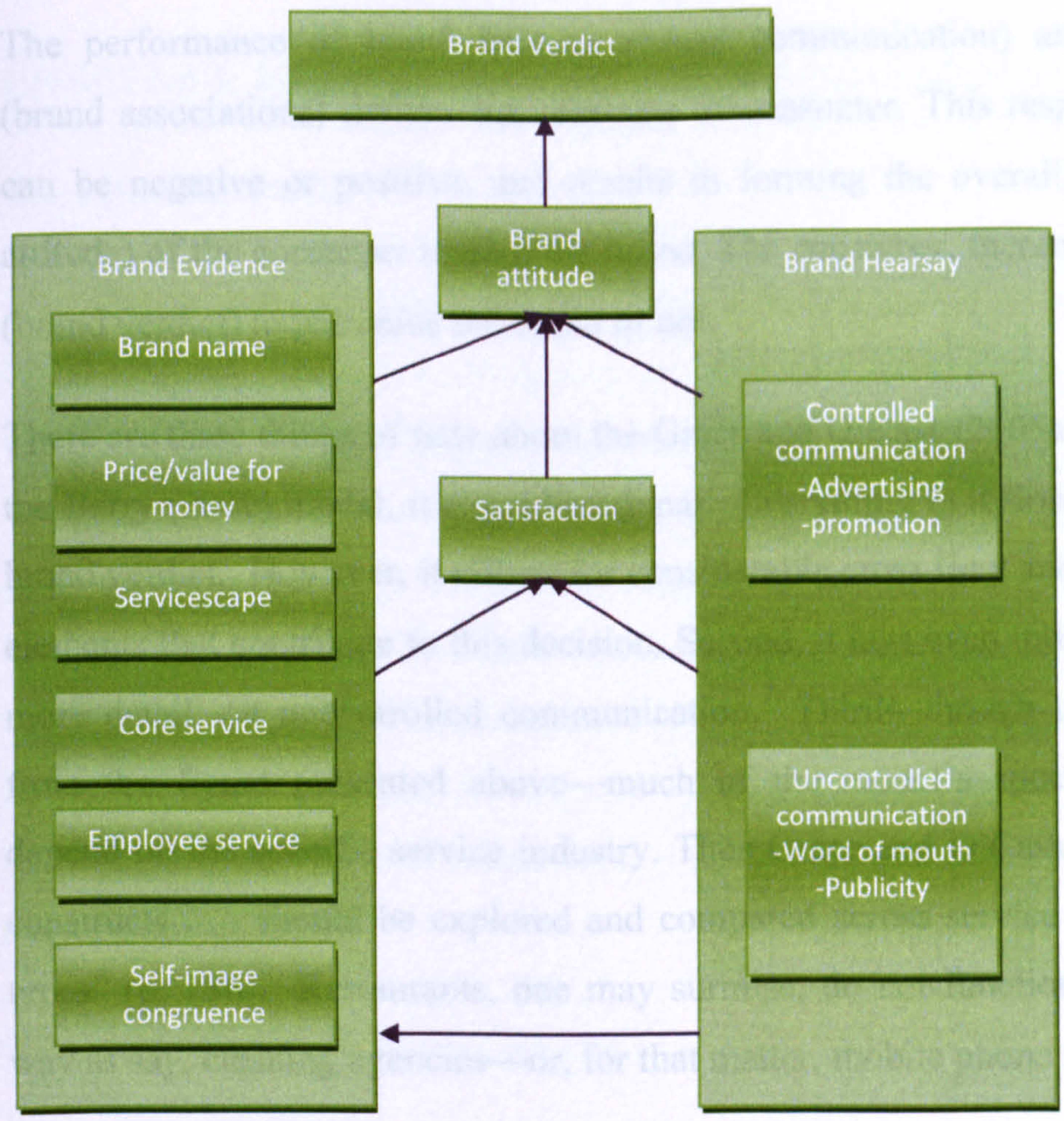

Figure 3. 11. Grace and O'Cass's (2005 a) model.

Source: Adapted from Grace and O'Cass (2005a, p.126)

Brand evidence refers to a set of brand associations that the consumer experiences before buying the service. These associations describe different things to the consumer, including brand name, price, service (i.e., convenience of outlet location and employee behaviour), service processes (core service), behaviour and performance of staff, and image congruence (the feeling of the consumer that arouses from his/her interaction with the previous associations). Brand hearsay—the second main factor in Grace and O'Cass's model—forms these associations. Brand hearsay represents the controlled and uncontrolled communications that the consumer receives through his/her gathering information about the brand. Controlled communication comprises advertising and promotion. Uncontrolled communication comprises word of mouth and publicity.

The performance of brand hearsay (brand communication) and brand evidence (brand associations) defines the response of consumer. This response (satisfaction) can be negative or positive, and results in forming the overall perception (brand attitude) of the consumer toward the brand. The consumer, thereby, decides and acts (brand verdict) to patronise the brand or not.

There are three things of note about the Grace and O'Cass (2005a) model. First, like the Berry (2000) model, it is unidirectional. Everything in it flows upwards towards brand verdict. However, it allows for considerable cross flow and feedback between elements that contribute to this decision. Second, it lays even more emphasis, and in more detail, on uncontrolled communication. Third—though this is not apparent from the figure presented above—much of the model's specific workings may depend on the specific service industry. Thus Grace and O'Cass (2005a) state "key constructs . . . should be explored and compared across service brands of different types" (p. 136). Restaurants, one may surmise, do not function in quite the same way as say, cleaning agencies—or, for that matter, mobile phone service providers.

3.6. Summary and Conclusion

The term *branding* refers to the policy of companies to impose features of their products or services such that customers may distinguish the products or services from those of rival companies. The concept of branding has a long history. Although models of branding differ, and terminology within them is sometimes confusing, all such models suggest that branding is important. Branding may be especially important in service industries, in that it may be especially important for service providers to reassure potential customers as to the quality of their services.

The importance of branding leads to the questions of how companies engage in it, and how companies use it to let customers prefer their services over those of competitors'. This is the subject of the next chapter.

CHAPTER 4: BRAND STRATEGY AND BRAND PREFERENCE

4.1. INTRODUCTION

This chapter draws together previous theoretical debates and research in the areas of brand strategy and brand preference, as the basis for the proposal of the central model of this thesis. The chapter commences with a distillation of previous discussion on the nature of brand strategy which leads to the proposal of a model showing the components of brand strategy which informs the investigation of brand strategy in this research. The chapter then moves on to consideration of definitions of a range of key branding variables that are later introduced as potential antecedents of brand preference. Finally, the chapter summarizes the limited prior research into branding in the telecommunications sector, and branding in the Middle East respectively.

4.2. THE CONCEPT OF BRAND STRATEGY

The concept of brand strategy, loosely defined, pertains to how companies strategically position their brand(s) in the market. However, there are different perspectives on brand strategy. It is important to review these before proposing a model of the elements of brand strategy as a basis for this study.

4.2.1. Perspectives on brand strategy

The terms *brand strategy* and *branding strategy* are used interchangeably in the literature. This, in itself, is not a source of ambiguity, so long as everyone knows they are used interchangeably. However, the terms are not always used clearly, and this can be a source of confusion—as Ambler and Barwise (1998) note, technical terms should be clear.

The term *brand(ing) strategy* has various definitions. Park *et al.*, (1986) define it (in their usage, "brand strategy") as "[a] positioning strategy . . . [that] is responsible for making brand image" (p. 136) (and see Kotler and Pfoertsch, 2006). This definition suggests brand strategy comprises marketing communications. However, some argue that brand strategy embraces a plethora of business operations, and thus includes employee behaviour and internal culture. Thus, Murphy (1990) states that brand strategy embraces (or should embrace) all the activities involved in building and managing brands. Murphy states that this overarching strategy helps differentiate the organisation from its competitors; he also states that doing so helps provide *added value* (i.e., value not intrinsic to the product or service—see below) to brands, and that this necessarily entails long term investment. Arnold's (1992) definition broadly concurs with Murphy's. Arnold suggests that brand strategy starts with a clear understating of what a brand is to represent to customers, and how it should be positioned maximise their satisfaction. Each definition (Murphy's and Arnold's) is holistic, in that it embraces all corporate activities, and implies long-term investment. Nonetheless there is ambiguity: it is unclear whether brand strategy concerns how companies *do* behave *descriptive* as opposed to how they *should* behave *legislative.* One may term definitions of brand strategy as *legislative* definitions as opposed to *descriptive* definitions.

Murphy's (1990) definition suggests a strong relationship between the brand and management. This relationship is used to guide the organisation. Kapferer (1992) views the situation similarly. He says that brand strategy results from all relationships between management and brands, and that its object is to create the right perceptions in consumer minds (and see Fill, 2006).

Kapferer's description attaches great importance to *brand architecture* (i.e., how diverse brands produced by a company are integrated under an overarching theme—again see below). This is also true of Aaker's description (1996). Aaker states that brand strategy comprises managing the brand, in all its complexity, in the face of changing market environments. He further states that a key role of management is to integrate brand strategy with the long term objectives of the organisation. In this, he makes specific reference to corporate culture. Brand strategy, overall company strategy, corporate culture, brand architecture, management activity, and consumer behaviour are intertwined.

Keller (1998) selects some of these long term objectives to specifically reflect the role of the products or services that sold by the organisation. He defines brand strategy as "a number and nature of common distinctive brand elements applied to the different products sold by the firm" (p. 402). He suggests that "the branding strategy of the firm provides the general guidelines as to which brand elements a firm chooses to apply across the products it offers"(p.48). Note that is unclear whether Keller's definition is legislative or descriptive.

Van Gelder (2004) considers brand positioning, brand identity, and brand personality—together known as *brand shapes*—as constraining brand strategy. He comments:

> Although the same brand expression instruments are available to all brand management teams, some brands are historically better endowed in one area than the other, and this may differ between countries. Therefore, brand strategy is not only dependent on the current perception of the brand among consumers and how that perception can realistically be influenced, but also on the instruments that are available or that can be developed for this purpose. Each of the three brand expression elements contains various aspects that can be selected to try to influence consumers' perception of the brand and thus achieve the brand strategy goal of delivering a specific consumer experience (p. 42).

This appears descriptive. Against this, de Chernatony (2001) states that brand strategy involves the building and sustaining of the brand, and encompasses a systematic process for developing and strengthening brands. This may be done, he says, by strengthening customer perceptions of them. Brand strategy should be integrated, he says; brands should be coherent. de Chernatony's view appears legislative.

4.2.2. Summary of views and a new definition

The above views may be summarised as follows:

- Brand strategy is a positioning strategy which is responsible for making brand image (Park *et al.*, 1986).
- Brand strategy comprises long-term differentiation of brands from those of competitors; brand strategy is holistic, and involves all levels of employee activity (Murphy, 1990).
- Brand strategy comprises positioning brands in order to maximise customer satisfaction; brand strategy is holistic (Arnold, 1992). .

- Brand strategy comprises developing the right perception in customers' minds through different management activities (Kapferer, 1992).
- Brand strategy entails flexibility in the face of changing market conditions (Aaker, 1996).
- Brand strategy comprises the development of an overarching strategy for all brands and sub-brands (Keller, 1998).
- Brand strategy is constrained by brand shapes (Van Gelder, 2004).
- Brand strategy comprises building and sustaining of the brand through a systematic process aims at developing and strengthening different products or services sold by the firm (de Cherantony, 2001).

These seemingly disparate views can be viewed (cf. models of branding, Chapter 3, "variants on a theme") as describing different aspects of the same thing, so should not necessarily be viewed as being mutually exclusive.

In view of this, and in the light of the views of the above-mentioned authorities, the present study defines brand strategy as:

a set of integrated strategies and sub-strategies used by a brand owner to achieve the brand owners' objectives.

This definition is agnostic as regards the specifics of the strategies and sub-strategies, thereby avoiding potential criticism as being overly legislative. It further avoids the confusion between legislative and descriptive definitions in that, if it is found that a company lacks integrated strategies and sub-strategies, by definition the company does not have a brand strategy.

4.3. COMPONENTS OF BRAND STRATEGY

The literature (e.g., Aaker, 1996; Keller, 2003; Kotler and Pfoertsch, 2006, Kapferer, 2008) suggests brand strategy may emerge from six main factors: brand positioning, brand personality, brand identity, brand values, brand architecture, and communications strategy. See Figure 4.1.

Figure 4. 1. Components of brand strategy

Source: Developed by the researcher

Note that, from the definition provided in Section 4.2.2, a company need not use all these components in formulating its brand strategy (though it might be well advised to do so).

The following sub-sections discuss definitions of each of the element of this model.

4.3.1. Brand positioning

The concept of brand positioning was originally developed by Rise and Trout (1972). It refers to the presentation of a brand image to a specific segment of the market with a view to capturing sales of the brand within that segment, and with a view to enhancing perceptions of the brand within that segment (Aaker, 1996; Schreiber, 2002; Keller, 2003; Osler, 2003; Kotler and Pfoertsch, 2006; Kapferer, 2008). The latter involves reinforcing perceptions of what the brand signifies. Thus Kotler (2003) defines it as "the act of designing the company's offer and image so that it occupies a distinct and valued place in the target customers' minds" (p.308). Several authorities (e.g., Kapferer, 1992, 2008; Aaker, 1996; Fennell and Allenby, 2004) point to the necessity that, in this, it involves distinguishing the brand from its competitors. Brand positioning involves making one's brand appear more favourable and competing brands less favourable. Thus brand positioning involves fostering brand preference (Osler, 2003).

To this, de Chernatony and Segal-Horn (2003) add that brand positioning within service companies necessarily reflects the corporate philosophy of the service suppliers. They state:

> Successful services brands often move beyond positioning to encompass a philosophy which the service brand embodies. Such an underlying philosophy must contain or reveal the genuine cultural attributes of the organisation ("revelation") and then be reproduced to both consumers and staff. Successful services brands thus evolve from a unique culture which is revealed both in the brand and in the attitude and behaviour of staff as they represent the brand to consumers (p. 1107).

There is also discussion about whether brand positioning drives (or should drive) brand strategy or whether brand strategy guides brand strategy positioning (e.g., Park *et al.*, 1986; Kapferer, 1992; Upshaw, 1995). As indicated in the previous section, the present study is agnostic on this issue.

4.3.2. Brand personality

Brand personality pertains to the endowment of a brand with human qualities (anthropomorphising it). Such anthropomorphisation is done with a view to increasing a brand's appeal. Thus brands acquire personae (Aaker, 1996; Kotler and Pfoertsch, 2006; Kapferer, 2008). Aaker (1997) defines brand personality as "the set of human characteristics associated with a brand" (p. 347). Thus, to give a few examples, McDonald's hamburgers are "children friendly", Bang and Olufsen audi-visual equipment is "sophisticated", and Marlboro cigarettes are "macho".

The use of brand personality arose from the inability of firms to compete on the basis of the functional properties of their goods or services alone (Siguaw *et al.*, 1999)—goods and services are increasingly functionally identical (Phau and Lau, 2000). Moreover, anthropomorphising brands appears to work (Sirgy, 1982; Batra *et al.*, 1993; Aaker, 1997; Siguaw *et al.*, 1999; Johnson *et al.*, 2000; Freling and Forbes, 2005). Again, witness the success of Marlboro Man. Use of brand personality has been dominant in advertising since the 1970s (Kapferer, 2008). Marketers use brand personality to give their products distinctive identities (Ang and Lim, 2006).

Aaker (1997) suggests five dimensions to brand personality: sincerity, excitement, competence, sophistication, and ruggedness. She further suggests that these dimensions are generic across brands. Sincerity represents warmth and approval, and is broken down into four elements: down-to-earth, honest, wholesome, and cheerful. The other dimensions are similarly sub-divided. See Figure 4.2.

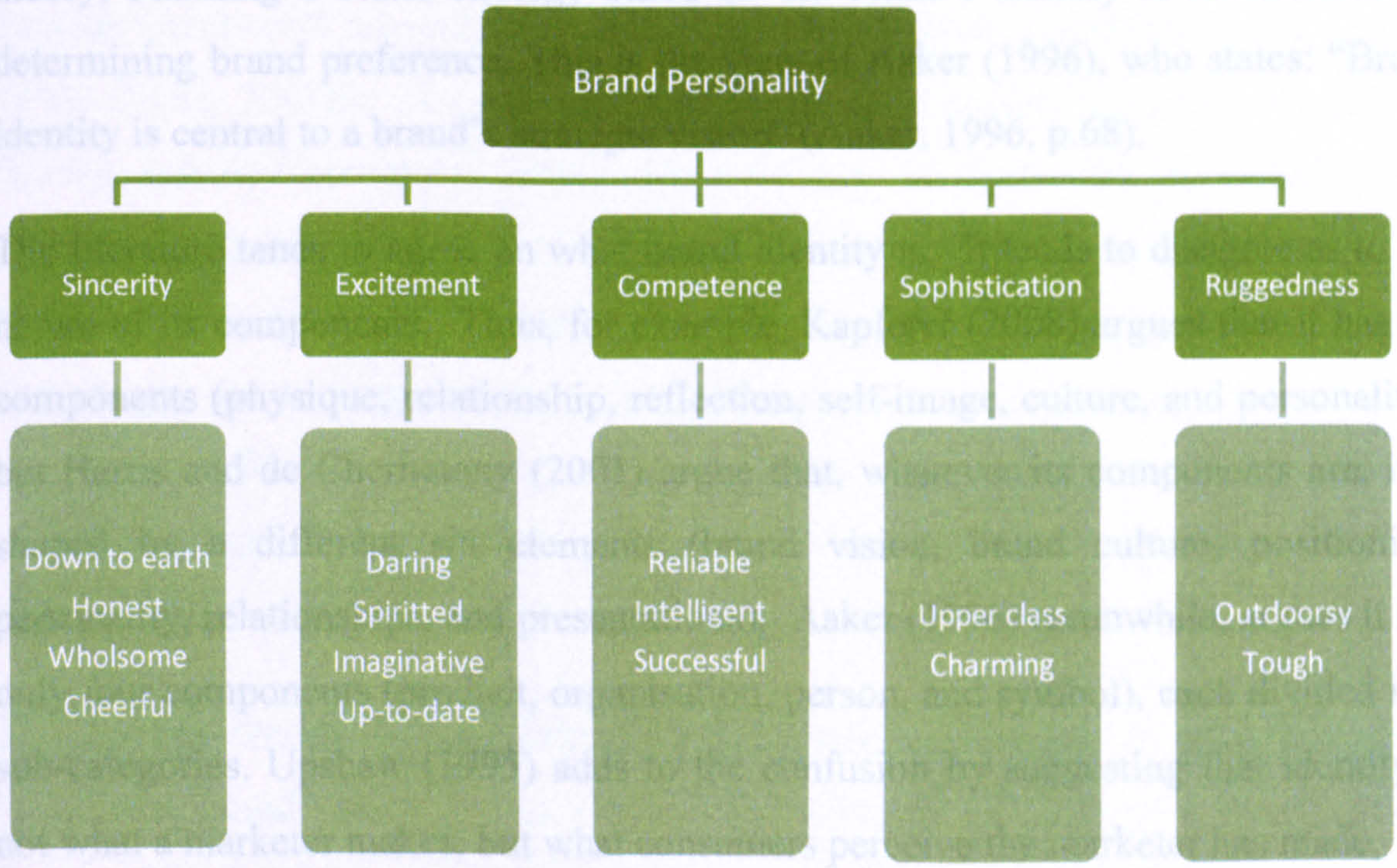

Figure 4. 2. Brand personality framework: dimensions and sub-dimensions.

Source: Adapted from Aaker (1997, p. 352)

Note, however, a potential ambiguity. A company may acquire the persona of its brand(s), the brand(s) may, acquire the persona of the company that supplies them, or the two phenomena may co-occur.

4.3.3. Brand identity

Brand identity is an extension of brand personality, and pertains to all the associations that the brand elicits in the minds of consumers (Aaker, 1996; Aaker and Joachimsthaler, 2000; Keller, 2003; Kapferer, 2008). Aaker and Joachimsthaler (2000) define it as "a set of associations that the brand strategist aspires to make or maintain" (p.43). Aaker (1996) states that it comprises two components: core and extended identity. Core identity is the "timeless essence of the brand" (p. 85) whereas extended identity embraces "elements that provide texture and completeness" (p. 87).

Brand identity provides an answer to the question "Who am I?". The asker of the question may be an individual (a customer) or a company (Keller, 2003). In the former event, brand identity reinforces the customer's feeling about himself/herself (eco-friendly, macho, sophisticated . . .). In the latter event, it anthropomorphises the corporation (Aaker and Joachimsthaler, 2000; Karjalainen, 2003). It follows that, in theory, outlining a brand strategy based on the brand's identity is fundamental to determining brand preference. This is the view of Aaker (1996), who states: "Brand identity is central to a brand's strategic vision" (Aaker, 1996, p.68).

The literature tends to agree on what brand identity is. It tends to disagree as to the nature of its components. Thus, for example, Kapferer (2008) argues that it has six components (physique, relationship, reflection, self-image, culture, and personality), but Harris and de Chernatony (2001) argue that, whatever its components are, it is shaped by a different six elements (brand vision, brand culture, positioning, personality, relationships, and presentations). Aaker (1996) meanwhile, argues it has only four components (product, organisation, person, and symbol), each divided into sub-categories. Upshaw (1995) adds to the confusion by suggesting that identity is not what a marketer makes, but what consumers perceive the marketer has made.

Such disagreements—if disagreements they are—are perhaps inevitable in academic literature, and it is plausible that the various authorities are talking about the same thing in different ways. Nonetheless, in the real world (see Chapter 7), they, and others like them, may lead to marketing professionals using technical terms in vague, and sometimes self-contradictory, ways. This is despite a consensus that brand identity is central to brand strategy.

4.3.4. Brand values

Brand values pertain to the benefits a brand offers to customers (Aaker, 1996; Osler, 2003; de Chernatony, *et al.*, 2004). Thus Osler (2003) defines values as "those immutable characteristics that provide a consistency for the brand's behaviour" (p. 437). Notice that brand values necessarily imply the brand provides added value to customers. Thus Doyle (2001a) states, in the context of brand values:

> Added values aim to give customers confidence in the choices that they make. Choice today is difficult for customers because of the myriad of

> competitors seeking patronage, the barrage of communications and the rapid changes in social mores and technology. Brands aim to simplify the choice process by confirming the functional or emotional associations of the brands. (p. 256)

Added value includes emotional connotations with the brand. Emotional values may provide brands with advantage by giving their stakeholders a positive feeling (Aaker, 1996; Doyle, 2001b). As a result, they may be one reason for a brand's success (Lynch and de Chernatony, 2004). The corollary for marketers, as Aaker (1996) suggests, is to determine how "customers feel when they are buying or using the brand" (Aaker, 1996, p.97). Aaker also notes that brand values provide customers opportunity for self-expression. Tsai (2005) concurs, commenting "[brand values are] related to how the consumer evaluates the product's brand name in terms of the valence assigned to the brand's reputation and its capability for self-expression" (p. 281).

Brand values are intimately related with the Aaker's (1996) notion of core identity. In essence, brand values further function to distinguish a company's brand(s) from that (or those) of its competitors (Christopher, 1996). They do so by promising predictability (Keller, 2003); this forms the basis of consumer preference and loyalty (Knox, 2004). Brand values, if they are to be effective, must enhance and pervade the brand experience (Osler, 2003; and see Ibeh *et al.*, 2005).

As with brand identity, different authorities describe the functions, the components, and causes of brand values in different ways. de Chernatony *et al.* (2004), for instance, suggest that brand values emerge in one of two ways (and plausibly both). They may arise either directly from the organisation's identity, in which case they are formed by staff internal processes, or inchoately from consumer perceived values, in which case the consumer perceived values may reflect back on the firm (cf. Upshaw, 1995). de Chernatony *et al.* (2004) comment: "In order to gain a comprehensive understanding of the values of a brand . . . both internal and external methods should be employed" (p.77). Aaker (1996), by contrast, states that brand values can be divided into three dimensions: functional, emotional, and self-expressive; he adds that these values lead to a brand-consumer relationship, and thus, if well managed, foster purchase decisions; in this, the functional dimension expresses brand development in a logical and practical way. del Rio *et al.,* (2001), meantime argue that brand values provide such customer benefits as value for money, availability, reliability, and added value.

Doyle (2001a) provides a model of the determinants of a successful brand, in which brand values figure largely. See Figure 4.3.

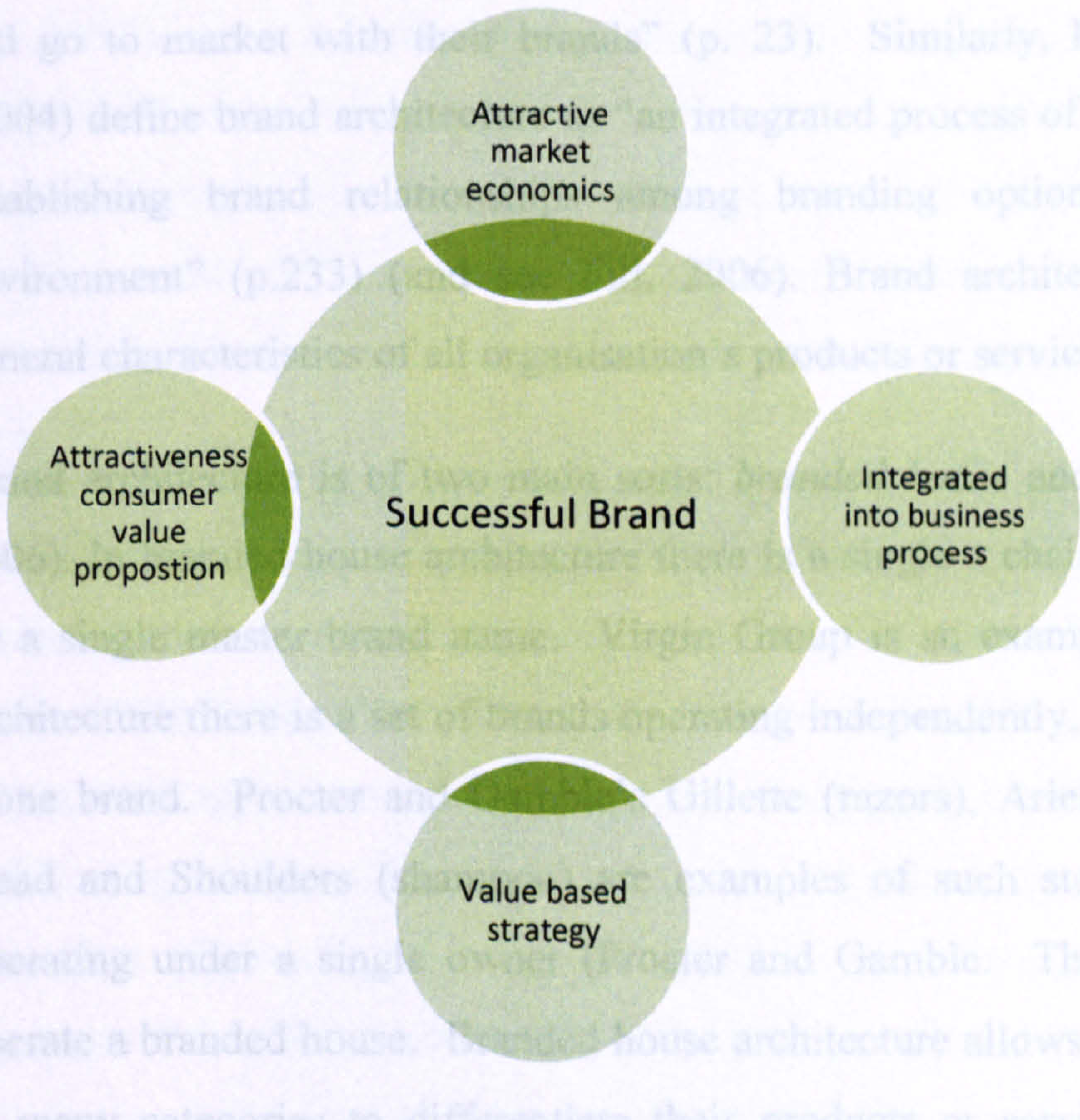

Figure 4. 3. Determinants of the successful brand.

Source: Adapted from Doyle (2001a, p.256)

This model appears a succinct and plausible synopsis of the views of various authorities, not only of the worth of brand values, but also of successful branding. Brand values are defined, and are integrated into the corporate framework. Brands are attractive economically to consumers (they offer value for money), and, because they contain added values, they form an attractive value proposition to consumers. The important feature of the model is that it presents value from a twofold perspective. From the standpoint of the company, the company imposes its values on its brand(s). From the standpoint of the consumer, the consumer benefits from these values, in ways other than the intrinsic qualities of the goods or services provided.

4.3.7. Brand architecture

Most companies produce several brands. Such companies therefore have the problem of integrating the marketing of each within the context of an overarching strategy. Thus brand architecture refers to how a brand is promoted in relation to other brands produced by the same company (Aaker and Joachimsthaler, 2000; Osler, 2003). Petromilli *et al.* (2002) define it as "the way in which companies organise, manage and go to market with their brands" (p. 23). Similarly, Rajagopal and Sanchez (2004) define brand architecture as "an integrated process of brand building through establishing brand relationships among branding options in the competitive environment" (p.233) (and see Fill, 2006). Brand architecture thus reflects the general characteristics of all organisation's products or services (Keller, 2003).

Brand architecture is of two main sorts: *branded house* and *house of brands* (Fill, 2006). In branded house architecture there is a single a chain of offerings presented by a single master brand name. Virgin Group is an example. In house of brands architecture there is a set of brands operating independently, each operating as stand alone brand. Procter and Gamble's Gillette (razors), Ariel (washing power), and Head and Shoulders (shampoo) are examples of such stand alone brands, each operating under a single owner (Procter and Gamble. Thus Procter and Gamble operate a branded house. Branded house architecture allows organisations that work in many categories to differentiate their products or services in the marketplace (Aaker and Joachimsthaler, 2000).

Deciding upon whether to use a branded house or a house of brands architecture is a key strategic decision. There may be advantages and disadvantages to each. The advantage of a banded house strategy is that it may help similarly branded products or services to "sell" one another. Its disadvantage is that if any brand receives a bad reputation, then all its co-brands may also suffer. A house of brands spreads risk. The advantages and disadvantages of a branded house architecture are the converse (Fill, 2006).

4.3.8. Communications strategy

Communications strategy relates to the manner in which an organisation communicates a brand to consumers (Ind, 1997; Dewhirst and Davis, 2005;

Madhavaram *et al.*, 2005). The strategy is all-embracing. It does not only include the obvious—advertisements, and so forth. It also includes such "peripheral" activities as fostering appropriate employee behaviour, press releases, sponsorship, and donations to charity. Duncan (2002) defines communications as "the collective term used in marketing a product—advertising, public relations, direct-response marketing, sales promotion and so on" (p. 15).

Ind (1997) states that the strategy necessitates using brand identity. Using brand image enables the communications strategy to work insofar as helping the company meet its strategic objectives. Fill (2006) comments "the approach each organisation adopts not only influences the development of resources to support the brands but also shapes the messages and media used within the marketing communications" (p. 400).

The literature suggests a close relationship between brand preference and communications strategy (de Chernatony and Dall'Olmo Riely, 1998; Alreck and Settle, 1999; Keller, 2003; Olson and Thjømøe, 2003; Fill, 2006). In this, quality of information appears more important than quantity (de Chernatony and McDonland, 2003). Organisations should therefore pay especial care to quality. Conversely, saturation advertising may be ineffective if the "message" is "wrong". "Good" messages foster brand awareness, build a positive brand image, enhance customer satisfaction, reduce the brand's perceived risk, and influence customer purchases via their reference group (e.g., Aaker, 1996; Berry, 2000; Duncan, 2002; Keller, 2003; Kapferer, 2008).

4.4. Brand Awareness, Brand Image, and Consumer Attributes

The literature (e.g., Aaker, 1996; Keller, 2003; Kapferer, 2008) suggests that organisations must develop emotional and functional relationships with consumers if they are to succeed in competitive markets. Brand awareness and brand image (e.g., Keller, 2003), together with consumer attributes (Zeithaml *et al.*, 1990; Aaker, 1996; Hellier *et al.*, 2003; Kapferer, 2008), help maintain these relationships. Thus brand awareness, brand image, and consumer attributes form the bridge between brand strategy and brand preference. The literature suggests the constituents of consumer attributes—satisfaction, perceived risk, and reference group—mediate brand image and brand awareness (Zeithaml *et al*., 1990; Aaker, 1996; de Chernatony and McDonald, 2003; Hellier *et al*., 2003; Kapferer, 2008).

4.4.1. Brand awareness

Page and Lepkowska-White (2002) state that brand awareness "relates to the likelihood that a consumer will associate a brand with specific product category and the ease with which he or she does so" (p.232). Aaker (1991) defines brand awareness as the ability of a potential consumer to recognise the brand as a member of a specific product or service category. He, further, states that crating brand awareness is a strategic asset (Aaker, 1996). Aaker illustrates levels of brand awareness with his "awareness pyramid". See Figure 4.4.

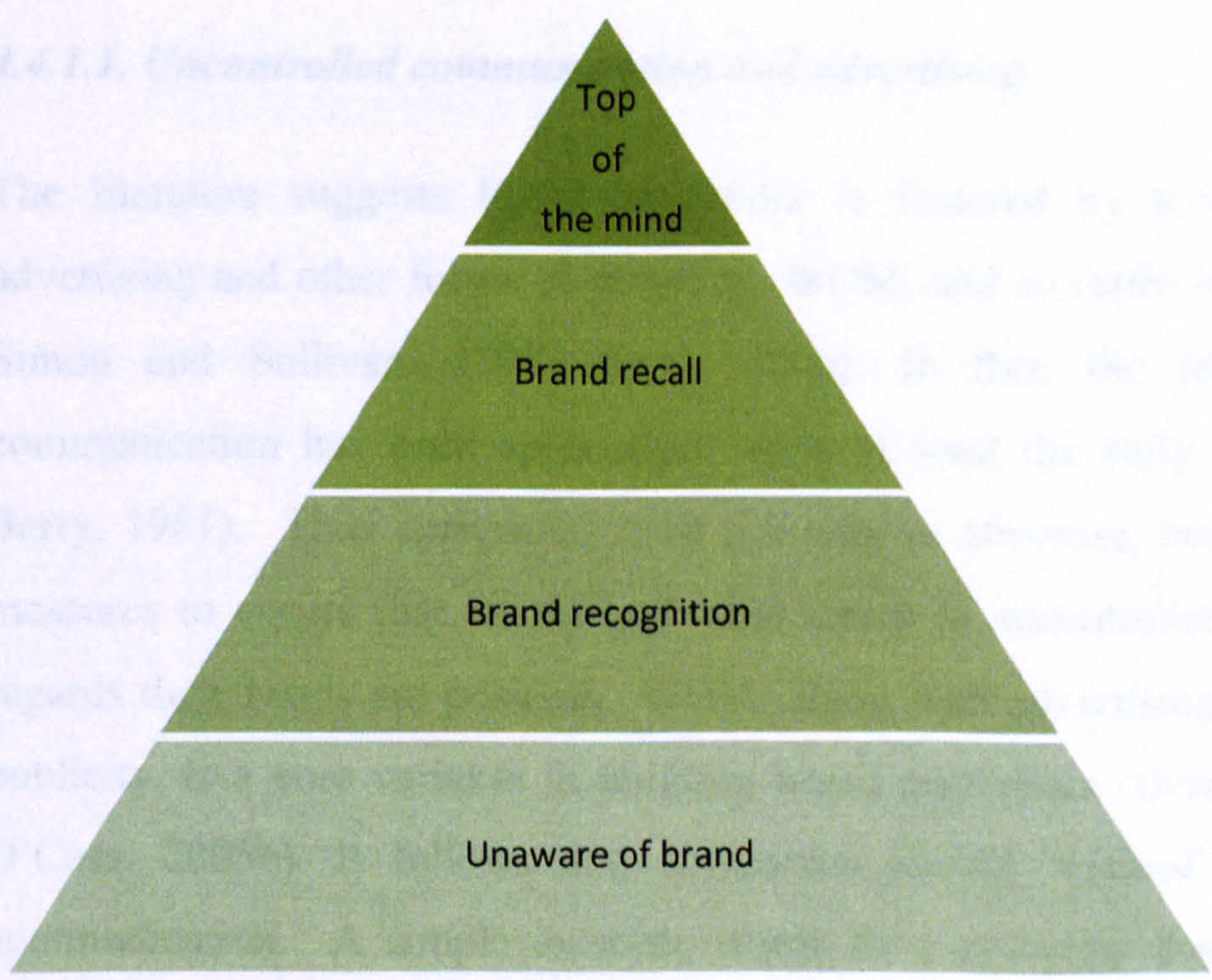

Figure 4.4. Aaker's awareness pyramid.

Source: Adapted from Aaker (1991, p. 62)

The figure is largely self-explanatory. The first level relates to situations in which the consumer is unaware of the brand's existence, and is therefore unlikely to buy it. The next level relates the consumer recognising the brand, but not thinking of it. This could just influence his or her buying decision. The next level is brand recall. At this level, the consumer might think of the brand without seeing it. The consumer might also think of the brand in relation to its alternatives. The highest level, "top of the mind" relates to a brand that the consumer believes to be superior to all the brand's competitors.

Nonetheless, brand awareness cannot create sales by itself (Aaker 1991). The reason for fostering brand awareness is not to create sales directly, but to create brand preference. Brand preference results in brand loyalty. It is brand loyalty that generates long-term sales.

Brand awareness creates and strengthens brand associations in the minds of the consumers (Morrin, 1999). Aaker (1991, 1996) stresses this: awareness and recognition are essential before attaching attributes to the brand. Chen (2001) concurs, stating: "brand awareness is a necessary asset but not sufficient for building strong brands" (p. 440).

4.4.1.1. Uncontrolled communication and advertising

The literature suggests brand awareness is fostered by a variety of means—advertising and other forms of publicity, WOM, and so forth—(Aaker, 1991, 1994; Simon and Sullivan, 1993; Berry, 2000). In this, the role of uncontrolled communication has been appreciated since at least the early 1980s (George and Berry, 1981). Thus companies need not only to advertise, but also to take active measures to ensure that WOM and other forms of uncontrolled communication as regards their bands are positive. WOM, along with advertising and other forms of publicity, is a core variable in building brand preference (Berry, 2000; Grace and O'Cass, 2005b). It follows that companies should "control" their uncontrolled communication. A simple example would be a company that, on finding it had overcharged a customer, not only told the customer to forget about the bill, but also gave the customer extra credit.

Advertising is plausibly the most important promotional activity (Grace and O'Cass, 2005b). Keller (2008) notes that this importance is reflected in the huge advertising budgets of large companies. He cites the Intel Corporation, which spent more than US$ 40 million on advertising in 1998. US$ 40 million is more than the entire GDP of many of the world's nations. The GDP (purchasing power parity) of Jordan—the country of interest in the present study—is less than US$33.05 billion (CIA, 2010, 2009 estimate).

In addition to fostering awareness (e.g., Florack and Scarabis, 2006), advertising helps to reduce consumption apprehension (Grove *et al.*, 1997). Nonetheless, the effect of advertising may be subtle. It is sometimes claimed that advertising "brainwashes" consumers to purchase goods or services they otherwise would not buy (e.g., Packard, 1959). This claim is probably an overstatement. As it happens, the people who view advertisements for a given product tend to be, not those who have *not yet* purchased it, but those who have *recently* purchased it (Ehrlich *et al.*, 1957; and see Festinger, 1957). The reason for this is that customers—especially after they have spent much money on a good or service—may fear they have wasted their money. Therefore they seek reassurance that they have spent their money wisely. Advertisements provide just such reassurance. Festinger comments:

> There is at least one thing common to all advertising: it always boosts the product which is being advertised. . . . Reading advertisements about the product he [the customer] bought would provide information that would be consonant with . . . the purchase. Reading advertisements of competing products would probably increase the dissonance [discomfort]. (pp. 49–50)

People look at advertisements for the things they buy more frequently after they have made the purchase, and they tend to look at competing advertisements less. Ehrlich *et al.* (1957) demonstrated this empirically, in a study of people who had recently bought cars. These people read or looked at advertisements for their new car over 50% more frequently than they did for advertisements for competing cars. Moreover, such new car purchasers tended to read or inspect the advertisements much more often than did car owners who had not recently bought a new car (these people, too, however, also tended to look more at advertisements for their own—albeit updated—car). This suggests advertisements preach to the converted. They foster awareness. They do not persuade people to buy.

In addition, advertising, even when it provides useful information, carries the disadvantage that the information does not come from a reliable source. WOM and other uncontrolled communication (the latter termed *unpaid publicity*), by contrast, has high credibility (Mangold *et al.*, 1999). For this reason, WOM and unpaid publicity leads to brand preference (Bansal and Voyer, 2000; Swanson and Kelley, 2001) and plausibly has a greater net overall effect on sales than advertising (e.g., Ennew *et al.*, 2000).

4.4.2. Brand image

Keller (2003) defines brand image as "perceptions about a brand as reflected by the brand associations held in consumer memory" (p.66). Low and Lamb (2000) refer to this perception (image) in terms of the emotional reaction that consumers have toward a particular brand. Brand image thus pertains to how consumers perceive a product, regardless of whether their perceptions are accurate (Boulding, 1956; Echtner and Ritchie, 1991; Restall and Gorden, 1993; Baloglu and Brinberg, 1997; Keller, 2003; Pickton and Broderick, 2005) and regardless of whether the perceptions are what the marketing company wants them to be. Indeed, because brand image emerges through a host of subjective factors (Boulding, 1956), one would not expect consumer perceptions to be completely accurate. To this one may add that, as indicated by the previous section, consumers use a variety of sources in forming brand images (and see, Ehrenberg and Pyatt, 1971).

Both Kwon (1990) and Keller (2003) state, plausibly, that positive brand image leads to brand preference, with Keller suggesting that positive brand image promotes brand equity.

The literature (e.g., Hirschman and Holbrook, 1982; Park *et al.*, 1986; Johar and Sirgy, 1991; Bhat and Rdeddy, 1998; Schiffman and Kanuk, 1997) suggests two approaches to brand image formation: holistic and functional cum emotional.

4.4.2.1. Holistic approaches

Holistic approaches to creating brand image borrow from gestalt psychology. Gestalt psychology refers to the school of psychology that claimed that "the whole is greater than the sum of its parts". Gestalt psychology was popular in the early 20th century. Gestalt psychologists claimed that perception is an active process. When people are given partial information about things, they "fill in the gaps" (see, e.g., Solomon, 2009). As regards marketing and the formation of brand image, this suggests consumers absorb information from a variety of sources and, from it, create their own "overall picture". Ditcher (1985) comments humans rely less on specific facts than on total impression; thus a brand image "describes not individual traits or qualities but the total impression an entity makes on the mind of other" (p.75) (and see Park *et al.*,1986; Pickton and Broderick, 2005).

4.4.2.1. Functional cum emotional approaches

Functional cum emotional approaches can be divided into two groups: rational and symbolic (Bhat and Reddy, 1998).

4.4.2.1.1. RATIONAL

Rational approaches portray consumers as trying to obtain the greatest utility (e.g., as regards cars, price, miles per litre) in choosing or consuming goods and services (Schiffman and Kanuk, 1997). In doing this, consumers may go through a variety of cognitive processes—gathering information, judging the importance of each available attribute, identifying the optimal brand, and so forth (Solomon, 2009).

It is plausible that rational approaches are appropriate only—if at all—for goods and services that consumers value for their utilitarian benefits (Bhat and Rdeddy, 1998), and that they have little place for goods and services that satisfy emotional needs (Hirschman and Holbrook, 1982).

4.4.2.1.2. SYMBOLIC

Consumption based on the individual's emotional and symbolic product benefits, technically, is called *emotional* (Schiffman and Kanuk, 1997) or *hedonic* consumption (Solomon, 2009). Both can be called *symbolic.* Such consumption is not motivated by the intrinsic properties of the product or services, but for what such products or services suggest. Thus symbolic approaches maintain that consumers are irrational. This is supported by a number of conceptual and empirical studies (e.g., Johar and Sirgy, 1991). The example given above, of people reading advertisements after they have purchased the product, is witness to this.

That people are in part irrational, however, does not suggest they are totally, or always, irrational. Indeed, symbolic and rational elements together can create a gestalt (Schiffman and Kanuk, 1997). Such "combined images" may also help consumers decide between competing brands (Park *et al.*, 1986). Moreover, although some brands are seen as either mostly functional or mostly emotional, Bhat and Reddy (1998) show that some strong brands—Coca Cola™ is an example—can have both functional and symbolic attributes. Moreover, most brand images have rational and symbolic components (de Chernatony, 2006).

To this one may add two points. First, although the literature suggests that brand image is multi-dimensional (i.e., it has many components), some (e.g., Martinez and de Chernatony (2004) argue that it is not clear how one should measure it. Against this, other authorities (e.g., Lassar *et al.*, 1995; Aaker, 1996; Keller, 2003) argue that brand image can be divided into plausible components, each of which can be measured separately. The components chosen, however, may vary from brand to brand, industry to industry, and sector to sector. What makes a good brand image for, say, a soft drink, is not necessarily the same as what makes a good brand image for, say, an automobile or, for that matter, a mobile phone service provider.

4.4.2.2. A brand image model

In general, the literature (e.g., Zeithaml, 1991; Lassar *et al.*, 1995; Aaker, 1996; Bhat and Reddy, 1998; Hellier *et al.*, 2003; Keller, 2003; Atiyas and Dogan, 2007) suggests brand image has components as shown in Figure 4.5.

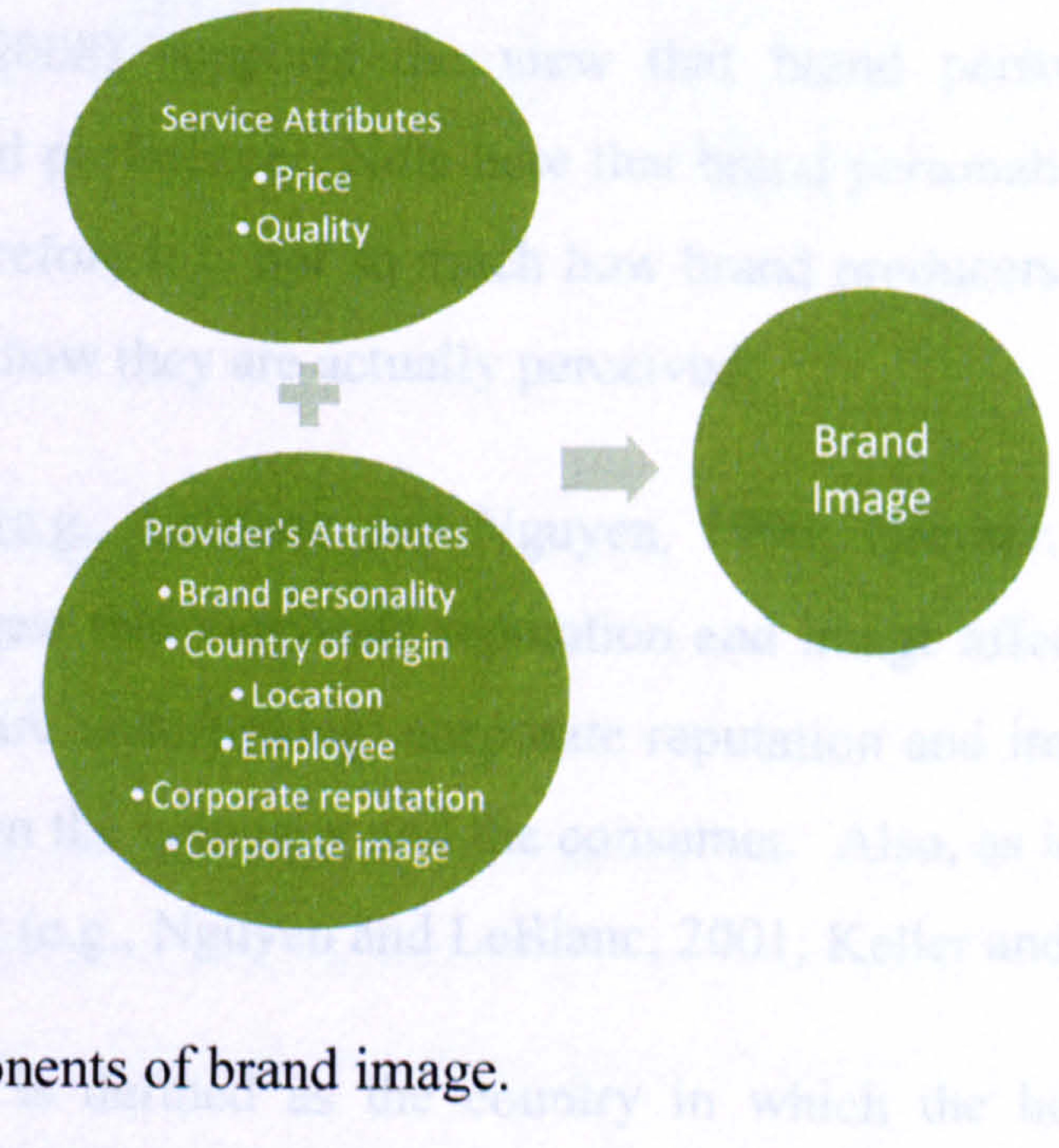

Figure 4. 5.Components of brand image.

Source: Developed by the researcher

The figure represents, not the view of a single author, but a compendium of the views of several. Broadly, brand image arises from the service attributes of a brand coupled with the provider's attributes. Each of these major components may be subdivided into subcomponents.

Service attributes comprise service price and service quality. Service quality reflects the availability of modern facilities, durability of the service, appearance of the staff, and so on. Several authorities (e.g., Hellier *et al.*, 2003; Atiyas and Dogan, 2007) have empirically shown that service quality affects consumer brand preference. Such empirical findings are also backed by theory (Zeithaml, 1991) and common sense—it would be odd if quality did not influence brand preference. Similarly, several empirical studies (e.g., Nowlis and Simonson, 1997; Tse, 2001; Grace and O'Cass, 2005a) provide evidence that price affects consumer choice of service, and such findings are backed by theory (e.g., Gabbott and Hogg, 1998)—again, it would be odd if this were not the case (price elasticity of demand is central to microeconomic theory). Generally, consumers are willing to pay higher prices for brands that they perceive to have high value (Erdem *et al.*, 2004).

The providers' attributes are plausibly as important. These comprise brand personality, corporate image and reputation, country of origin, the attitude of employee, and the location of the service.

The literature (e.g., Fournier, 1998; Aaker and Joachimsthaler; 2000 Rajagopal, 2006; Kapferer, 2008) supports the view that brand personality an important antecedent of brand preference. Note here that brand personality is a component of brand image. Therefore it is not so much how brand producers want their brands to be perceived. It is how they are actually perceived.

Many authorities (e.g., LeBlanc and Nguyen, 1996; Greyser, 1999; Cravens and Oliver, 2006) suggest that corporate reputation and image affects brand preference. Such conclusions are unsurprising: corporate reputation and image reflect the point of interface between the company and the consumer. Also, as indicated, branding is a corporate activity (e.g., Nguyen and LeBlanc, 2001; Keller and Lehmann, 2006).

Country of origin is defined as the country in which the head of the company producing the brand is located (Ozsomer and Cavusgil, 1991). Some research suggests it influences customer choices (e.g., Nowlis and Simonson, 1997; Agrawal and Kamakura, 2000; Yasin *et al.*, 2007).

Employee behaviour may be especially important in service industries. de Cherantony (1999) argues that, because consumers deal directly with employees when they buy the service, the behaviour of the employees, and their appearance, influences consumers' perception, and thus their preferences (and see de Chernatony and Segal-Horn, 2003).

In the same vein, the location of service may be critical for the consumer. The literature (e.g., Laroche and Manning, 1984; Yoon *et al.*, 2009) suggests that convenient location positively influences brand preference. O'Cass and Grace (2004) suggest service providers should consider service location during the development of the service brand.

4.4.3. Consumer attributes

Consumer attributes comprise satisfaction, perceived risk, and reference groups. See Figure 4.6.

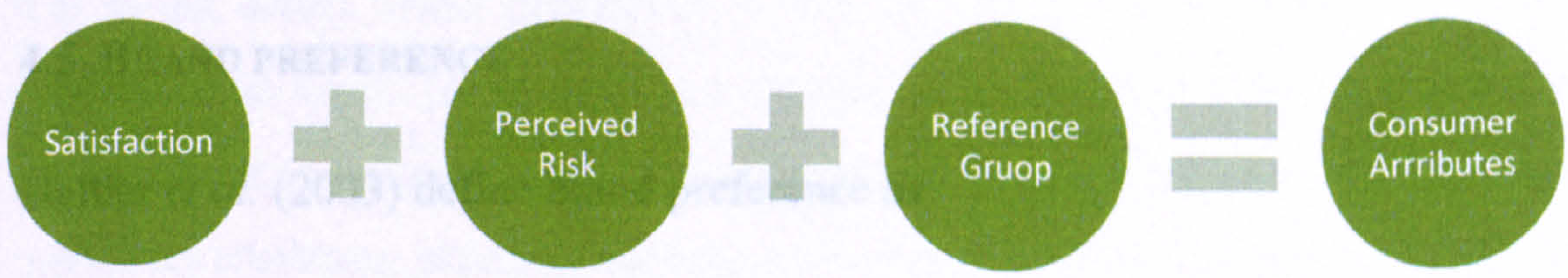

Figure 4. 6. Components of consumer attributes.

Source: Developed by the researcher

Oliver (1997) defines satisfaction as "a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment, including levels of under-or overfulfilment" (p. 13). The importance of satisfaction is intuitively obvious: if consumers are unhappy with products are services, they are unlikely to continue using them. This intuition is supported in the literature. Hellier *et al.* (2003), for example, found that consumer satisfaction is an antecedent to brand preference.

As indicated, (see Chapter 3) customers may perceive services as especially risky, in part because they may be intangible and in part because the customers have to pay for them before they receive the benefits (Parasuraman *et al.*, 1985; Zeithaml, 1991; Bharadwaj *et al.*, 1993). Thus, for service industries, brands play an important role of minimizing perceived risk from the consumer perspective (Chiu *et al.*, 2010). Perceived risk may be multi-dimensional—it may have financial, performance, physical, psychological, time, or social components, and often a combination of them (Parasuraman *et al.*, 1985; Bateson, 1991; Laroche *et al.*, 2003).

The term *reference group* was coined by Hyman (1942) and refers to those groups or people who are "psychologically significant for one's attitudes and behavior" (Turner, 1991, p. 5). The literature (e.g., Moschis, 1976; Park and Lessig, 1977; Bearden and Etzel, 1982; Escalas and Bettman, 2003; White and Dahl, 2006) suggests that reference groups are a major influence of consumer preference. This is unsurprising. People tend to do what their friends do. As regards the present study, it may be especially important, because "individualism", as it is understood in the West, is less a feature of Middle Eastern, especially Arabic, culture (Alon, 2009).

4.5. Brand Preference

Hellier *et al.* (2003) define brand preference as

> the extent to which the customer favours the designated service provided by his or her present company, in comparison to the designated service provided by other companies in his or her consideration set. (p. 1765).

Brand preference features in all major texts on brands and brand strategy. Thus, for example, Aaker (1996), Keller (2003), de Chernatony (2006), and Kapferer (2008) all mention brand preference in discussions that focus, variously, on brand equity, brand image, brand knowledge, brand awareness, brand association, and service branding. However, none of these authorities places brand preference at the heart of their discussions of brand strategy, and only a minority of authors stress its importance. This minority includes Nilson (2000), who, as indicated, suggests that brand preference should be the focus of brand management (see Chapter 3), and Lin (2002), who argues for the role of brand preference in product development: "businesses that want to develop new products or expand their product line can use brand preference as a key factor in allocating resources to develop effective product strategies" (p.259).

Thus brand preference has received relatively limited attention. Worse, different authorities conceptualize brand preference in different ways. For example, Keller (2003) discusses brand preference as an antecedent of brand loyalty and brand equity, whereas Chang and Ming (2009) discuss brand preference as a consequence of brand loyalty and brand equity. Other authors (e.g., Rundle-Thiele and Mackay, 2001) use brand preference and brand loyalty interchangeably. Many authors (e.g., Keller, 2003; Jamal and Goode, 2001) do not offer a definition of brand preference.

Two key contributions that operationalise the measurement of brand preference inform this study, Hellier *et al.* (2003), and Jamal and Goode (2001). Jamal and Goode (2001) is also one of the two previous studies that examine a range of factors that influence brand preference. They suggest that demographic factors and product (service) factors are likely to determine, and be suitable for use in, the measurement of brand preference. The other prior work that also explored the range of attributes that might affect brand preference is that of Mitchell and Amioku (1985); they conceptualise brand preference as a bundle of attributes that leads a customer to favour one brand over another. These attributes are classified into three sets, namely consumer attributes, product (service) attributes, and market attributes. These studies are complemented by a range of studies that examine the relationship between brand preference and one or two other branding variables, such as brand equity (Chang and Ming, 2009), reference group (Escalas and Bettman, 2003), advertising (Ayanwale *et al.*, 2005), self-image congruence (Jamal and Goode, 2001), and re-purchase intention (Hellier *et al.*, 2003).

The present study prefers the definition of band preference provided by Hellier *et al.*, and this has been used to inform the measurements of brand preference.

4.6. Branding in the context of the present study

4.6.1. Branding in the Middle East

The specific context for this research is the mobile telecommunications industry in Jordan. There has been very little research into branding in either the telecommunication and mobile phone service sector or the Middle East, and no research specifically on branding in the telecommunications sector in the Middle East.

Research into branding in the Middle East is sparse and disjointed, but does offer some insight into aspects of branding in this context. For example, Cooperman and Shechter (2008) examined the globalization of the Marlboro County brand to appeal to the new middle classes in Egypt, Saudi Arabia, and Turkey, through the development of an image of the "global citizen-consumer". Badri *et al.*, (1995) explored the extent and nature of "country-of-origin" stereotyping in the Gulf States market. Gibbs *et al.*, (2007), although not working in the Middle East, but Cyprus, found that although there were differences between the Islamic and Christian communities in Cyprus, positive and forward looking images would stimulate most respondents, irrespective of faith or culture. Sandikci and Ekici (2009), in the context of politically motivated brand rejection in Turkey, illustrate the importance of predatory globalisation, chauvinistic nationalism, and religious fundamentalism in brand acceptance and choice. This suggests that marketing conditions in the Middle East may be different from elsewhere.

4.6.2. The telecommunications sector

Evidence suggests the telecommunications sector is challenging and highly competitive (Chan-Olmsted and Jamison, 2001; Singh, 2006). There is little differentiation between the technical aspects of products, suggesting a central role for branding. However, again there is little research on the subject. Karjaluoto *et al.* (2005) investigated consumer's choice criteria in choosing mobile phone handsets through focus groups and a survey. They discovered that, although technical problems (influencing the experience) are the basic reason for changing mobile phone among students, price, brand, interface, and properties are the most influential factors affecting choice between brands. The only other recent study relating to branding and mobile phones was conducted by Martensen (2007), with a view to examining tweens' (aged 8–12) satisfactions with, and loyalty to, their mobile phones; the research identified low levels of loyalty to mobile phone brands amongst this group.

Other research is at best fragmentaory. Riquelme (2001) evaluated consumers' knowledge of how they would use a mobile phone, and Wilska (2003) examined the relationship between mobile phone choice and prior consumption styles. Aydin and Ozer (2005) uniquely, investigated mobile phone service providers, and did so in Turkey, a market that has some similarities with the marketplace in Jordan. However, their discussion focuses on customer loyalty, rather than brand preference. Both Karjaluoto *et al.* (2005) and Martensen (2007) call for more research into branding in this sector. Blery *et al.* (2009) suggest that "further research . . . can add to the present pool of knowledge by examining the influence of other factors on customers' repurchase intention in mobile telephony" (p. 34).

Thus such research as exists on branding within the mobile phone services suggests a highly volatile market. However, direct research on the role of branding in it is absent.

4.7. Summary and Conclusion

The literature attests to the overarching importance of brand strategy to corporate success. However, the literature offers diverse views as to its components. Such diverse views are not all mutually exclusive. However, with a few exceptions, the literature does not emphasise the importance of establishing the brand preference of consumers. Often, the importance of this is at best implicit, not explicit.

There may be peculiar aspects to brand strategy in Middle Eastern countries, because they differ culturally (e.g., in chauvinism and religion) from Western countries. In this, Middle Eastern countries have volatile telecommunications industries. They are highly competitive, and this appears as true of Jordan as elsewhere in the Middle East (Chapter 2). However there has been little empirical research on branding within the Middle East, nor of branding within mobile phone service providers (Middle Eastern or otherwise).

From this one may conclude that at empirical study of branding within a Middle Eastern country's (Jordan's) mobile phone industry would be informative. Moreover, the study should focus on relationship between brand strategy and brand preference.

CHAPTER 5: RESEARCH OBJECTIVES, CONCEPTUAL MODEL, AND RESEARCH HYPOTHESES

5.1 INTRODUCTION

This chapter develops the research model for this thesis. It commences by re-iterating the research objectives, and revisiting and summarising the limitations of the literature. The research model is then presented and a number of hypotheses related to the antecedents to brand preference developed.

5.2. OBJECTIVES OF THE PRESENT STUDY

From Chapter 1, the objectives are threefold: (a) *to explore Jordanian mobile phone service providers' brand strategies and their role in building and/or influencing brand awareness, brand image, and consumer attributes* (Objective 1); (b) *to examine mobile phone services and their users and usage in Jordan* (Objective 2); and (c) *to determine the factors that influence consumer brand preference in the telecommunications market* (Objective 3).

5.3. LIMITATIONS OF THE LITERATURE

The limitations of the literature were described in previous chapters. This section summarises them, as a basis for the rational for this research.

There are five limitations of the literature: (a) uncertainty as to the determinants of brand preference; (b) uncertainty concerning the components of brand strategy; (c) a lack of empirical evidence as to how brand strategy works in practice, as opposed to theory; (d) uncertainty as to how branding works in service industries in general and the mobile phone service industry in particular; and (e) uncertainty, particularly given the ambiguity of many of the technical terms used.

5.3.1. Brand preference

As indicated in Chapters 3 and 4, many authorities (e.g., Jamal and Goode, 2001; Keller, 2003) do not define brand preference. Other authorities (e.g., Aaker, 1996; Keller, 2003; de Chernatony, 2006; Kapferer, 2008) mention brand preference, in various contexts, but do not place it as central to brand strategy. There is also ambiguity as to how the term is used. Keller (2003) suggests it is an antecedent of brand loyalty (i.e., brand preference is a *cause* of brand loyalty), but Chang and Ming (2009) see it as a consequence of brand loyalty (and brand equity) (i.e., brand preference is a *consequence* of brand loyalty). Still other authorities (e.g., Rundle-Thiele and Mackay, 2001), in that they use the terms brand preference and brand loyalty interchangeably, suggest they are the same. Again as indicated in Chapters 3 and 4, other authorities (e.g., Nilson, 2000; Lin, 2002; Grunert *et al.*, 2006) suggest that fostering brand preference should be at the heart of brand strategy.

One could (indeed, this is implicit in, e.g., Keller's, 2003, use of the term) define brand preference in terms of what customers would prefer to purchase. However, it is plausible that many (most?) people would prefer to own expensive cars, live in large, expensively furnished houses, holiday in exotic locations, and so on. Most people do not realise such preferences—aside from anything else, such preferences are too expensive for most people. Thus it is better to define brand preference in terms of what people do (*consumer behaviour*), not what they would like to do if given the opportunity.

In this regard, Hellier *et al.*'s (2003) definition, as provided in Chapter 3, is deficient. Paraphrasing their definition—brand preference is the extent to which the "customer favours the designated service" (p. 1765)—as "the extent to which the customer prefers one brand", one is left with a tautology—brand preference is brand preference. The definition is also flawed in that customers may "prefer" one brand, but this may do the brand's producers little good if the customers have little opportunity (aside from lack of money, they may lack of convenient retail outlets, or lack of peer approval, for instance) to realise their preference. Thus the present study defines brand preference purely behaviourally. The definition is this:

Brand preference: the extent to which customers buy a brand in the market, regardless of the degree of presence of the brand in the market, and regardless of the degree of presence of competing brands.

This definition suffers the disadvantage that it does not capture the "flavour" of customer emotions towards a brand. However, such subtleties are captured by other terms (brand value, brand loyalty, and brand equity, for example). Moreover, the definition as provided above has the advantage that it captures what most concerns (or arguably, should concern) marketers: sales. Branding is useless if it does not generate sales.

5.3.2. Components of brand strategy

The ambiguity in the literature is apparent from the models of branding outlined in Chapter 3—Kapferer's (2008) model, the brand orientation model (Urde, 1999), the brand leadership model (Aaker and Joachimsthaler, 2000), and so on. Although each model is similar, each emphasises different things. Thus for example, again as indicated, the brand asset management model (Davis, 2000) stresses the importance of long-term thinking, but other models (e.g., Urde, 1999), do not. Similarly, there are different components in each model. Thus, for example, both Davis (2000) and Keller (2003) suggest four-stage models, but the stages in each differ in the specifics. Most important, none of the models relate brand strategy to brand preference.

5.3.3. Lack of empirical evidence

Much of the empirical evidence documents the unsurprising—customers like, and are prepared to pay for, better quality service (e.g., Hellier *et al.*, 2003; Atiyas and Dogan, 2007); customer decisions are affected by price (e.g., Grace and O'Cass, 2005a) and perceived value (e.g., Erdem *et al.*, 2004); and so forth. Thus there is evidence that certain of the components of brand strategy are important, but their relative importance is unclear. Authorities (e.g., de Chernatony and Segal-Horn, 2003; O'Loughlin and Szmigin, 2007) stress the lack of empirical evidence as regards brand strategy per se.

Notice there are two areas of empirical uncertainty. The first pertains to the question of, if brand strategy is important, exactly identifying its most important components. The second pertains to, if brand strategy is important, determining whether marketing managers know it, and shape their practices, accordingly.

5.3.4. Lack of evidence as regards service industries in general, and of Middle Eastern telecommunications services in particular

It is plausible that branding operates differently in the service sector from other sectors. As indicated, services are different prom products—purchasing them is riskier, for instance. Yet authorities (e.g., O'Loughlin and Szmigin, 2007; de Chernatony and Segal-Horn, 2003) point to a lack of research into branding in the service sector.

The situation is especially poor as regards Middle Eastern telecommunications. As indicated in Chapter 2, growth of telecommunications, especially of mobile phone use, has been dramatic. Yet, as indicated in Chapter 4, there is little research of branding in the area, though such evidence as exists suggests that conditions in the Middle East may be different from those in the West (e.g., Sandikci and Ekici, 2009). Research on mobile phone branding—even in the West—appears limited. There thus appears dearth of knowledge of how mobile phone service providers are using branding, and whether the branding is effective, and this appears especially so in the Middle East.

5.3.5. Ambiguity of technical terms

This, again, is evident from the literature (e.g., Kapferer, 2008; Davis, 2010). It is also apparent from the similarities and differences between the models. As indicated in Chapter 3, it is unclear how much the different models are using different terms to describe the same thing.

There is a more technical aspect to this question. It may be that some concepts, although well defined, and although apparently important, are not causally distinct. As indicated, some models of branding are holistic. If so, it is to be expected that causal variables should become "blurred".

5.4. CLARIFYING THE RESEARCH MODEL

Figure 5.1 illustrates the conceptual model of the strategy adopted in the present research.

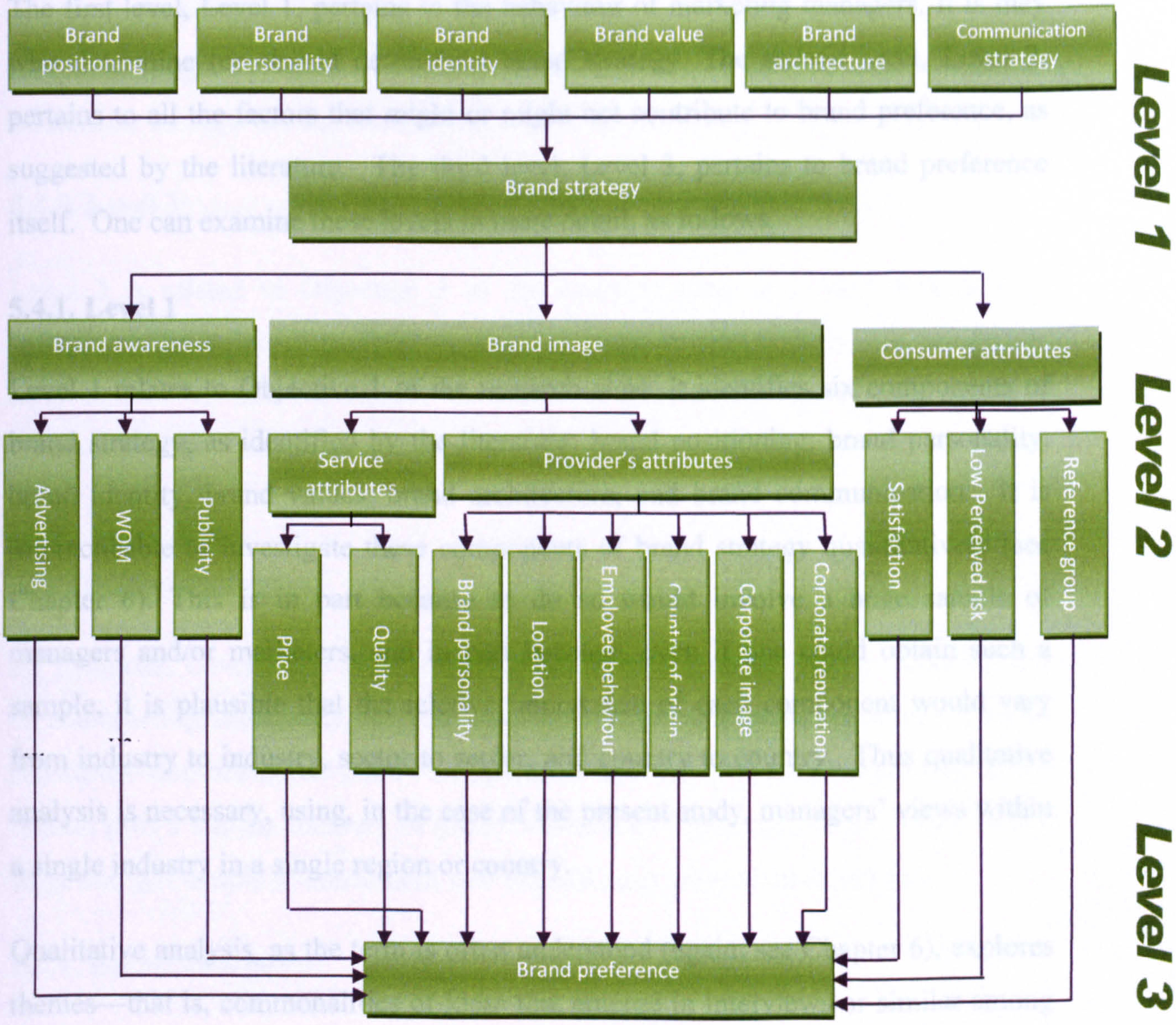

Figure 5. 1. Research model.

Source: Developed by the researcher

The model is largely self-explanatory, as each level builds or influences the following level. This is presented through the direction of the arrows (see above). These arrows depict a causal link between (level 1–brand strategy– and level 2–brand awareness, brand image and consumer attributes), and between (level 2–brand awareness, brand image and consumer attributes and level 3–brand preference.

The first level, Level 1, pertains to the behaviour of marketing managers. It is they who determine (or should determine) brand strategy. The second level, Level 2, pertains to all the factors that might or might not contribute to brand preference, as suggested by the literature. The third level, Level 3, pertains to brand preference itself. One can examine these levels in more detail, as follows.

5.4.1. Level 1

Level 1 relates to Objective 1 of the research aims. It identifies six components of brand strategy, as identified by the literature: brand positioning, brand personality, brand identity, brand values, brand architecture, and brand communication. It is impracticable to investigate these components of brand strategy quantitatively (see Chapter 6). This is in part because to do so would involve a huge sample of managers and/or marketers, and in part because, even if one could obtain such a sample, it is plausible that the relative importance of each component would vary from industry to industry, sector to sector, and country to country. Thus qualitative analysis is necessary, using, in the case of the present study, managers' views within a single industry in a single region or country.

Qualitative analysis, as the term is often understood (again, see Chapter 6), explores themes—that is, commonalities of ideas that emerge in interviews or similar among interviewees. To an extent, thematic analysis is used in the present study. But its importance is secondary. One mainly wishes to know what the managers think about the relative importance of the six components mentioned in the model, and whether the companies they represent have the ideas as suggested by the literature and whether and how they put them into action. To know what the companies do, *in reality*, to cultivate the consumer brand preference.

5.4.2. Level 2

Level 2 relates to Objective 2. It relates to customers. It is divided into the three derivatives of brand strategy mentioned above: brand awareness, brand image, and consumer attributes. The three derivatives thus form a link between Level 1 and Level 2. Each of these is subdivided into subcomponents, and the second, brand image, is further divided into sub-subcomponents (service attribute and provider's attributes). Together, these subcomponents and sub-subcomponents total 14, each of which may be regarded as contributing to brand preference.

5.4.3. Level 3

Level 3 is related to Objective 3 of the research aims. It is also addressed to consumers. It is brand preference. It is as defined above: it is the purchasing behaviour of customers as regards the brand. If the model is correct, each of the 14 components identified in the model should contribute significantly to the customers' brand preference.

5.5. TESTING THE MODEL

As indicated, Level 1 can be examined qualitatively. Levels 2 and 3, however, can be examined quantitatively. All one needs is relatively objective measures (or proxy measures—see below) of the 14 components of brand preference identified in the model, plus a similar measure or proxy measure of brand preference. Then, with a large enough sample of consumers, one can test each antecedent as follows.

5.5.1. Brand awareness

As outlined in Chapter 4, the literature suggests brand awareness is facilitated by advertising, WOM, and other publicity (Park and Lessig 1981; Hoyer and Brown, 1990; Berry, 2000). Thus, advertising, WOM, and publicity appear the main facilitators of brand awareness and thus should each affect brand preference (Berry, 2000). One may therefore use the three components to generate hypotheses.

5.5.1.1. Advertising and brand preference

The literature suggests that advertising has a large effect on brand awareness (e.g., Mitchell and Olson, 1981; Lutz *et al.*, 1982; Gardner, 1985; berry, 2000; Fill, 2006). Advertising affects consumer attitudes towards brands by, among other things, informing them of the existence of the brand (Fill, 2006). The degree of consumer response and its direction (positive or negative) are influenced by the content of the advertising. Consequently, if an advertisement is evaluated positively by a consumer, almost by definition, he or she will form a positive perception of the brand, and the higher the positive perception of the brand, the greater should be the likelihood of a brand being preferred (Ayanwale *et al.*, 2005). This leads to the first hypothesis:

H_1: the advertising conducted by service provider has a positive impact on brand preference.

5.5.1.2. WOM

WOM supports and develops the perception of a brand in the customer's mind (and see Chapter 3). Increasingly, word of mouth seems desirable to achieve positive perception and thus preference for a brand in the customer's mind (Sweeney *et al.*, 2008). This is so because customers tend to consider word of mouth creditable and impartial (Swanson and Kelley, 2001; Stokes and Lomax, 2001; Sweeney *et al.*, 2008). This leads to the second hypothesis:

H_2: good word of mouth about the service provider has a positive impact on brand preference.

5.4.1.3. Publicity

In a similar vein, the literature suggests publicity is an important factor in facilitating brand awareness (Nicholls *et al.*, 1999; Berry, 2000; Swanson and Kelley, 2001; Grace and O'Cass, 2005b). This importance is due to its deep influence in making a positive or negative brand response in customers (Hauss, 1993; Bansal and Voyer, 2000). This leads to the third hypothesis:

H_3: good publicity about the service provider has a positive impact on brand preference.

5.5.2. Brand image

The literature suggests that brand image comprises service attributes and the provider's attributes. The literature further suggests, as indicated, that each of these comprise subcomponents.

5.5.2.1. Service attributes

Keller (2003) suggests that the major service attributes are price and quality.

5.4.2.1.1. PRICE

Price is an easy way to compare alternative services (Aaker, 1996; Keller, 1998; Grace and O'Cass; 2005a; Kotler and Armstrong, 2008), suggesting that brands that are too highly priced will have negative brand preference. Conversely, literature suggests customers tend to rank a brand's quality according to its price (Keller, 2003), and that they are willing to pay higher prices for brands that they perceive to have high quality (Erdem *et al.*, 2004; and see Bateson, 1991; Lassar *et al.*, 1995; Teas and Grapentine, 1996; Nowlis and Simonson; 1997; Gabbott and Hogg, 1998; Cornwell *et al.*, 2001; Tse, 2001; Keller, 2003). This leads to the fourth hypothesis:

H_4: perception of a reasonable price of the service has a positive impact on brand preference.

5.4.2.1.2. QUALITY

The above suggests that quality is also important, and this suggestion is supported by the literature (e.g., Aaker, 1996; Keller, 2003; Tse, 2001; Zeithmal, 1991). Better quality, technical or functional, should enhance brand preference (Gronroos, 1984). This leads to the fifth hypothesis:

H_5: perception of positive quality of the service has a positive impact on brand preference.

5.4.2.2. Provider's attributes

The literature suggests provider's attributes affect brand preference (e.g., Murdick *et al.*, 1990; Aaker, 1991; Keller, 1993). There appear six important provider's attributes: brand personality, country of origin, location, employee behaviour, corporate image, and corporate reputation.

5.4.2.2.1. BRAND PERSONALITY

Brand personality appears a major determinant of brand preference (e.g., Aaker, 1999; Keller, 2003; Rajagopal, 2006). Thus the literature (e.g., Sirgy, 1982; Batra *et al.*, 1993; Freling and Forbes, 2005) proposes that brand personality is a metaphor for the emotional relationship between a brand and consumers, and other similarly (e.g., Aaker, 1996; Siguaw *et al.*, 1999) argue it leads to emotional ties between brands and consumers. This leads to the sixth hypothesis:

H_6: perception of good personality of the service brand has a positive impact on brand preference.

5.4.2.2.2. SERVICE LOCATION

As indicated in Chapter 3, convenient location of a brand's outlets should add to brand preference, and the literature supports this (e.g., Laroche and Manning, 1984; O'Cass and Grace, 2004; Yoon *et al.*, 2009). This leads to the seventh hypothesis:

H_7*:* perception of convenient location of the service provider has a positive impact on brand preference.

5.4.2.2.3. EMPLOYEE BEHAVIOUR

Employee behaviour appears especially important in service industries—in service locations, employees deal directly with customers, so their attitude and behaviour influence customers' perceptions towards the organisation (Bitner *et al.*, 1994; de Chernatony, 1999). Thus service suppliers spend considerable efforts in training and motivating their employees (de Chernatony, 1999; de Chernatony and Segal-Horn, 2003). This leads to the eighth research hypothesis:

H_8: Perception of the efficiency of employees of the service provider has a positive impact on brand preference.

5.4.2.2.4. COUNTRY OF ORIGIN

Evidence suggests country of origin is important (Han, 1990; Nowlis and Simonson, 1997; Lim and O'Cass, 2001; Yasin *et al.*, 2007). Customers tend to associate a provider's brand with the given country, and this affects their perceptions of the brand (Han, 1990), because customers tend to prefer some countries (often their own, or those of similar culture) and to dislike other countries (Keller, 2003; and see Nowlis and Simonson, 1997). This leads to the ninth hypothesis:

H_9: good country of origin of the service provider that has good reputation in providing such service has a positive impact on brand preference.

5.4.2.2.5. CORPORATE IMAGE

The literature (e.g., Nguyen and LeBlanc, 2001; Keller and Lehmann, 2006; Souiden *et al.*, 2006) suggests good corporate image among customers fosters brand preference. This leads to the 10^{th} hypothesis:

H_{10}: Perception of good corporate image of the service provider has a positive impact on brand preference.

5.4.2.2.6. CORPORATE REPUTATION

Customers' perceptions also are influenced by corporate reputation (Vendelo, 1998; de Chernatony, 1999; Nguyen and LeBlanc, 2001; Fitzpatrick, 2000). A good corporate reputation is likely to foster brand preference. This leads to the 11^{th} hypothesis:

H_{11}: Perception of good corporate reputation of the service provider has a positive impact on brand preference.

5.4.2.3. Consumer attributes

As indicated in chapter 3, consumer attributes affect directly brand preference. Consumer attributes include three variables: customer satisfaction, customer perceived risk, and customer reference group.

5.4.2.3.1. CUSTOMER SATISFACTION

Customer satisfaction is defined as general contentment stemming from experience of the brand (Hellier *et al.*, 2003). Many authors (e.g., Bearden and Teel, 1983; Hellier *et al.*, 2003; O'Cass and Grace, 2005a) discuss the relationship between satisfaction and brand preference. Hellier *et al.*, (2003) argue that satisfaction is an outcome of experience, and influences brand preference. Customers who feel satisfied when using a brand will tend to use it again. This leads to the 12th hypothesis:

H_{12}: Customer satisfaction with the service has a positive impact on brand preference.

5.4.2.3.2. PERCEIVED RISK

The literature suggests that the higher the riskiness of a brand, the lower (more negative) is the brand preference (Dunn *et al.*, 1986; Mieres *et al.*, 2006). Moreover, service industries are more likely to be perceived as "risky" (e.g., Zeithaml, 1991; Mieres *et al.*, 2006). This leads to the 13th hypothesis:

H_{13}: Customer perception of low risk of the service has a positive impact on brand preference.

5.4.2.3.3. REFERENCE GROUP

The literature is clear. Consumers tend to use reference group (peers, family figures, social groups . . .) when choosing between brands. Consumers tend to follow the decisions of their reference groups (e.g., Moschis, 1976; Bearden and Etzel, 1982; Folkes and Kiesler, 1991; Escalas and Bettman, 2003; White and Dahl, 2006). This leads to the 14th hypothesis:

H_{14}: Reference group has a positive impact on brand preference.

5.5. SUMMARY AND CONCLUSION

This chapter proposes the central model of this thesis. The model has three levels, relating, respectively to brand strategy, the antecedents of brand preference, and brand preference. The components of each level of the mode are outlined, and 14 hypotheses regarding the antecedents of brand preference are developed. The model specifies the use of qualitative and quantitative methodologies. The next chapter describes the precise methodology.

CHAPTER 6: METHODOLOGY

6.1. INTRODUCTION

This chapter is structured as follows. It first presents an overview of research philosophy and design. It then justifies the methodology of the present study. It then provides a detailed description of the methodology, including that of data collection and questionnaire design. Finally, it describes the methods of quantitative and qualitative analysis used in the present study.

6.2. RESEARCH PHILOSOPHY

The philosophy underlying academic research concerns the logic behind the research methodology (Maykut and Morehouse, 1994). The present study falls under the umbrella of marketing. One may therefore examine different philosophical approaches that are adopted in marketing research.

6.2.1. Competing philosophies (paradigms)

At the end of the 15th century and the beginning of the 16th century, belief in reasons (causality) and facts underpinned scientific thinking (Holzner and Marx, 1979; Hughes and Sharrock, 1997) in the era that saw the birth of western science. At that time, scientists believed that knowledge is based on facts that they could discern through human senses (Deshpande, 1983). This 17th century view is known as *empiricism*, and is associated with the philosopher John Locke (1632–1704). In its modern form, it is associated with *logical positivism*, a brand of empiricism associated with the philosopher Alfred Ayer (1910–1989) (Sjoberg and Nett, 1966). It is also referred to as the *positivist orthodoxy* (Hughes and Sharrock, 1997).

For the purpose of the present study, the word *positivism* is used in the manner introduced by Auguste Comte (1798–1857) in the early 1830s (Maykut and Morehouse, 1994). Positivists believe that reality is objective and knowledge is based on external observed facts independent of the observer. As a result, researchers should focus on facts in developing and testing research hypotheses (Easterby-Smith *et al.*, 2008). Positivist researchers quantify and measure phenomena in order to generate models (Taoukas and Hatch, 2001)—hence the need for operational definitions, as mentioned in the previous chapter.

The alternative to positivism is to focus on human beings and the social world. This approach is known as the *phenomenological approach* (Deshpande, 1983). Phenomenology pertains to the study of experience, of consciousness.

Phenomenological researchers believe that reality is socially constructed and is therefore given different meanings by different people. Because phenomenologists consider science as being driven by people, they see it is as subjective. Such researchers believe that research should focus on meanings because researchers are part of the observed situation; hence they should develop ideas through *induction* (see below) from data.

Philosophical phenomenology provides the point of departure for *qualitative research* (Lincoln and Denzion, 2000). However, the terms *phenomenology* and *qualitative* are used interchangeably by many authorities (e.g., Hussey and Hussey, 1997; Denizen and Lincoln, 2000; Punch, 2005; Easterby-Smith *et al.*, 2008; Creswell, 2009; Saunders et al., 2009). This, in itself, is not a source of ambiguity, so long as everyone knows they are used interchangeably. However, the present study is agnostic on this issue. It adopts the perspective of a majority of authorities (Stake, 1995; Lincoln and Denzion, 2000; Creswell, 2007; Easterby-Smith *et al.*, 2008) that states that qualitative research is conducted through a number of strategies of inquiry, sometimes called approaches to inquiry, (see Creswell, 2007). These include: narrative research, phenomenology, ethnography, grounded theory, and case study.

These two approaches can be understood through the concept of *paradigm*. A paradigm, as used in this sense, is viewed as a conceptual model of a person's worldview, complete with a general set of philosophical assumptions that define the nature of possible research and intervention (Frankfort-Nachmias and Nachmias, 1996). A paradigm can be used to identify a suitable methodology for data collection. Consequently, "understanding the nature of paradigm enables a scientist to determine both what problems are worthy of exploration and also what methods are available to attack them" (Deshpande, 1983, p. 102). A paradigm provides a framework comprising an accepted group of theories, methods, and ways of defining data.

The positivistic approach is sometimes labelled as traditional, quantitative, extensive, or objective; the phenomenological approach is sometimes labelled as qualitative, intensive, or subjective (Hussey and Hussey, 1997). Table 6.1 summarises common terms for the main research paradigms

Table 6. 1. Alternative terms for the research paradigms.

Positivistic paradigm	Phenomenological paradigm
Quantitative	Qualitative
Objectivist	Subjective
Scientific	Humanistic
Experimentalist	Interpretivist
Traditionalist	

Source: Hussey and Hussey (1997, p. 47); quoted directly

Table 6.2 presents the characteristics of each paradigm.

Table 6. 2. Features of the two paradigms.

Notes	Intensive (qualitative) paradigm	Extensive (quantitative) paradigm
Research question	How? What? Why? In a certain case or example	How representative is a pattern, feature, or attribute of a population
Type of explanation	Causes are elucidated through in-depth examination and interpretation	Representative generalisation are produced from repeated studies or large samples
Typical methods	Case study. Ethnography. Qualitative analysis	Questionnaire, large scale survey. Statistical analysis
Limitations	The relationships discovered will not be 'representative' or an average/generalization	Explanation is a generalisation – it is difficult to relate to the individual observation. Generalisation is specific to the group/population in question
Philosophy	Method and explanation rely on discovering the connection between events, mechanisms and causal properties	Explanation based upon formal relations of similarity and identification of taxonomic groups

Source: Clifford and Valentine (2004, p. 11); quoted directly

The positivist methodological approach is based on *deductive logic*; this means drawing specific conclusions from general principles. Under the positivist paradigm, researchers' main purpose is to conceptualise facts in order to generalise them—to frame and test theories. Positivist researchers typically adopt a *quantitative approach*; in it, variables and their relationships are analysed in terms of numbers—ideally, the researchers use interval or ratio scales (both types use the set of natural numbers—or fractions of them—for measurement; the only difference is that in interval scales a multiple of one score does not translate to an exact multiple of the quantity being measured—when using degrees Celsius, for instance, to measure temperature, a doubling of the degrees Celsius does not translate to a doubling of the temperature, for temperature does not start at 0°C). Thus, for such researchers, what matters are social and scientific observations, and these should be quantifiable and objective, and ones that can be generalised (Hughes and Sharrock, 1997).

In positivist marketing models, the marketing variables are expressed in terms of equations. The purpose of the modelling is to explain and forecast phenomena in order to validate and facilitate future research, and help in building a theory. This quantitative paradigm, as stated by Reichardt and Cook, (1979) is "said to have a positivistic hypothetico-deductive, particularistic, objective, outcome-oriented, and natural science world view" (pp. 9–10).

Because phenomenological researchers see reality as subjective, they argue that researchers should interact with the reality in order to analyse and add meaning to it. The researchers' main purpose is to get valid data through deep analysis. They adopt a qualitative paradigm; this involves a verbal modelling, conceptualisation of the interrelationships between relevant variables, and the inductive ability of the researchers. Inductive logic is the drawing of general conclusions from specific instances.

The positivist and phenomenological paradigms are each logically flawed. The positivist paradigm, as enunciated by Ayer (1936) (see Sjoberg and Nett, 1966), is logically unsustainable in that it states, through the *verification principle*, that the only "truths" are truths of observation or of logic. A problem is that the verification principle is put forward as a "truth" yet it is neither a truth of observation nor of logic. Thus positivism is internally inconsistent. Similarly, the phenomenological paradigm is inconsistent in that it claims that *all* truth is subjective. But, if so, so is the "truth" of the phenomenological paradigm. So whether the phenomenological paradigm is "true" is just a matter of opinion.

This is not to say that neither paradigm is any good. It is to say that each has to be used carefully. To put this another way, researchers may use any paradigm they wish, providing they can justify it in the context of their research.

Table 6.3 provides an overview of the strengths and weaknesses of quantitative and qualitative paradigms.

Table 6. 3. Strengths and weaknesses of positivistic and phenomenological paradigms.

Theme	Strengths	Weaknesses
Positivist (quantitative paradigm)	They can provide wide coverage of the range of situation.	The methods used tend to be rather inflexible and artificial.
	They can be fast and economical.	They are not very effective in understanding processes or the significance that people attach to actions.
	Where statistics are aggregated from large samples, they may be of considerable relevance to policy decisions.	They are not very helpful in generating theories.
		Because they focus on what is, or what has been recently, they make it hard for policy makers to infer what changes and actions should take place in the future.
Phenomenological (qualitative paradigm)	Data-gathering methods seen as natural than artificial.	Data collection can be tedious and require more resources.
	Ability to look at change processes overtime.	Analysis and interpretation of data may be more difficult.
	Ability to understand people's meaning.	Harder to control the pace, progress and end-points of research process.
	Ability to adjust to new issues and ideas as they emerge.	Policy makers may give low credibility to results from qualitative approach.
	Contribute to theory generation.	

Source: Amaratunga (2002, p. 20); quoted directly

Hussey and Hussey (1997) argue that researchers have to determine their research paradigm before constructing the research design. They define research design as the plan of the research, and the logic behind it, that will make it possible to draw general conclusions. In this view, research methodology is a procedural framework within which research is conducted (Remenyi *et al.*, 1998). Creswell (2003) describes this chronological progress as:

> Philosophically, researchers make claims about what is knowledge (ontology), how we know it (epistemology), what values go into it (axiology), how we write about it (rhetoric), and the process of studying it (methodology). (p. 6)

Thus, methodology is a structured set of guidelines or activities to assist people in undertaking research. Generally, a methodology will develop, either implicitly or explicitly, within a particular paradigm and will embody the philosophical assumptions and principles of the paradigm (Mingers and Brocklesby, 1997). The extent of scientific rigour in research relies on how the researchers select the proper design.

According to Punch (2005) there are several considerations when choosing a research design. These include: (a) the purpose of study, (b) the type of investigation, (c) the extent of researcher interference with the study, (d) the time horizon, and (e) the study setting. In other words, researchers should adopt the paradigm(s) most appropriate for their area of study.

6.2.2. Mixed paradigms

The quantitative and qualitative paradigms may be complimentary. As indicated (Punch, 2005; and see Creswell, 2009), the choice of paradigm depends largely on the nature of knowledge on the subject and the researcher's intention. Quantitative research is well suited in cases in which it is possible to frame clear hypotheses—that is, when the research questions are already known, or when much is known about the subject. In cases in which they are not known, qualitative research may be used to generate hypotheses that may be addressed by later quantitative research. As regards the researcher's intentions, quantitative research, by its nature, may fail to detect the "feel" of a particular issue. Thus quantitative research may be good at detecting "hard facts", but may miss nuances of them. For such reasons, the two paradigms may be used together, to provide a more rounded picture of the topic under investigation. Thus one has the notion of a mixed paradigm—one that uses quantitative and qualitative methods.

triangulation and *embedded* designs are the most common used mixed methods (see Creswell, 2007). As already mentioned, In triangulation, the intention of the researcher is to use both paradigms to see if each leads to broadly the same conclusion(s). The rationale here is that if each method leads to broadly the same conclusion(s), the conclusion(s) appear(s) robust—it or they are independent of the research method used.

In embedded designs, by contrast, the intention is not to use the two paradigms to investigate the same problem using different methods in order to strengthen (or check) the overall conclusion(s). Rather, it is to use one paradigm to investigate an aspect of a problem that is best investigated by the particular paradigm, and use the other paradigm to investigate another aspect of the problem that is best investigated by the other paradigm. Embedded designs are thus suitable for complex, multifaceted problems in which no single paradigm is suitable for each facet. As Creswell (2009) argues, in embedded designs, data are not compared; instead, they reside side by side as two different pictures that provide an overall composite assessment of a complex problem. Embedded designs (e.g., Creswell, 2009) are sometimes called *parallel* or *simultaneous* (e.g., Tashakkori and Teddlie, 1998; 2003). The use of the terms *parallel* or *simulataneous* is because each type of research (quantitative and qualitative) is carried out at approximately the same time.

Creswell (2009) points to the advantages of embedded designs, thus:

- The researcher can collect data simultaneously, during a single data collection phase.
- It provides a study with the advantages of both qualitative and qualitative data.
- It allows for perspectives to be gleaned from different types of data, or different levels of within a study.

Creswell (2009) also points to the disadvantages of embedded designs, thus:

- Some method must be used for comparing data; this can be problematic given that the data are of different types.
- If the two types of data give discrepant results, either the discrepancies have to be resolved or a decision as to be taken as to which set of data is "better".
- Related to the previous points, the researcher may have to assign higher priority to one type of data. This involves a philosophical (or maybe subjective) decision, not a scientific one.

6.3. THE RATIONALE OF THE PRESENT STUDY'S METHODOLOGY

6.3.1. Research objectives, data, and data analyses

6.3.1.1. Objective 1

The first objective of the study (Chapter 5) was to explore Jordanian mobile phone service providers' brand strategies, with specific reference to how the providers used the strategies to facilitate brand awareness, brand image, and consumer attributes. An obvious way of meeting this goal was to ask (via interview) representatives of the companies involved what they did. Doing so would provide insight into how the service providers "thought" about branding, how they used it, "insider secrets", and so forth. It is difficult to see how any quantitative approach could have provided such, or equivalent, information. Thus meeting Objective 1 demanded qualitative analysis. It demanded use of case studies.

Objective 1 also demanded that the method of data analysis was descriptive. It demanded reporting, or paraphrasing, what the interviewees said. Thematic analysis (Chapter 5) was used in the present study to reinforce this description. However, the interviews also used structured questions (see below) to buttress the thematic analysis.

6.3.1.2. Objective 2

The second objective (Chapter 5) was to examine mobile phone usage in Jordan. This was not only to include absolute numbers of mobile phone users, but also who was using them, why they were using them, and what they thought of the mobile phone services on offer to them. Thus meeting Objective 2 necessitated finding a representative sample (see below) of the Jordanian population, and obtaining objective (or relatively objective) measures of the phenomena of interest. The objective necessitated that the data were quantitative. Objective 2 also demanded that the method of analysis was descriptive.

6.3.1.3. Objective 3

The third objective (Chapter 5) was to determine the factors that influence brand preference in the Jordanian telecommunications market. A quantitative approach was appropriate for meeting this objective. This was for three reasons. First, quantitative approaches are most appropriate in cases in which there are clearly framed hypotheses (e.g., Creswell, 2009). The present study had clearly framed hypotheses (H_1–H_{14}, Chapter 5). Second, meeting the objective demanded using a representative sample, and this, in the nature of things, would have to be large (see below). Qualitative research with large samples is not practicable. Third (see below), methods of data collection and analysis for meeting this type of objective is common in the literature—that is, they are tried and tested—so there was no need for qualitative analysis in meeting Objective 3.

The analyses used in meeting Objective 3 involved inferential statistics. The details of these are provided towards the end of the present chapter.

6.3.2. Integrating the data

As indicated (Creswell, 2009), mixed paradigms may encounter problems in integrating different types of data. However, in the present study, this was not a problem. In the case of Objective 1, the intention was to determine what the mobile phone service providers were doing as regards branding in relation to (a) whether it worked, and (b) what the literature suggests. The effectiveness of the branding could be determined through comparison of market share, coupled with the analyses of Objectives 2 and 3. The problem of the literature is twofold: (a) does it describe what companies actually do or what they should do, and (b), regardless of what companies do, is the literature correct in what it suggests they should do. The first part of this question could be answered by Objective 1; the second by Objective 3.

6.4. THE SPECIFICS OF THE PRESENT STUDY METHODOLOGY

This section first describes the specific methodology for Objective 1. It then describes the specific methodology for Objectives 2 and 3 together (the methodology in each case was similar). It provides separate subsections, however, for data analyses for Objectives 2 and 3 because, as indicated, the analyses were different for meeting each objective.

6.4.1. Qualitative methodology (Objective 1)

As indicated, there are four mobile service providers in Jordan: Zain, Orange, Umniah, and XPress. For each company, the procedure was the same. Broadly, the methodology followed a multiple case study design.

6.4.1.1. Case study design

In order to understand multiple case study design, it is easiest to first understand simple case study design.

6.4.1.1.1. SIMPLE CASE STUDY DESIGN

Creswell (2007) defines case study design as that which "involves the study of an issue explored through one or more cases within a bounded system (i.e., a stetting, a context) (p. 73). The primary drivers behind the adoption of a case study design emanate from the exploratory nature of this phase of the study. In the present research, a case study strategy allows placing an emphasis upon the particular context in which brand strategy is taking place. In this way, insight can be gained by taking a holistic perspective of such a phenomenon (Yin, 2003; Stake, 2006; Creswell, 2007). Such a qualitative research strategy allows for the capturing and analysis of useful information from informants through *face-to-face semi-structured interviews*.

Case study as a *qualitative* research strategy is discuused broadly and supported by a convincing body of research philooshpy literature (e.g., Stake, 1995; Denzin and Lincoln, 2000; Creswell, 2007, 2009).

6.4.1.1.2. MULTIPLE CASE STUDY DESIGN

Creswell (2007) suggests a typical format of analysing multiple case studies. This format should first provide a detailed description of the cases (organisations, in this research), followed by themes within the case (*within case analyses*), and followed by a thematic analysis across the cases (*cross-case analysis*). There then follows interpretation of the case. The multiple case study design for the present study is shown in Figure 6.1.

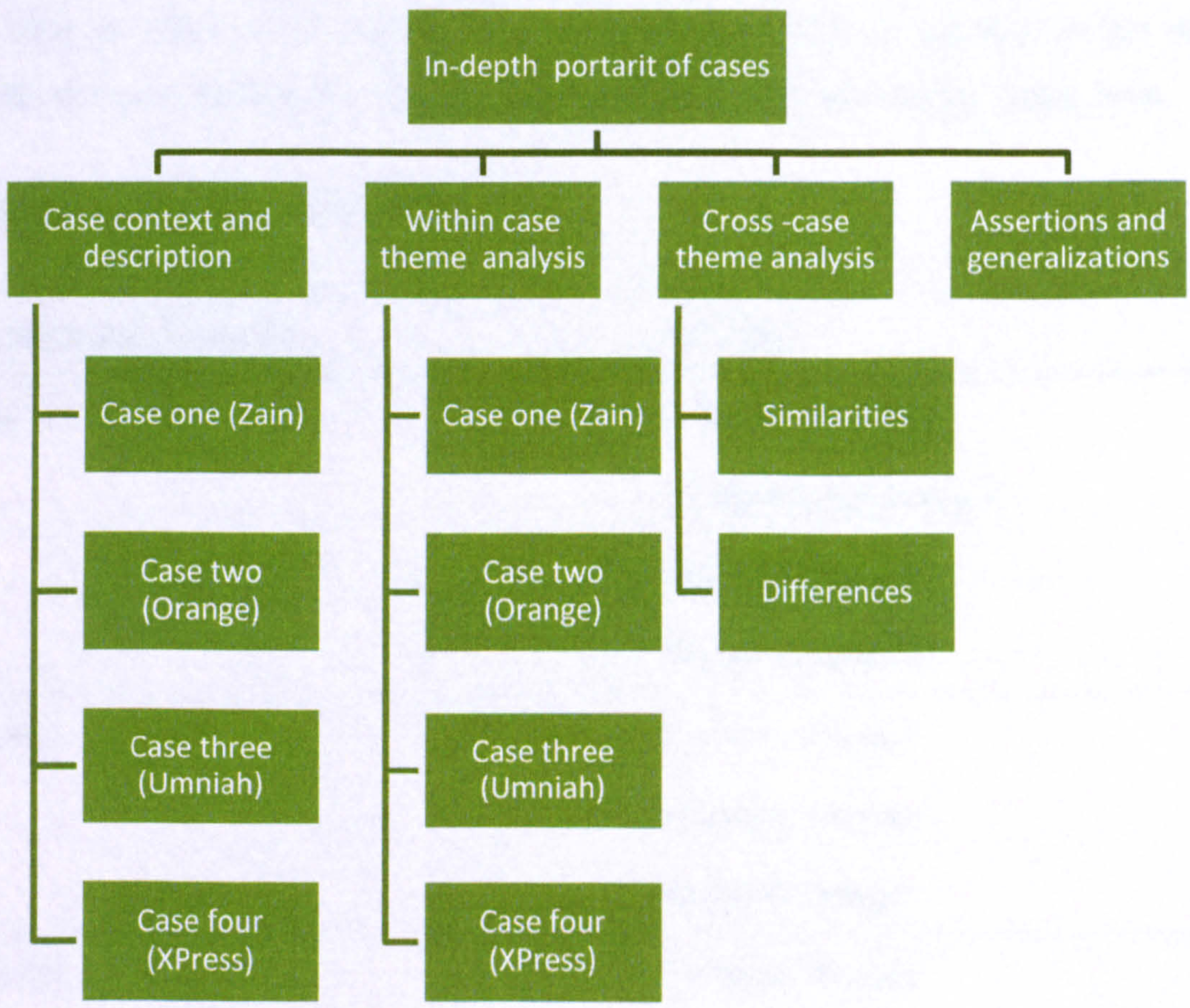

Figure 6. 1. Within case and cross case analysis.

Source: Developed by the researcher

6.4.1.3. Initial contact.

Initial contact was made by letter (August 2007) to each company's executive manager. The letter explained the purpose of the research, that it was supervised by Bangor University, Wales (see Appendix H). All letters received positive replies (all executive managers agreed their company would cooperate). Subsequent correspondence (letter, e-mail, phone, or all three) finalised interview schedules.

6.4.1.4. Interviewee profiles

Sixteen managers from the companies were approached for interview, of whom 12 agreed to participate—four from Zain, three each from Orange and Umniah, and two from Xpress. The four managers who did not agree to give interviews did so because of time or other work constraints, not because of lack of interest in the research. Table 6.4 provides titles of the managers and the companies they came from.

Table 6. 4. Profile of interviewees.

Mobile network provider	Job Title
Zain	Executive Manager
	Communication Manager
	Marketing Manager
	Branding Manager
Orange	Executive Manager
	Marketing Manager
	Branding Manager
Umniah	Executive Manager
	Marketing Manager
	Communication Manager
Xpress	Marketing Manager
	Sales Manager

All interviewees except two were male. All were aged 40–60.

6.4.1.5. Interview content and structure

6.4.1.5.1. RATIONALE

Interviews are of three main types: structured, unstructured, and semi-structured (e.g., Oppenheim, 1992; Hussey and Hussey, 1997; Saunders *et al.*, 2009). In structured interviews, the interviewer asks the interviewee a predefined set of questions. Their advantage is that they are relatively straightforward. Their disadvantage is that, being formal, they may tell the researcher little more than might have been discovered using a questionnaire. Thus structured interviews negate the raison d'être of qualitative research. Unstructured interviews, by contrast, have no predefined set of questions. Their advantage is that they might reveal something of interest. Their disadvantage is that, being unstructured, they may be so inchoate as to omit any reference to the topic or topics of interest. Semi-structured interviews provide a compromise. They are structured enough to demand that interviewees address the topics of interest to the researcher, but not so structured as to prevent interviewees offering insights. Semi-structured interviews allow interviewees to "ramble", but not too much (Easterby-Smith *et al.*, 2008). The present study therefore used semi-structured interviews.

Interviews of whatever sort may be conducted face-to-face, by telephone, by e-mail, in groups, or individually. However, the ideal type is face-to-face, individually (Easterby-smith *et al.*, 2008). The present study therefore used face-to-face, individual interviews.

The advantages of face-to-face, individual, semi-structured interviews are as follows:

- *Flexibility*: as a general rule, an interviewer strives to get much data by modifying and adjusting questions to suit the situation. Any question can be altered, omitted, or added when required.
- *Certainty*: Oppenheim (1992) points out that the direct contact between the interviewer and interviewee enhances the degree of interview certainty, since the interviewee typically is given a description of the study's aim, and asked

to express any doubts or misunderstandings as regards the interview questions and concepts.

- *Control*: the interviewer has more control over the number and the order of the questions to be asked. This enables the interviewer to "probe" if necessary (Saunders *et al.*, 2009).
- *Complexity*: it is not always the case that shorter and easier questions are better, although simple questions tend to be better. Under certain circumstances, an interviewer may have to ask complex questions. The interviewer may also have to take into account non-verbal communication, such as the facial expression of the interviewee. This may provide a higher degree of confidence in the replies than questionnaire responses (Hussey and Hussey, 1997).
- *Higher response rate*: the higher response rate maintains higher co-operation between the interviewer and interviewees (Saunders *et al.*, 2009).

Against these advantages, interviews have disadvantages. Their net effect has been to limit their usage in marketing research. Cost and time pressures are the first obstacle. These may be substantial (Hussey and Hussey, 1997), especially when a large sample is needed. Another problem concerns the validity and reliability of the questions and answers. The interviewer must explain the concepts and questions, so it is difficult to neutralise any biasing effects on interviewees. Bias may also creep into interpretation of data. Qualitative research, by definition, requires judgment, and judgment lends itself to bias (Creswell, 2007).

6.4.1.5.2. SPECIFIC STRUCTURE

Broadly, the interviews comprised relatively open-ended questions—interviewees were encouraged to talk about a particular topic. However, as indicated, the interviews also used a few closed questions. These were forced choice questions, in which interviewees had to select one answer out of a set of alternatives.

6.4.1.3.2.1. CLOSED QUESTIONS IN THE INTERVIEWS

There were two closed questions used in the interviews. In the first, interviewees had to select a definition of brand strategy from a number of alternatives. The alternatives were as shown in Table 6.5. Interviewees were verbally asked to select the definition that they agreed with most, and then justify their decision.

Table 6. 5. Closed questions regarding the meaning of brand strategy.

No	Definition
A	Brand strategy is a positioning strategy which is responsible for making brand image (Park et al., 1986).
B	Brand strategy comprises long-term differentiation of brands from those of competitors; brand strategy is holistic, and involves all levels of employee activity (Murphy, 1990).
C	Brand strategy comprises developing the right perception in customers' minds through different management activities (Kapferer, 1992).
D	Brand strategy entails flexibility in the face of changing market conditions (Aaker, 1996).
E	Brand strategy comprises the development of an overarching strategy for all brands and sub-brands (Keller, 1998).
F	Brand strategy is the building and sustaining of the brand through a systematic process aims at developing and strengthening different products or services sold by the firm (de Cherntony, 2001).
G	Brand strategy is a set of articulated plans and tactics used by a brand owner to achieve its brand objectives (provided by the researcher).

These definitions were presented in printed form, as above, save that items in brackets (i.e., the sources) were omitted, and that an Arabic translation was also provided (translation by the researcher). The definitions were presented at the start of the interview.

The second closed question concerned the importance of brand strategy in creating brand awareness and brand image, and influencing consumers' attributes. The question involved several "sub-questions". These sub-questions used Likert scales. Interviewees had to signify their level of agreement or disagreement with each of a number of statements pertaining to the importance of brand strategy within their company by circling a number in the range 1–5, with 1 signifying strongly disagree, 5 signifying strongly agree, and 3 signifying indifferent. The questions were printed as in Table 6.6 (again, an Arabic translations was also provided—translation by the researcher).

Table 6. 6. Closed questions regarding the importance of brand strategy within the company.

No	Statement	Rank				
		1	2	3	4	5
1	The aim of the company's brand strategy takes into consideration brand awareness, brand image, and consumer attributes.					
2	Brand positioning reveals positive brand awareness, brand image, and influences consumer attributes).					
3	The way whereby the company personifies itself in the market reveals positive brand awareness, brand image, and influences consumer attributes.					
4	The way whereby the company identifies itself in the market reveals positive brand awareness, brand image, and influences consumer attributes.					
5	The quality of the provided services reveals positive brand awareness and brand image, and influences consumer attributes.					
6	The way whereby the company attracts its customers emotionally reveals positive brand awareness and brand image, and influences consumer attributes.					
7	The way whereby the company wishes its customers to look at themselves when they deal with it reveals positive brand awareness and brand image, and influences consumer attributes.					
8	The way whereby the company presents its different services in the market (one brand name, or different brand names) reveals positive brand awareness, brand image, and influences consumer attributes.					
9	The way whereby the company communicates with its customers through delivers positive brand awareness and brand image, and influences consumer attributes.					
10	Having a branding department increases the company's understanding of brand awareness, brand image, and consumer attributes.					

Responses were scored by taking the mean of the responses to sub-questions. The question was presented to the interviewee at the end of the interview.

6.4.1.5.2.2. OPEN-ENDED QUESTIONS IN THE INTERVIEWS

Broadly, the interviews comprised five parts.

The first part explored how the managers perceived and understood brand strategy. Questions in this part were designed with the aim of exploring and identifying the practical understanding and perception of brand strategy by mobile phone service providers.

The second part explored the components of brand strategy, using the suggestions of the literature (Chapter 4) as a starting point.

The third part explored the current brand strategy of the managers' company. It aimed to understand the actual roles and position of brand strategy and to explore top the management's viewpoints.

The fourth part sought to obtain information related to the influence of brand strategy on brand awareness brand image and consumers attributes. It aimed to examine *to what extent* the different companies' brand strategy processes contribute to cultivating brand awareness, brand image, and influencing consumers' attributes.

The fifth part sought to obtain information related to brand name change and its effect on the organisation brand. It involved questions relating to the reasons for and the impact of brand identity, positive or negative image for the previous brand name(s), and the branding processes that have been undertaken.

6.4.1.6. Interview logistics

Interviews were conducted between October 2007 and January 2008. There was some difficulty in arranging the time of interviews (usually via the manager's secretary) because of the managers' heavy workload. Also, the researcher was living some distance from the company offices, which added to the difficulty of arranging mutually convenient times of interviews. Nonetheless, interviews were arranged without substantial difficulty to the researcher or inconvenience to the interviewees.

All were conducted in the interviewees' offices at a time and date convenient to them. All were conducted with only the interviewer and interviewer present. All were recorded on a portable tape recorder. The recording was with the interviewee's knowledge and permission. The researcher assured confidentiality of the provided data. Interviews lasted 1–2 hours.

All interviews save two were conducted in Arabic (the other two were in English). In conducting the semi-structured interviews, the researcher took notes in addition to recording in order to remember all the details. At the conclusion of the interview, the researcher thanked the interviewee for his cooperation.

6.4.1.7. Interview analyses

There is no "standard" way of analysing qualitative data (Punch, 2005). The analyses of interview data in the present study broadly followed that recommended by Yin (2003), in that it looked for commonalities and differences both between and within the views of representatives of the different service providers. It also broadly followed that recommended by Creswell (2007) in that it was largely descriptive. Thematic analysis was also conducted.

Boyatzis (1998) defines thematic analysis as "a process for encoding qualitative information. The encoding requires an explicit "code. This code may be a list of themes; a complex mode with themes, indicators, and qualifications that are causally related; or something in between these two forms" (p.4).

He further states

> It [thematic analysis] is not another qualitative method but a process that can be used with most, if not all, qualitative methods and that allows for the translation of qualitative information into quantitative data, *if [*emphasise added] this is desired by the researcher" (p.4).

Thematic analysis is widely used by researchers in different fields, including business (Denizen and Lincoln, 2000). It is often used without being explicitly described, and might be used under different names either (Boyatzis, 1998).

Ryan and Bernard (2000) speaking, in the context of thematic analysis stance, state that

> Themes are abstract (and often fuzzy) constructs that investigators identify *before* [emphasise added], during, and after data collection. Literature reviews are rich in themes, as the investigators" own experiences with the subject matter. (Ryan and Bernard, 2000, p. 780)

These three stances, broadly, were followed in this study.

The following points illustrate how this type of analysis can be integrated into a case study *qualitative* analysis.

First, the researcher should provide a detailed description of the case (Stake, 1995). Accordingly, the present study, company profiles were presented first. Usually this part focuses on details such as the history of the case (company), or the chronology of events.

Second, the researcher should focus on key issues or *themes* within each case. Through which a good understanding of the complexity of the case should be presented (Yin, 2003). However, Creswell (2007) describes this level as *analysis of themes* or thematic analysis, and refers to it as the process of distribution and aggregation of data into specific themes, whereby clusters of ideas and issues are organised and analysed in detail. Merriam (1988) states that through this analysis, thematic analysis, the case presents itself in a rich way. In this study, however, the themes emerged broadly from the five parts of the interviews (see above). Creswell (2007) labels this level as a *within case analysis*, if the study has more than one case. This study has four cases (see above).

Third, the prior level is followed by a *thematic analysis across* the cases. This level is labelled as a cross case analysis.

Creswell (2007) describes this as

> When multiple cases are chosen, a typical format is first to provide a detailed description of each case and themes within case, called a *within-case-analysis*, followed by a thematic analysis across the cases, called a *cross-case-analysis*. (p.75)

Fourth, interpretive phase. This phase outlines the "lesson learned" from the case (Lincoln and Guba, 1985). This is typically done through discussing the cases, and clustering these lessons under a number of headings (see Chapter 7).

6.4.2. Quantitative methodology (Objectives 2 and 3)

6.4.2.1. Respondents

Respondents comprised students (undergraduate and postgraduate) attending Jordanian universities.

6.4.2.1.1. JUSTIFICATION

Hair *et al.* (2003) list relevant criteria choosing respondents. These include (a) the respondents should possess the information the research project is designed to collect, (b) the respondents are knowledgeable of the topic of interest, (c) the respondents are accessible, and (d) the respondents are available during a time frame. Students met these criteria, thus:

- The student market is large and important for services (Almossawi, 2001).
- The student market is homogeneous and so reduces the impact of non-controllable confounding variables (Homburg and Koschate, 2004 cited in Matzler *et al.*, 2006).
- Studentucs know about and are and familiar with branding issues. Many researchers on branding consider the use of student respondents as preferable to use of other groups (Yoo *et al.*, 2000).
- Students' consumption behaviours and perceptions resemble that of the typical users; this has been confirmed by different industry sources (e.g., Lim

and Quester, 2003; Grimm, 2005; O'Cass and Grace, 2004; Hayes *et al.*, 2006).

It is for such reasons that many leading researchers in branding (e.g., Aaker and Keller, 1990; Martinez and de Chernatony, 2004) use student respondents.

As far as the present study was concerned, students also comprised an accessible and convenient pool of potential respondents.

6.4.2.1.2. SAMPLING

Sekaran and Bougie (2010) defines sampling as "a process of selecting a sufficient number of the right elements from the population" (p. 266). Population is defined as "the entire group of people, events, or things of interest that the researcher wishes to investigate" (Sekaran and Bougie, 2010, p. 262).

6.4.2.1.2.1. SAMPLING METHOD

The present study used a *probability multi-stage random* sample. This kind of sample usually comprises a series of *probability sampling techniques* in order to achieve higher operational and technical efficiency (Easterby-Smith *et al.*, 2008). Saunders *et al.* (2009) define a probability sampling techniques as a type of sampling whose results can be generalised on population, as every one of the population has a chance of being selected as a subject.

The first stage in the present study used a *cluster sample.* Saunders *et al.* (2009) define a cluster sample as "a probability sampling procedure in which the population in which the population is divided into discrete groups or cluster prior to sampling" (p.588). Jordan is divided into three regions: the Central Region, the North Region, and the South Region; each has several universities within it (Jordan has 21 universities in all). The researcher obtained the official help of the Research and Statistics Department in Jordan's Ministry of Higher Education. The Department of Research and Statistics selected one university pseudo-randomly from each region, using sample randomizer software. The universities so chosen were Jordan

University (Central Region), Yarmouk University (North Region), and Mu'tah University (South Region).

In the academic year 2006/2007, there were 218,904 students (Ministry of Higher Education and Scientific Research, 2007). Each student is given a student identification number, and each relates to the specific university he or she attends and the nature of his or her course (post- graduate or undergraduate). The Department of Research and Statistics had access to all student identification numbers and other relevant information. The total number of students for these three universities for the academic year 2006/2007 was 80,461 (Ministry of Higher Education and Scientific Research. 2007).

The second stage comprised stratifying the students as undergraduate or postgraduate (again see Easterby-Smith *et al.*, 2008; Sekraan and Bougie, 2010), because there are fewer postgraduate students than undergraduate students. After determining the number within each stratum (undergraduate or postgraduate (see below), a pseudo-random number was generated for each student group within each university, and thereafter the n^{th} student in each list of students was included as a potential respondent (see Hair *et al.*, 2003, p. 212). This was done by the Department of Research and Statistics using sample randomizer software.

6.4.2.1.2.2. Resultant sample

Table 6.7 shows the breakdown of student numbers, undergraduate and postgraduate, for the three universities.

Table 6. 7. Breakdown of student numbers for the three universities.

University	Postgraduate (numbers)	%	Undergraduate (numbers)	%	Total	%
Jordan	5080	13	34251	87	39331	49
Yarmouk	3755	15	21315	85	25070	31
Mu'tah	1453	9	14607	91	16060	20

Total	10288	13	70173	87	80461	100

Evidence suggests that for a population up to 10,000,000, one needs a sample of around 384 respondents (e.g., Hair *et al.*, 2003; Saunders *et al.*, 2009; Sekaran and Bougie, 2010). Evidence also suggests that in postal surveys in business research, response rates may be as low as 20-10% (Saunders *et al.*, 2009). Accordingly, 2000 students were selected by the methods described above. This should have yielded 400 or so potential respondents. Table 6.8 shows the stratification breakdown of the questionnaires sent.

Table 6. 8. Stratification of questionnaires sent

University	Postgraduate /questionnaires (numbers)	%	Undergraduate/ questionnaires (numbers)	%	Total questionnaires (number)	%
Jordan	127	13	853	87	980	49
Yarmouk	93	15	527	85	620	31
Mu'tah	36	9	364	91	400	20
Total	256	13	1744	87	2000	100

6.4.2.2. Questionnaire

Questionnaires are a popular research tool (see, e.g., Oppenheim, 1992; Hair *et al.*, 2003; Easterby-Smith *et al.*, 2008; Sekaran and Bougie, 2010). A questionnaire is defined as "a preformulated written set of questions to which respondents record their answers, usually within rather closely defined alternatives" (Sekaran and Bougie, 2010, p.197). As indicated (quantitative methods) a questionnaire is an appropriate tool when the researcher knows exactly what data are required to answer his/her research questions and how to measure his/her research variables. It allows the collection of data from a large sample prior to quantitative analysis, and can be administered electronically, personally, or by mail (Sekaran and Bougie, 2010).

Most questionnaires are *personally administered questionnaires.* These are usually presented to the respondents by an interviewer or by someone in an official position

(Oppenheim, 1992). Personally administered questionnaires may be completed by respondents either individually (i.e., when alone) or in groups (i.e., several respondents each completes his or her questionnaire in a group setting).

Personally administered questionnaires have the advantage that the researcher collects the completed responses within a short period of time, and any misleading questions can be clarified to the respondents (Sekaran and Bougie, 2010). They have the disadvantage that organisations may be reluctant to give up company time for the survey with groups of employees assembled (Hussey and Hussey, 1997).

Questionnaires may be printed and then given to respondents by the researcher manually. However, for large samples, as was the case in the present study, they may be administered at a distance.

6.4.2.2.1. PERSONALLY ADMINISTERED QUESTIONNAIRES USED AT A DISTANCE.

There are two main options: electronic questionnaires and mail questionnaires.

6.4.2.2.1.1. ELECTRONIC QUESTIONNAIRES

These types of questionnaires are delivered and returned electronically using either e-mail or the internet (Saunders *et al.*, 2009). E-mail questionnaires have advantages: they eliminate paper costs and reduce distribution time; the response rate can be increased because the researcher can make a direct contact with the respondents. However, they have the disadvantages that it may be difficult to determine respondents' e-mail addresses and that maintaining anonymity is difficult to impossible. Because of this latter disadvantage, e-mail questionnaires were not considered appropriate for the present study.

Internet questionnaires can be advertised on the internet, with respondents being invited to access a web site to complete them. However, response rates are likely to be low and there are considerable problems of non-response bias (Saunders *et al.*, 2009). Thus internet questionnaires were also considered inappropriate or the present study.

6.4.2.2.1.2. MAIL QUESTIONNAIRES

Mail questionnaires are common (Oppenheim, 1992). The questionnaire and a covering letter are posted to potential respondents with a prepaid envelope for returning the completed questionnaire. This type of questionnaire can be used for descriptive studies, and for examining and explaining relationships between variables (Saunders *et al.*, 2009).

Mail questionnaires are most useful when large numbers of respondents need to be reached in different geographical regions. They have the advantage that respondents can take their time to respond at their convenience (Sekaran and Bougie, 2010). They also have the advantages of low cost of data collection and processing (Cooper and Schindler, 2001), of providing respondents time to complete them, and reassuring respondents of anonymity (Sekaran and Bougie, 2010).

Mail questionnaires have disadvantages: as indicated, low response rates are common (Oppenheim, 1992; Hussey and Hussey, 1997; Cooper and Schindler, 2001; Hair *et al.*, 2003); respondent uncertainty as regards questions cannot be clarified (Oppenheim, 1992; Sekaran and Bougie, 2010).

Despite these disadvantages, a mail questionnaire was deemed the most appropriate or to present study. Also, some such disadvantages may be overcome by suitable questionnaire design, coupled with a pilot study (see below).

6.4.2.2.2. QUESTIONNAIRE DESIGN

6.4.2.2.2.1. GENERAL CONSIDERATIONS

There are two main considerations in questionnaire design (e.g., Sekaran and Bougie, 2010), thus:

- A questionnaire should measure the things it intends to measure.
- It should be easy to use, from the perspective of both the researcher and the respondents.

As regards the first of these, there are two main considerations: (a) language should be clear (Oppenheim, 1992; Frankfort-Nachmias and Nachmias, 1996; Saunders *et al.*, 2000; Hair *et al.*, 2003); (b) the wording should be such as to avoid biasing respondents' answers (Oppenheim, 1992; Frankfort-Nachmias and Nachmias, 1996). Sources of bias include leading (e.g., emotionally laden) questions and double-barrelled (ambiguous or two-pronged) questions.

The questionnaire in the present study was first designed (in English) with these considerations in mind. It was then subjected to substantial review (including translation to Arabic) and assessment (see below). The final English and Arabic versions of the questionnaire are provided in Appendices A and C respectively.

The second consideration (ease of use) pertains to the questionnaire's format.

6.4.2.2.2.2. QUESTIONNAIRE FORMAT

The questionnaire was in four sections—A–D. Section A dealt with respondents' use of mobile phones (e.g., which mobile phone service provider they used). Section A was addressed only to the respondents who, at the time, owned a mobile phone. Section B dealt with respondents' brand preference. Section C—in 14 parts—dealt with each of the 14 putative factors that facilitate brand preference (brand image, location, price, etc.). Section D dealt with respondents' personal characteristics (gender, income, etc.).

With two exceptions, all questions were closed. The open-ended questions were "How long have you been using your mobile phone for?" (Question A6) and "If you are going to use a mobile phone, please state which company you will to deal with, and why?" (C3)—see Appendix A. This latter question, obviously, was addressed only to those respondents who did not at the time own a mobile phone. All other questions in Sections A and D used forced choice. All other questions in Sections B and C, with one exception, used Likert scales. The exception was "Generally, do you think it is quite complicated to choose the right mobile service provider's brand?" (C2)

All Likert scales were 5-point, with 1 signifying "strongly disagree" and 5 signifying "strongly agree". Table 6.9 illustrated the format, using the brand personality items used in the questionnaire.

Table 6. 9. Example Likert scales used in the questionnaire..

1= Strongly disagree 2= Disagree 3= Neither agree nor disagree 4= Agree 5= Strongly agree						
	Brand Personality	**1**	**2**	**3**	**4**	**5**
C1.1	This company is honest					
C1.2	This company is up to date					
C1.3	This company is successful					
C1.4	This is an upper class company					
C1.5	This is a tough company					

These Likert scale items were adapted from those used by Aaker (1997).

Notice that there are five questions on brand personality, and all are in the same "direction" (using a multi-directional—i.e., similar questions giving "opposite responses" was considered, but was rejected on the grounds that it might confuse respondents). Because there were five questions on brand personality, the mean response for each respondent for brand personality was taken as the respondent's overall "score" for brand personality.

Not all topics using Likert scales had five questions. Table 6.10 shows the number of questions for each of the Likert scales topic in the questionnaire. The table also lists the sources of the Likert scale items.

Table 6. 10. Number of Likert scale questions per topic.

Topic	**Section**	**Number of questions**	**Source**
Brand preference	B	6	Adapted from Jamal and Good (2001) and Hellier *et al.* (2003)

Brand personality	C	5	Adapted from Aaker (1997)
Price	C	3	Adapted from Lassar *et al.* (1995)
Quality	C	12	Adapted from Lim *et al.*, (2006)
Country of origin	C	3	Adapted from O'Cass and Grace (2004)
Location	C	7	Adapted from O'Cass and Grace (2004)
Employee service	C	7	Cronin and Tylor (1992) and Grace and O'Cass (2005a)
Corporate reputation	C	7	Adapted from Souiden *et al.*, (2006)
Corporate image	C	5	Adapted from Souiden *et al*,. (2006)
Advertising	C	4	Adapted from Holbrook and Batra (1987) and Grace and O'Cass (2005b)
Publicity	C	4	Adapted from Bansal and Voyer (2000) and Grace and O'Cass (2005b)
WOM	C	4	Adapted from Bansal and Voyer (2000) and Grace and O'Cass (2005b)
Satisfaction	C	5	Adapted from Hellier *et al.*, (2003)
Perceived risk	C	5	Adapted from Mieres *et al.*

			(2006)
Reference group	C	13	Adapted from Park and Lessig (1977)

Obviously, for each respondent, scores for each topic were averaged (mean) as described above.

6.4.2.2.2.3. REFINEMENT AND PRE-TESTING

Refinement of questionnaires is important (e.g., Saunders *et al.*, 2009), as is pre-testing (Jankowicz, 1991). A prototype questionnaire was first produced and refined by the researcher. He then gave it his supervisor, who suggested various amendments. The researcher made these. He then gave the revised questionnaire to 10 peers—6 studying for PhDs in Bangor Business School and 4 studying for similar doctorates at other UK universities. These peers suggested minor revisions. The researcher made these. He then produced a first draft in Arabic. He sent the Arabic and English drafts independently to four Arabic–English bilingual professors at different Jordanian universities. Each professor had a PhD from a UK or US university in a related (i.e., business or marketing) discipline. The professors were asked to comment on (a) the questionnaire design and format, and (b) the translations. They suggested minor improvements in the translation only.

The Arabic questionnaire was then field-tested on 15 Jordanian university students, identified from the 2000 on the "target" list (see above). These students were sent a letter (see Appendix E) explaining the needs of the research, and that they were being asked to comment on the questionnaire's design and clarity, as well as complete it. Seven of the 15 returned the questionnaire. None made negative comments on its design or clarity.

6.4.2.2.2.3. COVERING LETTER

A good covering letter is essential for mail questionnaires (Dillman, 1978; Frankfort-Nachmias and Nachmias, 1996; Hussey and Hussey, 1997; Saunders *et al.* 2009).

Respondents must know what they are doing, both for ethical reasons and for reasons of validity of the research. A good covering letter may also help increase the response rate.

Frankfort-Nachmias and Nachmias, (1996, p.266) state that the covering letter must:

- Identify the person(s) or organisation(s) conducting the survey
- Clarify the purpose of research
- Explain the significance of the survey
- Assure the respondents that the data provided will be treated in strict confidence.

The covering letter was written with the above criteria in mind. It was printed on Bangor University headed notepaper (see Appendix B for letter).

In order to boost response rates, two letters were sent to potential respondents who had not returned completed questionnaires. The first was sent in December 2007, and the second in January 2008.

6.4.2.2.3. DEFINITIONS OF VARIABLES.

The variables tested in the model (Figure 5.1; Table 6.10) use *operational* definitions of variables. Operational definitions are those made in terms of measurement procedures. Operational definitions are closely associated with the philosophy of positivism. All 15 variables, in this sense, may be defined in terms of consumer scores on how they rate them as measured by the Likert scales in the questionnaire. The important thing here is that often these are proxy measures. Proxy measures are those that do not measure phenomena directly. Instead, they use indirect measures that may be plausibly associated with the phenomena under consideration. In the present study there is no direct measure of advertising (e.g., advertising budget). The reason for this is twofold. First there is practicality (it might prove difficult to obtain advertising budgets from the companies. Second, there is the problem of which objective measure—assuming relevant data could be obtained—would be the "best". In the case of advertising, this might be budget (as indicated) but it might also be air-time on television, number of other advertisements in other media, and so forth. In a sense, therefore, all measures of advertising are "proxy" measures, so one may simply use the most convenient.

6.4.2.2. Analyses

6.4.2.2.1. DESCRIPTIVE STATISTICS (OBJECTIVE 2)

The descriptive statistics provided a complete breakdown of results the questionnaire. Thus main areas of analysis comprised respondent profile (gender, income, etc.), use of and attitudes to mobile phones (frequency of use, etc.), and brand preference and its determinants (image, price, personality, etc.). See Chapter 8.

6.4.2.2.2. INFERENTIAL STATISTICS (OBJECTIVE 3).

6.4.2.2.2.1. RATIONALE

The inferential statistics were designed, as indicated, to determine the factors that influence consumer brand preference as regards mobile phones in the Jordan. In this, again as indicated, there were two main questions:

> Are the factors identified by the literature genuinely different?
> Are the factors identified by the literature that are genuinely different causally relevant?

As regards the first of these, it might be, for instance, that corporate image and corporate reputation, each sometimes treated separately in the literature (Chapter 3), are so related that, in practice, they account to one thing—"customers corporate perceptions", say.

As regards the second, it is one thing for a factor to be conceptually distinct; it is another for it to be causally relevant. It might be, to use the previous example, that consumers do distinguish between corporate image and corporate reputation. But it might also be, contrary to what some literature suggests, that one or both of these factors is/are irrelevant in terms of the mobile phone brands Jordanians prefer to use.

The first of these questions may be answered by principal component analysis (PCA). The second may be answered by use of multiple regression.

6.4.2.2.2.2. PRINCIPAL COMPONENT ANALYSIS

The first thing to note about PCA is that it is not, strictly speaking, a tool in inferential statistics. It is a tool in descriptive statistics (e.g., Pallant, 2007). The second thing is that it may tell one not so much what is "real" as what is "useful" (and even then, what it identifies as being "useful" may be misleading). These issues are discussed further in Chapter 9. For the present, one need only know that the PCA was carried out for three reasons. First, as indicated, it was important to determine whether the factors (or components) that influence brand preference could be simplified. Second, in terms of causality, multiple regression, which was used to determine potential causally relevant factors, is less liable to violations of regression assumptions when there are few predictor (independent) variables (e.g., Pallant, 2007), and the model as provided in Chapter 5 had 14 such variables. Third the PCA, in combination with internal reliability statistics (Cronbach's alpha) could be used to remove unreliable items from the questionnaire.

The precise details of the PCA as used in the present study are discussed in Chapter 9.

6.4.2.2.2.3. MULTIPLE REGRESSION

The multiple regression model used in the present study is that shown in Equation 6.1.

$$\text{Brand preference} = \beta_1 + \beta_2\,\text{FACTOR}_1 + \beta_2\,\text{FACTOR}_2 + \ldots \beta_2\,\text{FACTOR}_n + \varepsilon \qquad \text{Equation 6.1.}$$

Where $FACTOR_x$ pertains to pertains to each of the putative determinants of brand preference as identified by the PCA outlined above. Of course, it should be expected that some of these factors should be identical to the factors as identified by the literature (price, location, etc.). However, again as indicated, they need not be. Thus the regression model was used to test H_1 through H_{14} (or H_x through H_y in the event of the PCA being successful in reducing the number of factors).

The regression analysis was also necessary to quantify each factor's relative importance. It is one thing for a factor to be "significant" in a statistical sense. It is another for it to matter, much. Again, this is discussed further in Chapter 9.

Finally, it should be noted that though regression and related techniques may indicate fairly conclusively that a putative casual factor is not, in fact, causal, regression cannot, in itself, demonstrate causality. Yet again, this is discussed further in Chapter 9, as are the details of the regression.

6.4.2.2.2.4. STATISTICAL SOFTWARE

All formal statistical tests and descriptive statistics were performed using SPSS for Windows (Version 15) (Chicago, Illinois).

6.5. RELIABILITY AND VALIDITY

6.5.1. Reliability

Reliability is raised as a credibility issue concerning the use of either quantitative data collection methods–questionnaire –or qualitative data collection methods–semi-structured interview (Sekaran and Bougie, 2010). Sekaran and Bougie (2010) define reliability as "a measure indicates the extent to which it is without bias (error free) and hence ensures consistent measurement across time and across the various items in the instrument (p.161). In other words, reliability pertains to stability and consistency of the instrument. This is to say that the *goodness* of measure and quality of data lie at the heart of reliability as a concept.

There are two main considerations of reliability: internal reliability and external reliability. The first is technical. It pertains to each measure of a given phenomenon providing the same (or similar) result(s) to that (or those) of other measure(s) in the same study, when each measuring instrument is broadly similar. In the case of the present study, this implied that each Likert scale measure of a given factor (e.g., in each of the six measures of brand preference) provided more or less the same result, at least on average. This was tested statistically, through Cronbach's alpha. Cronbach's alpha is in essence a measure of mutual correlation. In the present study, all values of Cronbach's alpha were acceptably high (> .7), thus indicating that the measures had high internal reliability (see Chapter 9).

External reliability pertains to different measures providing similar results, the same measures giving the same results at different times, or a combination of both (different measures providing the similar results at different times). In this, Punch (2005) argues that use of non-standardised research methods is not necessarily intended to be repeatable since the methods reflect reality at the time(s) data were collected in situations that may be subject to change. The same caveat may be expressed about any external reliability. When phenomena genuinely change, one should not expect any measure to be "reliable" over time.

As regard the semi-structured interviews, Easterby-Smith et al., (2002) state that reliability, in this regard, is concerned with whether alternative interviewers would reveal similar information. However, Marshal and Rossoman (1999) emphasises that the issue of reliability is that the findings from non-standardised research methods are not necessarily intended to be repeatable since they reflect reality at the time they were collected, in a situation that may be subject to change. The value of using such non-standardised approach is derived from flexibility that may be used to explore the complexity of the topic. Case study approach as a *qualitative strategy* is concerned much with data complexity.

However, Saunders et al., (2009) argue that reliability in such types of interviews may relate to bias. This can happen when, for example, the researcher asks interviewees *sensitive* questions that they do not wish, or are not empowered to discuss. Equally, Easterby-Smith et al., (2008) state that the interviewer's comments, tone or behaviour might make bias in the way that interviewees respond to questions being asked, in particular where the interviewer attempts to impose his/her beliefs through particular questions.

However, many authorities (e.g., Creswell, 2007; Saunders et al., 2009; Sekaran and Bougie, 2010) suggest several reliability procedures for semi-interviews:

- The researcher *generally* should familiarise interviewees with the themes before the event, to let them prepare themselves (Saunders et al., 2009).
- The researcher should commence the interview with identical opening comments, including appreciating the participation, the purpose of the research, the right to confidentiality and anonymity, the participant's right not to answer any question and the participant available time (Saunders et al., 2009).
- The recording of interviews should be with the interviewee's knowledge and permission (Sekaran and Bougie, 2010).

The researcher followed these procedures to avoid, or *minimise*, interview bias.

As regards the present study, also the two main measures—qualitative and quantitative—provided broadly similar results, so this gives more confidence to the reliability of the study.

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The researcher, however, followed these procedures to avoid, or *minise*, interview bais.

As regards the present study, also the two main measures—qualitative and quantitative—provided broadly similar results, so they appear reliable.

6.5.2. Validity

Validity pertains to whether a putative measure of a phenomenon genuinely measures it (Hussey and Hussey, 1997). There are two main types of validity in which researchers are interested: external validity and internal validity (Creswell, 2009). External validity "is the researcher's ability to draw correct inferences from the sample to other persons, other settings and past or future situations" (Creswell, 2003, p.171). External validity depends on selection of a representative sample, and it is difficult to generalise the findings unless the drawn sample is representative of the population. The validity of a sample relies on two considerations, accuracy and precision. Accuracy refers to the degree to which bias is absent from the sample; precision refers to the extent to which the characteristics of a sample are similar to that of the population. Precision is measured by the standard error of estimate; the smaller the standard error of estimate, the higher is the precision of the sample (Scheaffer *et al.,* 1990).

In the present study, there were two samples: the sample of managers and the sample of students. The sample of managers was representative by definition—it comprised, in effect, the majority of Jordan's senior managers who worked in Jordan's mobile phone service provider industry. In other words, the sample of managers was, in effect, virtually the same as the population.

The sample of students is more challenging. For this reason, multi-stage sampling was used, to ameliorate external validity threats as far as possible. However, it appears that the sample of students was representative of Jordanian students. The distribution of large questionnaire number (i.e. 2000), initially, used to overcome this problem to an extent. This might free the data from systematic bias, as many authorities (e.g., Hair *et al.,* 2003; Sekaran and Bougie, 2010) suggest that large sample size is more representative, thus, researchers may attach better confidence to generalising the findings.

Equally important, it is an act of faith that Jordanian students are representative of the general population. As indicated, use of students is common in the literature, and, in areas other than Jordanian mobile phone service providers, students have been shown to be "good" respondents. Moreover, all the variables included have a standard deviation with a value less than 1 (see Chapter 9, section 9.5). Thus, it is possible to generalise the findings of this study. Therefore, external validity was established in this research.using

Internal validity is the ability of a research instrument to measure what is purported to measure (Cooper and Schindler, 2001, p. 211). Internal validity is broadly concerned with several types of validity. These include content validity and construct validity.

Content validity ensures that the measurement scale includes an adequate and representative set of items that represent the concept (Punch, 2005). Content validity can be determined by a careful definition of the research topic and the items included in the measurement scale (Punch, 2005). As regards the present study, the measuring instruments—mostly Likert scales—were drawn from the literature. According, the present study therefore has good content validity.

Construct validity testifies how well the results obtained from the use of the measure fit the theories around which the test is designed (Punch, 2005). Construct validity in the present study was checked by field testing the questionnaire. Again, the present study appears to have sound construct validity.

On the other hand, the validity of the interview data is important as well. Semi-structured interview pertains to the extent to which the researcher obtains full access to the knowledge and meaning of respondents. Usually, the validity of in-depth and semi-structured interviews is very high; this refers to the flexible and responsive interactions which are possible between interviewer and respondents, allowing the meaning to be probed, the topic to be covered from a variety of angles and questions made clear to respondents. In this study 12 top managers were interviewed; through good preparation for the interviews they were encouraged to give the researcher the required data. Also, there were many things which helped in encouraging the interviewees to provide data: the researcher's ability to construct a good rapport or trust with the interviewees through personal visits to their offices, emphasising the confidentiality of the obtained data, good strategies applied through conducting the interviews in terms of avoiding any kind of biases, taping the entire interviews where possible and taking notes.

6.6. SUMMARY

The present study aimed to answer three related questions. These broadly related to how Jordanian mobile phone service providers formulate and perceive brand strategy, how Jordanian consumers perceive and use mobile phones, and the causally relevant factors in determining brand preference. The methodology comprised an embedded design in which the first question was addressed using qualitative methods, the second using quantitative (descriptive) methods, and the third by using quantitative (inferential methods).

The next three chapters provide respective answers to these questions.

CHAPTER 7: QUALITATIVE ANALYSIS OF BRAND STRATEGIES OF MOBILE PHONE SERVICE PROVIDERS

7.1. INTRODUCTION

This chapter presents the results of the qualitative analysis phase of this study. Data were collected from the mobile phone service providers in Jordan in the manner described in the previous chapter. Data were collected in order to explore how brand strategy and its role in building customers' brand awareness, brand image, and customers' attributes are perceived by Jordanian mobile phone service providers. The analysis was as described in the previous chapter.

This chapter discusses the qualitative analysis findings—this analysis addresses the first objective of the study: to explore Jordanian mobile phone service providers' brand strategies and its influence on brand awareness, brand image, and consumer attributes. Results are presented for each company in turn. Discussion is presented through the cross case analysis.

7.2. WITHIN CASE ANALYSIS OF ZAIN

7.2.1. Company profile

Zain was established in 1983 in Kuwait as the region's first mobile operator. Since 2003, it has shown substantial growth. It is now the fourth largest telecommunications company in the world in terms of geographic presence. It has a footprint in 22 countries spread across the Middle East and Africa (Map 7.1), and provides mobile voice and data services to 56.3 million customers (Zain, 2009).

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Map 7. 1. Countries in Middle East and Africa using Zain.

Source: (Zain, 2009).

In Bahrain, Iraq, Jordan, Kuwait, Saudi Arabia, and Sudan, the company operates under the brand name *Zain*. In Lebanon, the company operates as *Mtc-Touch*. Prior to 2007, in Africa, it operated under the brand name *Celtel*. From 2007 onwards, Celtel operated under the brand name *Zain* in Africa. In Jordan, Zain first operated onder the brand name *Fastlink*. In 2007, it changed the brand name to *Zain*. Because of this multiplicity of brand names, each referring to the same company, for simplicity the following text refers to each as Zain.

Zain's market share varies according to country. It is the market leader in 11 of 15 sub-Sahara countries. Its share in Arab countries is as follows: Bahrain (48%), Iraq (70%), Jordan (39%), Lebanon (57%), Kuwait (57%), and in Sudan (49%) (Zain, 2009) (Zain provides no details of its market share in Saudi Arabia).

In Jordan, Zain was the first Mobile Network in the country. It was established in 1994, and it is currently the largest company in the Jordanian market in terms of number of subscribers (39% of the market share) (Zain, 2009).

7.2.2. Zain's perspective on brand strategy

As indicated (Chapter 6), there are different definitions of brand strategy. Table 7.1 shows the choices of brand strategy definition of Zain's managers.

Table 7. 1. Zain managers' choices of definition of brand strategy.

Number of managers accepting definition	Definition
2	G: Brand strategy is a set of articulated plans and tactics used by a brand owner to achieve its brand objectives
1	C: brand strategy comprises developing the right perception in customers' minds through different management activities.
1	D: Brand strategy entails flexibility in the face of changing market conditions.

The table shows that two managers chose Definition G (the definition as provided by the researcher—see Chapter 6) as the most relevant definition to Zain, one chose Definition C, and one chose Definition D.

The first two managers provided different reasons for their choices. The first respondent justified his choice saying:

> Well, let me say Definition G to me says it all. It encapsulates what a company wants its brand to achieve and how it can achieve that. (Executive Manager, Zain)

He clarified this, saying:

> Look, we want our brand to say something and achieve something. That is, our aim is to be a global mobile network brand by the year 2011, more precisely one of top 10 companies in the world with a primary focus on achieving excellent returns for our shareholders. Thus, we have implemented various steps to make this aim possible, such as presenting our services in 22 countries under one brand [i.e. Zain], concentrating on increasing our subscribers, differentiating ourselves, and producing high-value technology. This trend towards internationalisation will impact positively on

> Jordanian subscribers' recognition, which results in retaining our position as the first and the leading mobile network operator in Jordan and ultimately achieving good financial returns. (Executive Manager, Zain)

The second manager justified his choice of Definition G as follows:

> Well, to me a brand is a courier of a company. This courier is not silent. It speaks, and its speech is full of connotations to suit everybody (at least as we think). Strategy, however, is the way whereby we spin this speech to suit everyone's imagination in an ongoing way based on market conditions. In other words, we have tried to build a beautiful, good, wonderful, and strong brand through professional, world-class lifestyle services to our subscribers. Achieving this involves exceeding our subscribers' anticipations, rewarding our employees, and giving our shareholders high profits. (Communication Manager, Zain)

The third interviewee chose Definition C, explained his choice as follows:

> I think the ultimate goal of brand is to provide a good image about one's organisation in customers' minds. Our firm has currently a skill blend to make and enhance customers' awareness and image. We concentrate on customers' particular attributes, such as the value of family in our society [the Jordanian society]. Um [pause]. For me, this is the aim of brand strategy. (Marketing Manager, Zain)

The fourth respondent prefered Definition D. She stated:

> Look, when you have a brand already you have a purpose. The strategy for me is how could you live and protect your brand in the market whatever the conditions. If you take this into consideration you can always ameliorate your customers' fears. (Branding manager, Zain)

The first manager's comments suggest the company aims to be a global player in the telecommunications market by the year 2011. The second manager's comments are consistent with this, emphasising that Zain aims to meet the needs of three groups:

subscribers, employees, and shareholders. The other two managers' comments differed slightly. One suggested that the ultimate aim of brand is to build good awareness and image based on customers' attributes. The other suggested that brand strategy is about dealing with the ongoing changes in the market, particularly as regards assuaging customers' fears. Zain's Executive Manager and Communications Manager considered these two points as tactics rather than strategy.

7.2.3. The process of brand strategy within Zain

In order to be among the world's leading mobile phone service providers by 2011, Zain formulated a broad strategic plan. The broad plan of Zain is to integrate the internal growth of existing operations and to expand into new geographical areas. Based on this, Zain identified four strategic approaches: (a) a focus on the mass market and a segmented customer strategy, (b) competitive positioning and differentiation of services, (c) high-value technology, and (d) reorganization of company management (Zain, 2008). In this regard, the first comment of Zain's Executive Manager (see above) echoes the broad plan of Zain's strategy, and reflects Zain's strategy in Jordan.

The Executive Manager's comment hints at a relationship between Zain's business strategy and its brand strategy through two elements: (a) brand positioning (increasing subscribers), and (b) brand (especially functional) values (providing high technology). To clarify this, and to understand how Zain decides the potential factors of its brand strategy, the Executive Manager was asked how Zain decides its brand strategy. He stated:

> I believe that brand strategy is the way in which business strategy is translated to the marketplace; thus, brand strategy in general, and its potential factors or elements in particular, are selected according to its ability to transform and present this mission. (Executive Manager, Zain)

The Branding Manager had the same viewpoint. He stated that business strategy is the backbone of building and influencing brand strategy. Thus:

> Well, to me Zain's main strategy guides the process of brand strategy. How? Our strategy aims to retain and increase our market share in Jordan. This will happen only if customers stay using and purchasing our services. We design our brand strategy to persuade the current subscribers to stay with us, and to attract other customers to join us. (Branding Manager, Zain)

One interviewee mentioned a further factor influencing market variability. Zain's strategy in terms of market segmentation is mass market. This means it targets all different groups and offers them, to an extent, the same marketing mix. The Marketing Manager articulated this point in relation to two of Zain's four strategic approaches. He stated:

> Our brand strategy is driven by what our company wants to achieve and by the nature of the market that we operate in. For example, here in Jordan, we would like to increase the number of our subscribers by targeting under-penetrated segments. At the same time we try to increase the value of our services to our current customers. (Marketing Manager, Zain)

The two strategic approaches to which the manager refers are the focus on the mass market and competitive positioning and differentiation. These two approaches were presented by Zain's Brand Manager as a bridge between Zain's overall business strategy and its brand strategy. His comment testified to a link between Zain's aim ("what our company wants") and Zain's brand strategy *mission* ("in Jordan . . . we would like to increase the number of our subscribers"). These two points lead to the details of Zain's brand positioning strategy.

7.2.3.1. Zain's brand positioning

The aim of the company and the nature of its market delineate the way whereby it positions itself in customers' minds. Zain is the market leader in the Jordanian telecommunications market. It has always tried to position itself as a leader. Thus:

> Be first, be daring and be different. This is the motto that has guided us from our beginnings from a small regional player

> to an international leader, and it will guide us to being a global player, to global leadership. You are as large as your dream and as able as the capabilities you build. (Executive Manager, Zain)

In this regard, Zain's original target market comprised only those people who were interested in a mobile phone service and who could afford it. Yet the company says it designed itself from the beginning to service the whole of the Jordanian market.

> Our company has an aim and wants to satisfy it. For us, to be the first choice service provider has been the aim since the first day of our services. For me, being the "only" in customers' minds is the real translation of our aim. (Communication Manager, Zain).

Initially, Zain's leadership in the Jordanian telecommunications market came from being the only established mobile network company (this was during the period 1994–1999); it was relatively easy during this period for it to impose itself on customers' minds. During and after that time, Zain tried to persuade Jordanian customers that it had, and has, world-class services.

> We have focused on mass marketing, in terms of service quality and the number of subscribers, through adopting a fully segmented market approach. (Marketing Manager, Zain)

Because it was the only mobile network company in Jordan for the first four years of its existence, Zain targeted the whole of the market and positioned itself in it. But since 1999, other mobile network companies (first Orange, then XPress, and, later, Umniah) have entered the Jordanian market.

Zain reacted to competition by continuing to position itself as leader. Zain perceives being a market leader as, not only being the first in the market, but also as a patriot and pioneer. Thus, during the first stage of competition, Zain differentiated itself from its competitor as being the "Jordanian" company. The differentiation was based on a patriotic slogan in Arabic *Minna w Feena*, which translates to "One of us". Note that, because Orange was originally a French company, the slogan had an element of Jordanian chauvinism. One may also note, here, the power of a tribal membership and (extended) families as a reference groups in Jordan. This slogan sounds very tribal, at least to Jordanian people. Zain used this to retain and attract customers, and to make them fear going to other competitor (i.e., Orange) for being the second class "tribe".

The strategy employed effective tactics. Zain persuaded some prominent politicians and businesspeople to allow themselves to be identified with Zain; the company used their images to portray itself as a patriotic mobile phone service provider (see below). The patriotic theme ran alongside promotion of Zain as a pioneer in mobile phone services market. In this, Zain presented (and continues to present) itself as the best company in terms of service quality.

This strategy promoted the idea that being a customer of Zain means that one has a good income and can afford an expensive mobile phone services—that is, one is among the elite. This aspect of the strategy reflects the importance of self-esteem in Jordanian (and other Arab) society. Jordanians like to think that they are not among the poor, and, equally important, not among those people who care only for price. The Branding Manager spoke of the importance of understanding how people feel:

> We have always had a first mover advantage in brand positioning . . . you know, when you work for about four years in the market alone . . . and, you know, our market is limited–you talk about 6 millions–you can understand what people want and simply give it to them. (Branding Manager, Zain)

Thus Zain consciously tailors its brand strategy to its analyses of customers' attributes. (It does this with particular reference to reference group power, ameliorating customer fears, and satisfying customers' functional and emotional needs—i.e., providing added values).

Since 1999, the same strategy (being the "first") has continued. However, Zain has also concentrated on service quality. This was in reaction to rival companies waging a price war against Zain (see below). Thus Zain was the first company in Jordan to introduce GPRS (General Packet Radio Service) technology (in 2002), and was the first in Jordan and the Middle East to introduce MMS (Multimedia Messaging

Service) technology (in 2007). In this sense, Zain tried to integrate its marketing mix with its brand positioning—it positioned itself as market leader, concentrating on the quality of its offered services compared with those of its competitors.

> Since the date of establishment in 1994, we have had the foremost position in the telecom market in Jordan through adopting a far sighted policy of investment in adopting cutting edge technology to provide state of the art services to clients. (Marketing Manager, Zain)

7.2.3.2. Zain's brand personality

Zain thinks carefully about the influence of brand personality on its customers. As mentioned (Chapter 4), brand personality identifies commercial brands as persons. The question therefore concerns how Zain wants its customers to personify it.

Zain has developed the persona of a strong, smart, kind, loving young man. Zain conveys this picture through its tagline *a wonderful world.* This tagline is aligned with other expressions: *we are your caring family, helpful friends, desirable dreams, charming lady*, and similar. Note that an appeal to reference groups is explicit in these taglines. In this way, Zain cultivates a sense of consideration and trust with its customers; it is a company that takes care of them. Zain wants to be more than a network provider; it wants its customers to experience a lifestyle, and use their brand to express who they are?

Zain conveys its brand persona through social responsibility. It portrays itself as *a global citizen.* This notion is found everywhere in Zain. It starts from the philosophy of the company, and spreads through charitable projects. In Jordan, Zain's social responsibility is exemplified in four ways: in education, health, youth and sports, and community support.

Zain recognizes that social responsibility is an attractive and influential trait in Middle Eastern culture—social people should be *socially responsible* people. One can call this social responsibility *sociability.* Zain's sociability reflects this. In education it provides more than 20 educational grants each year. In health, it launched mobile clinics in 2002 to provide medical care for children throughout

Jordan. In youth and sport, it funds a football tournament for children each year. This tournament is structured and supervised by qualified coaches. In community support, Zain helps needy families and offers Ramadan *iftar*[1] for free. These examples are not exhaustive.

Nevertheless, philanthropy is double-edged. On the one hand, people may perceive Zain as a "paladin" fighting for his people; on the other, they may perceive Zain as a hypocrite who uses people' needs to obtain more profits. Zain's philanthropy at present seems to be working. Whether it will continue to do so is open to question.

7.2.3.3. Zain's brand identity

Brand identity relates to identifying what the organization is (see Chapter 4). Zain identifies itself as a global mobile network provider by personalizing itself as a global citizen. Subscribing with Zain promises more than the self-image of being a global mobile phone service user. It gives a subscriber a pride that an Arab brand competes equally with global brands. Zain focuses on attributes that help its brand overcome competition. It has world-class services delivered through highly skilled personnel. Furthermore, it has a strong financial position, one that enables it to expand its operations, contend with competitors, and satisfy its customers, and therefore one that promises even greater rewards.

> Well, our strategic vision makes us different and nourishes our values, which are designed to meet the aspirations of our customers. As we strive to be an Arab global brand, we concentrate on building our internal foundations and practices. [We have a] strong financial situation, highly skilled employees, and cutting edge technology to deliver our services, tying together our brand identity. (Branding Manager, Zain)

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[1] Ramadan iftar: means the meal that offers in the holy month of Muslims (Ramadan) for needy people or those people who for some reasons can not have this meal in their houses. Ramadan, however, is a holy month for Muslims. They fast during it daily from the dawn till the sunset. They are not allowed to drink or eat any thing during this time. It is well known in Islam that any person gives food for a fasting person is one of do-gooders.

Notice the importance of customer satisfaction for Zain. The satisfaction that Zain builds is based on customers' inspiration.

Zain identifies four aspects of its corporate position: a clear strategic vision, a strong financial position, skilled employees, and valuable services. To help make these recognizable to customers, Zain uses its logo. Zain carefully chose the colours and tagline of its logo to reflect its identity. The logo aims to provide the impression of energy and diversity. Figure 7.1 shows the logo.

Figure 7. 1. Zain's logo

Source: (Zain,2009)

> Our brand reflects our company's visualization. The word [*zain*] means a beautiful lady in Arabic, a black horse in Latin, and a magician in some African languages. The word inspires elegance, intellect, and boldness. The logo's colours suggest inspiration, liveliness, and diversity. Its logo represents Zain's way of work "wonderful word", which means we make everything possible. This is our identity, and this what we want to be. (Marketing Manager, Zain)

7.2.3.4. Zain's brand values

Zain offers functional values (excellent technology), emotional values (world of inspiration), and self-expressive values (be proud of being Arab). These values help differentiate Zain's brand from others.

Zain suggests that it offers the best mobile telephony technology in the Jordanian market by adopting cutting edge technology that provides excellent services to customers. This technology puts Zain's customers first; it helps solve their problems. In this spirit, Zain was the first Jordanian company to introduce WAP[2] (wireless application protocol) in Jordan, was the first in Jordan to offer services of BlackBerry communications (mobile phones that include access to internet and diverse laptop functions), was the first in the Middle East to launch MMS[3] (Multimedia Messaging Service), and was the first in the world to enable roaming at local prices (Zain, 2009). Zain offers all these services through its network, which is considered the best, in terms of coverage, in Jordan.

> We like our subscribers to think of our network as a problem solver compared with others in the market. From the very beginning, we introduced ourselves as the first and best mobile telephony services company. We asserted this by being the first company, the first operator to introduce mobile phone services into Jordan. Since then, we were the first to introduce many services: WAP connectivity in Jordan, Blackberry communication services, the first in the Middle East to provide MMS services. We are proud of being the first in the world to enable roaming at local prices. We were able to offer all these services because of our strong network, which has the best coverage and equipment in Jordan. (Communication Manager, Zain)

Zain offers these functional benefits from another perspective (emotional benefits). It portrays its services as animated, joyful, radiant, and belonging. By implication, Zain's subscribers will benefit from this store of happiness. Zain conveys these benefits with its brand. Zain presents itself as a caring family, a circle of friends, desirable dreams, and a charming lady—again, note the use of reference groups. It promotes these emotional ties with customers through its staff. It does this by tying the relationship between staff and company through three core values: *radiance*,

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[2] WAP: is an open international standard for application layer network communications in a wireless communication environment. Its main use is to enable access to the Internet from a mobile phone.

[3] MMS: is a cellular telephone standard for sending messages that include multimedia objects (images, audio, video, and rich text).

heart, and *belonging.* The names of these values reveal the emotional values important to Zain. *Radiance* implies that Zain is the first in terms of imagination and vision. *Heart* implies Zain is brave and determined. *Belonging* implies Zain is part of the community in which it operates.

> Well, our outstanding process is based on three core values: Radiance, Heart, and Belonging. We endeavour to remain steady yet energetic. These values [radiance etc.] are intrinsic to steadiness and energy, and we try to convey the values to our customers. (Executive Manager, Zain)

The last value *belonging* is associated with feelings of self-worth; it is a self-expressive value. In the context of Zain, the value suggests being an Arab in general and a Jordanian Arab in particular. It suggests Jordanian Arabs should be proud of themselves. It suggests other companies do not appreciate Arab and Jordanian culture. Zain endeavours to amplify customers' fears of other company brands while at the same time, to assuage fears of Zain's brand. Zain thus simultaneously uses perceived risk to stab its competitiors, and to protect itself from its competitors.

> As we strive to be an Arab global brand, we concentrate on building our internal foundations and practices. (Branding Manager, Zain)

7.2.3.5. Zain's brand architecture

Brand architecture is "the way, in which companies organise, manage, and go to market with their brands" (Petromilli *et al.*, 2002, p. 23) (and see Chapter 4). Zain offers two services: mobile phone services and internet services. Zain presents both under its brand name (Zain). In this way, Zain applies a monolithic brand architecture strategy (see Chapter 4). According to Zain's Marketing Manager, Zain's internet service enables Zain to extend its operation in the Jordanian market.

> We recently started offering the Internet especially to the companies. In addition, we provide some business services, such as fleet management [a web application with bundled SMS that enables a company to communicate with its customer base or employees], fax and data [a service that enables companies

> to control their fleet], SMS advertising, and bulk SMS [another web application with bundled SMS that enables a company to communicate with its customer base or employees]. To be first you have to get something new, and now in Jordan the corporate market needs these services. It supports the way we work. Everything is possible with Zain. (Marketing Manager, Zain)

This statement illustrates two things. First, Zain has services other than mobile phone services: it has business services (through the internet) allocated to the corporate market; this is a new trend in Zain's operations. Second, Zain's present targeting of the corporate market is relatively recent, and plausibly reflects fierce competition in customer market.

The Executive Manager added:

> Mobile telecommunication is now integrated with the Internet and business. We target the corporate market in our bundle of business services. We need to be an integrated service company. It [the corporate market] is an opportunity for Zain to expand. (Executive Manager, Zain).

It seems that Zain wishes to utilize the power of its brand in the customer market to expand to corporate market.

7.2.3.6. Zain's communication strategy

Communication strategy concerns the way whereby a company sends its message to its audience (see Chapter 4). The message aims to establish public awareness and build a positive image of a brand, through concentrating on Jordanian consumer attributes. Because, between 1994 and 1999, Zain was the only mobile phone service company in Jordan, it did not initially pay much intention to promotion; it was the only choice in the market.

During the period 1994–1999, mobile phone services were expensive; thus few people used the services. Mobile phone use during the period was a status symbol, and only the affluent could afford it. Thus Zain targeted rich people and restricted its promotional activities during the period to Jordan's capital (Amman), and, even there, only to its high-class districts. In this, Zain relied much on WOM. Jordan is a small and cohesive society. In Jordan, WOM is vital for publicity and the spread of knowledge.

When, in 1999, Orange entered the market, it offered the same service at cheaper prices. Zain reacted by ceasing to target only the very affluent; it targeted the less affluent, too. As indicated, it did so by associating itself with patriotic (chauvinistic) values. Opportunely, it synchronized its communication of these values with the Jordanian parliamentary elections of 2000. Zain associated its name with notable parliamentary candidates and their supporters. Zain was shrewd in its use of reference groups, and in fostering fears of the rival brand; both tactics, it hoped, would both satisfy its customers and attract new customers. In this, it encouraged candidates to use the phrase *minna w feena* ("one of us"—see above) in their canvassing. At the same time, Zain's logo regularly appeared on billboards, on television, and in other media. Zain's message *minna w feena* did so too. So did messages about Zain's personality and brand image. Plausibly, as a result of this campaign, Orange remains in second place in provision of Jordanian mobile phone services.

> During this time we focused on putting in people's minds our company as a provider of good service quality, and as a national loyal company against a foreign weak company in terms of services. (Communication manager, Zain)

Notice that Zain, in effect, wished to create a "Zain tribe" through its communication strategy. Zain was an elite Jordanian tribe, one to which every Jordanian wanted to belong. Zain's Branding Manager's quotation (see above) illustrates this:

> . . . you can understand what people want and simply give it to them. (Branding Manager, Zain)

It is plausible that people liked the idea of a company as a tribe, in a society where the tribe is important (see Alon, 2009).

In 2002, XPress entered the Jordanian mobile phone market. Zain did not react strongly to XPress. This was because XPress concentrated on the corporate market, especially in construction. Zain and XPress occupied different niches.

The situation changed in 2005. Umniah (meaning "wish" in Arabic) entered the Jordanian market, offering unrivalled cheap prices. XPress responded by extending its services to the entire Jordanian market, and at cheaper prices, too. Orange, meanwhile, started offering Internet broadband services, and introduced a new brand identity Orange (formerly it had been Mobilcom).

All this was problematic for Zain. It responded by offering a new brand identity. Till then, as indicated it had been known in Jordan as Fastlink. It adopted the name of its parent company, Zain (formerly MTC), and extended its operations across the Middle East and sub-Saharan Africa. At this time, with the help of leading international advertising agencies and consultants, it developed the logo described above (Figure 7.1). The logo appeared ubiquitously in the Middle-Eastern media as part of a pan-Middle Eastern advertising campaign. In Jordan it was festooned in shopping malls, litter bins, corner shops, and windows.

Zain launched the new logo during Ramadan. This was opportune because, during Ramadan, most Arabs spend much time watching television (Ramadan, like the West's Christmas season, is associated with high-quality television). Zain also sponsored public banquets during Ramadan, serving free food in public tents throughout Jordan. Zain's logo featured largely in such banquets. This strategy was designed to make rapid and widespread awareness and recognition of the new Zain identity.

The strategy was only partly successful. After a year, Zain lost some of its market in Jordan, especially to Orange. Against this, Zain gained throughout the Middle East and sub-Saharan Africa. Thus Zain became less a national company, more a transnational one. Nonetheless, Zain's communication continues to use the three variables of brand strategy outlined above: brand identity (an international Arab promising brand), brand values (the best mobile services in the market), and brand personality (Arab brand for Arab customers).

> Currently our communication strategy aims to achieve three things: put our company in people's minds as the first company in the Middle East, increase our share in the Jordanian market, and ensure that people know we are an Arab brand. (Communication Manager, Zain)

7.2.4. The status of brand strategy in Zain

Building and managing brand strategy is the responsibility of the total company, but the branding department (or, more broadly, the marketing department) must lead, and must ensure it operates effectively and efficiently.

Zain's Executive Manager stated that the branding department in Zain is the source of most brand activities:

> We strive to present our brand at a global level. We have a department that has the full responsibility for brand activities. Of course, other people contribute to this—marketing people, communications people, and some of our top managers, for instance. (Executive Manager, Zain)

He also mentioned that the Executive Manager of the group (Zain the mother company) has had full responsibility for the brand and its strategy since 2007.

> Of course those people gather, predict, and apply what Zain's brand needs, but since our rebranding in 2007, the person who has the final word in our brand's matter is the Group Executive Manager, as the company considers Zain's brand the real asset of our group". (Executive Manager, Zain)

He continued:

> To me, a brand is like a man's face. It can tell you how he feels, if he's okay or not. Thus, brand strategy is the measure of good performance. (Executive Manager, Zain)

In the same vein, the Branding Manager stated that Zain tries to fulfill what its brand promises. The department of branding works as a platform for making these promises facts:

> We have branding department that is responsible for all brand activities. (Branding Manager, Zain)

The Branding Manager explained how the brand department delivers its services

> We have the vision of the brand from the top management, especially from the group Executive Manager. Then we articulate how to make this vision fact. After that we advise every department of the things that relate to it. For example, the marketing department is responsible for our segments and position in the market, and the communications department is responsible for delivering our message. (Branding Manager, Zain)

Thus brand strategy is a formal process within Zain. It is evaluated continually to assess its applicability to the marketplace. The Branding Manager stated:

> We evaluate it based on the changes of the market conditions. (Branding Manager, Zain)

Nonetheless, evaluation is not effective as it was in the past. The image was weakened after the rebranding, and Zain has yet to develop something in its place.

The Branding Manager said that he attends the meeting of Zain's board, and he makes contributions. Yet the vision is the mission of the Executive Manager of the group. He, as do other Zain managers, applies the decisions of the mother company.

On the other hand, the Marketing Manager stated that branding activities are integrated within Zain.

> Logically, brand is everyone's affair within the organization, yet the success is how you could understand your responsibilities. In other words, as a marketer I am responsible for understanding people's needs, segmenting them, and suggesting how they could be addressed. The branding people are responsible for articulating the different aspects of a brand and distributing it to the rest of departments. The financial department is responsible for measuring the profits and the factuality of conducting it. And so on. (Marketing Manager, Zain)

This quotation indicates that there is mutual understanding among managers regarding activities. In the same spirit, the Communications Manager stated:

> Everyone of us [managers] has a clear responsibility in terms of brand. Our department, for example, is responsible for delivering the message of our brand, especially through word of mouth and publicity. We have direct contact with customers through events, sponsorships, and philanthropy (Communication Manager, Zain).

To summarize:

First, Zain has a department for brand strategy; this department is responsible for designing and conducting branding activities. Second, the Executive Manager at Zain (the mother company) is responsible for the vision of Zain's brand strategy. Third, there is a mutual understanding between Zain's different managers in terms of applying brand strategy. Fourth, brand strategy is recognized as an indicator of Zain's performance. It is plausible that Jordanians' good brand awareness of Zain and the brand image of Zain are due to the distribution of the brand's mission among the different departments, and Zain's understanding of Jordanian consumer attributes. The branding department is the overseer of the brand's mission.

From the perspective of the research model discussed in Chapter 4, brand awareness, brand image, and consumer attributes are the key to brand preference, because they makes the differential effect that drives brand preference. As indicated, the different variables of brand strategy should represent how mobile phone service provider's brand awareness and brand image are tailored to special customer attributes in order that they can influence customer brand preference.

7.2.5. The influence of Zain's brand strategy on its brand awareness, brand image, and customers attributes.

The researcher asked each Zain manager about to which extent Zain uses brand strategy to influence *brand awareness*, *brand image*, and *consumer attributes* (this was done at the conclusion of each interview—see Chapter 6). The researcher explained the meanings of the phrases brand image and brand awareness, and consumer attributes to the managers. Some managers—not only in Zain—are unfamiliar with the jargon common in marketing literature.

The methodology was as described in Chapter 6, with each manager having to complete Likert scales as to brand strategy. The purpose was to clarify managers' attitudes, given that some used jargon without necessarily knowing its technical meaning, and to integrate each manager's sometimes diverse comments. Table 7.2 shows a summary of the managers' responses.

Table 7. 2. The relationship between Zain's brand strategy and brand awareness, brand image, and consumer attributes: managers' attitudes (1 = very weak; 5 = very strong).

No	Statement	Rank 1	2	3	4	5	Mean
1	The aim of the company's brand strategy takes into consideration brand awareness, brand image, and consumer attributes.						4.0
2	Brand positioning reveals positive brand awareness, brand image, and influences consumer attributes).						4.0
3	The way whereby the company personifies itself in the market reveals positive brand awareness, brand image, and influences consumer attributes.						3.5
4	The way whereby the company identifies itself in the market reveals positive brand awareness, brand image, and influences consumer attributes.						4.0
5	The quality of the provided services reveals positive brand awareness and brand image, and influences consumer attributes.						4.25
6	The way whereby the company attracts its customers emotionally reveals positive brand awareness and brand image, and influences consumer attributes.						3.25
7	The way whereby the company wishes its customers to look at themselves when they deal with it reveals positive brand awareness and brand image, and influences consumer attributes.						3.0
8	The way whereby the company presents its different services in the market (one brand name, or different brand names) reveals positive brand awareness, brand image, and influences consumer attributes.						3.25
9	The way whereby the company communicates with its customers through delivering positive brand awareness and						4.75

	brand image, and influences consumer attributes.	
10	Having a branding department increases the company's understanding of brand awareness, brand image, and consumer attributes.	4.0
Grand mean		3.8

The table shows that the Zain managers perceived a positive relationship between brand strategy and band awareness, brand image, and consumer attributes (mean: 3.8, suggesting a strong relationship). On no measure did they perceive the relationship as less than neutral, and on six measures they perceived it as strong (4 or higher). On a key measure, communicating to customers, they saw it as very strong (4.75).

7.2.6. Summary

Zain was the first mobile phone service provider to enter the Jordanian market, and operated without competition for its first four years. This gave it considerable market presence, and power to fight competition when, as was inevitable, the competition arrived. From the outset, Zain positioned itself as a market leader, and aspired to be among the top service providers worldwide.

With the advent of competition—first from Orange, later from XPress and Umniah—Zain had to pay more attention to brand strategy. It positioned itself as the quality company (better services than its competitors) and the patriotic company. It used appropriate tactics for this strategy, its communications were good. It fostered brand awareness and brand image within Jordan, through understanding the specifics of Jordanian consumer attributes. Although Zain's competitors made inroads into the Jordanian market, Zain remains the market leader within the country.

7.3. Within case analysis of Orange

7.3.1. Company profile

Orange is the brand name used by France Telecom for its mobile, landline, and Internet services. It was created in 1994 for Hutchison Telecom's UK mobile phone network. This was acquired by France Telecom in August 2000. France Telecom rebranded its mobile phone, Internet, and landline services, in most of the countries in which it operates, as Orange in 2006.

Map 7.2 shows the countries in which Orange provides its services.

Map 7. 2. Countries in which Orange provides services.

Source: Orange (2009).

Orange Jordan is the branch of Orange that operates in Jordan. The company was first registered on 21 September 1999. It launched full public service across Jordan on 15 September 2000, under the brand name *Mobilcom.* It was rebranded as Orange in 2007 (see below).

7.3.2. Orange's perspective on brand strategy

Orange's managers were shown the brand strategy definitions listed in Table 7.3, The managers were then asked to select a definition that they considered the most relevant to Orange. Table 7.3 lists the preferred definitions for Orange's managers.

Table 7. 3. Orange managers' choices of definition of brand strategy

Number of managers accepting definition	Definition
2	G: Brand Strategy is a set of articulated plans and tactics used by a brand owner to achieve its brand objectives.
1	B: Brand strategy comprises long-term differentiation of brands from those of competitors; brand strategy is holistic, and involves all levels of employee activity.

The table reveals that two of the three Orange managers preferred definition G. The other manager preferred definition B.

The first two managers justified their preference for Definition G by saying that it reflects what happens within Orange.

> I feel this is what happens within the firm with regard to the brand (Executive Manager, Orange)

He continued:

> You know, I think the ultimate objective for any company is to be number one in the market. To do this, a company follows a number of tactics, sometimes to an extreme extent. The quality of those tactics and their application guarantee the success of a company, and via versa. For us, the tactics are innovation, brand, convergence strategy, and value. (Executive manager, Orange)

The other manager stated that simplicity is at the heart of success.

> I prefer to keep the definition simple. I think that definition G is correct and succinct. What is a strategy for a company rather than articulated tactics for making money and satisfying customers. (Branding Manager, Orange)

The third manager stated that definition B expresses the stages of brand strategy building that prove its applicability to the mobile phone service industry in general and to Orange in particular.

> For me strategy is steps [activities] that aim to differentiate a company's brand, based on what the company

offers in terms of values. I guess they include good services like good coverage, value for money, and so on. These activities generate revenue for our company. Generating revenue is the ultimate aim of any company. (Marketing manager, Orange)

The responses of Orange's managers reflect Orange's main strategy. Although the managers chose two definitions of brand strategy, each justified his definition in terms of the role of business strategy in influencing brand strategy process. The discussion with Orange's managers revealed that brand strategy is determined by France Telecom. Brand strategy is then tailored by local management to the specific market conditions of the countries in which Orange operates, including Jordan.

7.3.3. The process of brand strategy within Orange

The discussion with Orange's managers revealed the company's aim, namely to be the integrated operator of choice in Jordan and the Middle East. To satisfy this aim, Orange specified four tactics of the company: (a) innovation (solving customers' problems in ingenious ways); (b) promotion of the brand name (indicating a shared value between company and customers); (c) provision of an integrated network (offering different services together, such as mobile line, broadband, and land line); and (d) provision of value (offering world-class services at competitive prices).

In theory, these tactics are good, and show the ability of Orange to have a prominent position in the market. They reflect Orange's global awareness and financial power. Yet it has never been the leader in the Jordanian market. Orange's tactics appear to have been a mixed success. They did not lead to Orange gaining first place in the market, but plausibly they gave it sufficient position in the market to do so in the future. Whether they will depends on Orange's brand strategy. In this, much may depend on Orange's brand positioning.

7.3.3.1. Orange's brand positioning

Orange Jordan was established in 1999 by France Telecom after a series of privatisations (see chapter 4). Jordanian Telecom (now Orange) was owned by France Telecom and some small shareholders. Jordanian telecommunications prior to 1999 were the responsibility of the Jordanian Ministry of Telecommunications, and had a poor public image. Orange (formerly Mobilcom) took over Jordanian Telecommunications in 1999. Orange thus had two problems: first, it inherited the negative image of Jordanian telecommunications; second, Jordanians perceived the company as a foreign (French) interloper. Naturally, Zain capitalized on this in its marketing campaigns (see above).

During that time, Zain's slogan "Minna w finna" occupied people's minds (see above). Orange believed it could not compete on such chauvinistic/psychological terms, so concentrated on price and quality. Zain's prices at the time were high. Orange undercut them, while offering high service quality. Orange used the image of the strategic investor (France Telecom) in terms of service quality; this resulted in increasing slightly Orange's share.

Orange then offered Jordan's army mobile phone services for army's subscribers. The army accepted the offer. This gave Orange a large market share, due to the large number of soldiers who used its mobile phone services. Other segments of the Jordanian population, especially the families, relatives, and friends of soldiers, took to using Orange services. Notice the importance of reference groups, Orange recognised this as a main element of consumer attributes.

The army's adoption of Orange services was a mixed blessing for Orange. The army increased Orange's share but reinforced Jordanian perception of Orange as a cheap, second-class company (Zain, as indicated, contributed to this perception, by playing on perceived risk and reference groups (see above). To counter this, Orange adopted the slogan *Ma'ak la Dunya Afdal* ("With you for a better life"). This slogan reinforced Orange's positioning variables of price and value, and aimed to challenge Zain's slogan "One of us", discussed above.

There followed a price war, of sorts. Zain increased the tariff of Zain to Orange calls, and decreased, to some extent, the cost of Zain to Zain calls. Orange, meanwhile, utilized its domination of land line services by decreasing the call tariff from Orange Mobile to land lines. Orange's strategy slightly increased its market share. Nonetheless, the negative perceptions of the company continued within

Jordan. Orange's position of providing a good value for money was relatively ineffective against Zain's position of appealing to Jordanian pride and chauvinism.

The above said, the problem with Orange's first brand identity may not have been its cheap prices per se (Aaker, 1996, suggests cheap prices can be good for a brand). It may have been Orange's *application* of its price strategy. Orange's service prices were only marginally less than Zain's services prices. They were not cheap enough to enable Orange dominate the market.

The growth rate for Orange in 2006, for instance, was 21% (relative to 2004); in 2007 it was 37% (relative to 2006). In 2006, its turnover was JD140 million[4]; this had been achieved by its dropping its prices by 16% relative to the previous year (Orange, 2009). Orange's mistake had been to rely on cheap prices only. Had it coupled cheap pricing with a more intelligent brand image and good understanding of consumer attributes (satisfaction, perceived risk, and reference group), it might have done better.

This suggestion is supported by Keller (2003), who points out that brand values constitute a platform for brand strategy through brand positioning. Nevertheless Orange' price strategy in some stages gave it some benefits among those people who were not able to afford other companies' prices. (Also, inverted snobbery might have helped Orange: some Orange customers might have perceived Zain and its customers as "conceited".)

XPress's entry into the market (in 2002) did not, as discussed, impact negatively on Zain. Neither did it impact negatively on Orange. As indicated, XPress mostly targeted the corporate market. However, Umniah's (2005) entry into the market did affect Orange. Umniah quickly achieved a good position in the market—this because of its (very) low prices and appeal to Jordanian youth (see below). Orange was "squeezed". It suffered from customers' good perceptions of Zain, and it found

[4] Around £130 million.

its low prices were undermined by Umniah. In response, Orange rebranded itself. Thus:

> We decided to change the brand of our company for two reasons. First, the mother company, France Telecom asked us to do so (its grand strategy is to unify all its brands around the world under one brand name, i.e. Orange). Second, the internal atmosphere in the Jordanian market required Orange to react to the fierce competition in the market, and to try to eliminate Jordanian perception of Orange as a "me too" [interloping] company. We needed to boost our revenue through a fresh start. (Marketing Manager, Orange)

These two reasons offered two advantages to Orange. First, by definition, if successful, they would counter Jordanians' negative perception of Orange. Second, the renaming of the company (until then known as Mobilcom—see above) provided Orange with the opportunity of presenting itself, being a global company, as the "first company". This was all the more fortuitous given that Zain was to change its company name (see above), too, but did so one month after Orange. Thus Zain became the "second company".

Orange's rebranding itself was viewed with some trepidation, given that Orange was seen (incorrectly) by many Jordanians as an Israeli company—and therefore anathema to Arabs. The Orange promotion machine therefore stressed that Orange was not Israeli, it was international.

The rebranding was largely successful, and Orange, for the first time, became a serious threat to Zain. However, Orange retained aspects of its former image. Because the company had previously been a state concern (Jordan Telecom—see above), many of its employees had previously been civil servants. The civil service in Jordan, as in all Arab countries, is perceived, rightly or wrongly, as being rife with incompetence and *wasta*.[5] So, although Orange had removed one negative image (being a cheapskate company), it had not removed another (being a corrupt company). This plausibly fostered customers' fears.

Orange in part countered this negative aspect of its image by promoting itself as being a powerful, magnanimous, intelligent, eco-friendly, compassionate (et cetera), global company—one that subscribers could feel proud to be associated with. In this, its brand personality and value proposition aspects of its positioning strategy were "nice" (cf. Zain patriotism). At the same time, Orange presented itself as a problem solver—especially as regards solving the problems of Jordanian people (again, cf. Zain patriotism). Orange tried to satisfy people by providing value for money.

7.3.3.2. Orange's brand personality

Brand personality relates to the emotional relationship that exists between a brand and a customer (see Chapter 4). In Orange's case it was neglected until recently—Orange initially concentrated on price and value. The result, as indicated, was that Orange customers were perceived as being shallow and cheapskate—just like Orange itself. Orange initially ignored this. Brand personality for Orange was unimportant. Orange did not present one, even in its website or advertising campaigns.

This situation held for the period 1999–2006, and, in the few instances where Orange tried to counter it, the company's attempts backfired. One such attempt concerned the city Al-karak, in south Jordan. Orange's market share in the city was poor. Orange offered a special line to the city, whereby subscribers could have especially cheap (Orange) rates if they used (Orange) services within the city. This ploy succeeded only in reinforcing Orange's cheapskate image. The customers were not satisfied with this offer. This led Orange to stop it after few months.

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[5] Thre is no exact translation of the Arab word *wasta*. It loosely translates to a mixture of bribery, having powerful connections, tribalism, and nepotism.

Orange adopted the idea of brand personality in 2007. It is now the main guide of the company's activities.

> Our brand is about much more than a distinctive logo and colour scheme. The brand is the personality of the company. Everything we do is subservient to it. (Executive Manager, Orange)

Orange now utilizes its brand personality (being "nice", global, etc.) to direct customers' preferences, and thus to increase its market share. That Orange took so long to do so is peculiar, given that there is, and has long been, a substantial literature on the effectiveness of brand personality (e.g. Sirgy, 1982; Batra *et al.*, 1993; Aaker, 1996; Siguaw *et al.*, 1999; Johnson *et al.*, 2000; Freling and Forbes, 2005). Orange thus took some time to recognise the importance of providing customer satisfaction, and of ameliorating customer fears.

Orange's Branding Manager suggests that creating a brand personality entails three elements: distinctiveness, authenticity, and talkability. These elements make employees and customers talk about a brand, so they become unpaid advertisers of the brand. Strategically, word of mouth communicates service value, and steers potential customers away from competitors. The Branding Manager said:

> Well, we have defined three angles for our company personality: being distinctive, authentic, and talkable. This means making it okay for our employees and customers to talk about us. . . . The best way to spread our brand personality is through our employees and customers. They give life to brand personality. These messengers, together with advertising, communicate strategically the value that distinguishes our brand stand from its competitors. (Branding Manager, Orange)

Orange's brand strategy is thus that Orange is distinctive, authentic, and worthy of comment. Customers should feel confident, proud of themselves for using Orange services. Orange's tagline "together we can do more" aligns customers and employees in a reasonable way. The importance of consumer attributes in particular perceived risk emerged here. Kapferer (2008) suggests that positive connotations of a brand arise from the brand company's communication strategy. At present, Orange's new strategy appears to have worked. Jordanian people now talk about Orange positively, stating how "cool" it is to use Orange, and how wonderfully global, magnanimous, user-friendly, et cetera, Orange as a company is. Orange succeeded of ameliorating perceived risk to customers. Orange presented a positive corporate image for the first time.

7.3.3.3. Orange's brand identity

The core of Orange's new brand identity is that the company represents standardised world class services. As such, it enables Orange's subscribers to join the Orange global family, a family that embraces 170 million customers in 220 countries (Orange, 2009). Orange's brand identity extends to building friendship with its customers. Again, Orange appears to understand the importance of customers attributes.

> Customers will now feel the difference whenever they visit one of our shops. Our shops are spread across the Kingdom [of Jordan]. Orange places customer service as its top priority, giving its customers a one-of-a-kind experience. Our staff are well trained to fulfil their needs and to exceed their expectations, by communicating and offering customers first-class telecom solutions. (Executive Manager, Orange)

Orange's Marketing Manager believes that brand identity is a state of mind, something that guides and embraces a range of activities, including brand personality and brand values. To him, brand identity represents a platform for future vision.

> Well, I guess brand identity is like our personal identity. It is the body and soul of the company. It means what Orange is. Look, Orange wants to be distinctive, and it strives to be second to none locally and globally. We want our customers to see us as "exceptional". This idea dominates our activities. (Marketing Manager, Orange)

Thus Orange's brand personality forms the external, emotional face of Orange's brand identity as Orange personifies itself as a leading global distinctive brand. On the other hand, Orange's brand identity stems from its global power and the quality of the services. In contrast to its previous identity, Orange's brand identity system now appeared clear, effective, well organized, and promising. Orange seems to have become more customer-oriented, more than before. The quotation suggests that Orange saw providing satisfaction as important in fostering customer preference.

7.3.3.4. Orange's brand values

As indicated, prior to its rebranding, Orange had no clear set of values. It only tried to use its pricing strategy and services values as a way to build functional values.

After rebranding, Orange had a clear set of values. Orange's Marketing Manager labelled them as honesty, dynamism, innovation, friendliness, responsibility, straightforwardness, and trust. These values include functionality, emotion, and self-expression. Aaker (1996) calls these value propositions. As indicated, they serve to build good relationships with customers.

7.3.3.5. Orange's brand architecture

According to Orange's Marketing Manager, the brand architecture is expressed through Orange's main aim—namely, to be the integrated operator of choice in Jordan and the Middle East. He states that brand architecture is what makes Orange different and powerful. Orange has three main services: mobile phone services, Internet services, and landline services. It is not yet the leader in the first service, but it is the dominant Internet service and has a monopoly in landline services. Each of these three services functions under the Orange brand name and serves to satisfy Orange's aims, and its customers.

The interplay between these three services provides a competitive advantage for Orange. Orange used this advantage to increase the market share for its mobile services—this by reducing customer perceived fears, and enhancing its positive brand awareness, and image. It did so by decreasing the calling tariff between the Orange mobile and Orange landline, as discussed in Orange's brand positioning strategy. Recognizing that the advantage of brand architecture could help enlarge its market share in mobile phone service, Orange utilized its brand architecture, and it continues to do so.

Prior to this decision, Orange's three services were not integrated under a single brand. Orange's mobile phone service was Mobilcom, its Internet service was Wandow, and its landline service was Jordan Telecom. These could have been three different companies.

Upon rebranding, the name *Orange* covered all three services. Orange now utilizes the benefits of dominating the internet and landline services in Jordan. Orange alone offers a package of full telecommunications services for customers. This situation is ideal for Orange to enhance customer awareness and brand image. Orange's Executive Manager stated:

> We try to offer services and technology that integrate and support each other. We have started to offer a package of services that include Internet, mobile, and broadband to customers. We utilize our dominance on landline an Internet services to enhance our share of our mobile phone service, and our share in the market in general. (Executive Manager, Orange)

This view is consistent with the view of Petromilli *et al.* (2002, p.23), who state "Brand architecture is often the external face of business strategy and must align with and support business goals and objectives". That is, Orange strives to be the preferred integrated operator in Jordan and the Middle East. Because of its brand architecture, Orange is now the most recognisable brand in telecommunications for Jordanian people.

7.3.3.6. Orange's communication strategy

During the four years of Zain's de facto monopoly, many Jordanians wished for another company (or companies) to break it. Accordingly, Orange leaked information to Jordanian journalists concerning Orange's imminent entry to the market.[6] The journalists spread the word. This publicity promoted brand awareness of Orange.

Orange's ploy was only partly successful. In part this was because of public perception of Orange as an interloper, and in part because of public perception of its being cheapskate. Mostly, however, it was because Orange lacked an integrated communication strategy.

Orange's first advertising campaign, in the middle of 2000, failed to address the problem. First, it was limited to a few days of television and press (mostly newspaper) advertising. Second, it was based only on price. Therefore Jordanians continued to perceive Orange as foreign and cheapskate. This was doubly bad. Not only was Orange intrinsically "bad", it was also bad because it should have been good enough to break Zain, and it manifestly was not. Zain's counterattack—to the effect that Zain was the "patriotic" company—capitalized on this. Orange's counter-counterattack—use of its tag line "with us for a better life"—in comparison to Zain's cunning advertising, was poor. This, as indicated, fostered customers fears of Orange.

The same applied, some two years later, to Orange's capture of the Jordanian army market. The main advantage was the army's large influence in the Jordanian market. Orange, played on the importance of reference groups. Orange's marketing tactics comprised opening shops in the places that army subscribers visited most, and offering soldiers free mobile phones in exchange for pay-as-you-go services. This may have captured the army market, but it did not address the central issue. Orange's public image was poor, and Zain was capitalising on it.

Orange did slightly better, in theory, during the period 2002–2004, by sponsoring philanthropic projects. Orange ensured the sponsorship had full media coverage, and co-opted VIPs, including royalty, to provide endorsement. Orange also encouraged word of mouth. The literature suggests that such promotional tools (publicity and

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[6] Personal communication: Orange Jordan Marketing Manager.

use of word of mouth) provide brands a degree of creditability and help promote brand preference (e.g. George and Berry 1981; Mangold *et al.*, 1999; Berry, 2000; Swanson and Kelley, 2001). In practice, however, although Orange did increase its market share during the period—it was its first major success over Zain—the company did little to undermine Zain's leading image, and even less to understand Jordanian customers attributes. The effect of Orange's publicity of this period, might have been to encourage views that Orange was a "compassionate" company, but it was still owned by foreigners and its services were still seen as poor quality.

As indicated, XPress's entry into the market in 2002 had no impact on Zain's or Orange's advertising. The change came in 2005, when Umniah broke their de facto duopoly. Umniah, unlike Orange, made a *virtue* of being cheap. It thus vastly undercut Zain's and Orange's prices. So Orange suffered from being perceived as being poor quality and, for the first time, *expensive*.

It was at this stage that Orange re-thought its marketing strategy in the ways outlined above. Orange rebranded itself, giving itself a new brand name, integrated its services (land line usage, internet, and mobile phones), and giving itself an overall brand identity. These tactics were coupled with better understanding of Jordanian customers attributes.

The way Orange orchestrated its new strategy is instructive.

Before launching the new identity, Orange fed Jordanian journalists propaganda to the effect that Orange was high quality, was French (not Israeli) yet "international", and as high-tech as high-tech can be. The journalists reported this, as instructed by Orange, and word of mouth reinforced the message. In addition, Orange launched a massive advertising campaign (on television and in the press) to the effect only of "ORANGE IS COMING TO JORDAN". The campaign lasted all July 2007. (See Keller, 2008, for the importance of strategic advertising of a brand.)

The campaign did not advise Jordanians as to *when* Orange was coming. Neither did it mention exactly what Orange was. Specifically, it did not mention that Orange was a *mobile phone* company. Neither did it mention that Orange was the same mobile phone company (Mobilecom) that *Jordanians had been using for years*. The only things that Jordanians could discern was that something (part French, part international) was coming to Jordan, and that something was *big*.

Orange's next campaign *did* identify Orange with telephones (land line and mobile) and the Internet. Orange launched the campaign in August, the month in which (after Ramadan) Jordanians spend most time watching television, visiting each other, travelling, and so forth. The campaign used television, the press, and, crucially, street advertising. In less than a week Orange changed all its product packaging and all the façades of and décor within its points of purchase throughout Jordan. The campaign used a new Orange logo (Figure 7.2).

Figure 7. 2. Orange's logo.

Source: (Orange, 2009).

The logo featured in every possible place in streets, shops, and the media. Jordanians joked (encouraged by Orange) that August was the "Orangish".

Orange invented a new slogan: *live life without boarders*. It was presented on an Orange' map of the world. The slogan (and map) featured in every Orange advertisement. It featured when Jordan Telecom subscribers paid their bills. The customers' receipts were printed with the Orange name, logo, and slogan, not Jordan Telecom. Thus Jordanians realised (for the first time) that Orange was an *international* company, as well as being a *mobile phone company*, and a *telecommunications company*, including an *Internet company*. And land line customers were led to believe, for the first time, that their land line company was the biggest, and possibly best, land line company in the world, not a cheapskate, interloping, foreign company. This was good for Orange: customers started talking about Orange proudly; they did not perceive it as risky, and recommended it to their peers, friends, and families (reference groups). Customers appeared satisfied to be aligned with Orange brand.

> We tried to position the emotional power of Orange's brand by showing its global spread. (Marketing Manager, Orange Jo)

> We at Orange are fully aware of the significant role of the media to build new awareness, and positive image for our brand. We made every possible way to reach customers, and put our benefits before them. (Executive Manager, Orange)

7.3.4. The status of brand strategy in Orange

Brand strategy in Orange now has high status.

Immediately prior to its re-launch, Orange established a separate department within the company. The department's sole responsibility was branding. Orange's Executive Manager explained the department's importance:

> Well, Orange now—I mean the mother company [France Telecom]—as already told you, considers the brand as an aspect of its strategy to build a good relationship between the company and its customers. In accordance with this, we have recently established a brand department responsible for all brand activities. (Executive Manager, Orange)

Other managers stated that the brand department is responsible for applying the vision of France Telecom's brand (Orange) to the conditions of the Jordanian market.

> The [company's] strategies and tactics are suggested as a formal plan by France Telecom, and what we do here is suggest what is suitable for the local market. For example, we had many meetings on how we could separate ourselves from Orange Israel. We persuaded the mother company to pump money into promotional activities, press conferences, and sponsorships.

> This was done only after many meetings between diverse departments within Orange. (Brand Manager, Orange)

The Marketing Manager stated

> We adhere to the strategy of the mother company. But we provide the company with feedback [evaluation]. This allows it to tailor our marketing to the conditions of the local market. (Marketing Manager, Orange Jo)

Thus there is mutual understanding between managers about the need to apply and evaluate company strategy in terms of the specifics of Jordanian culture. In order to effect this, it is necessary that Orange managers communicate with each other. The Brand Manager commented:

> We always consult on each others' affairs. You know, as we say in Arabic, one hand can not clap [People should cooperate to get things done]. All of us now work to serve the vision of our brand. Branding is now a philosophy of work for the company. The philosophy demands that we work together. (Branding Manager, Orange)

The manager continued:

> For Orange, the brand is not mere a name anymore. It is a whole process. It is involved in everything Orange does. It presents the image of fresh healthy company to the market. This is the principle that we built our department on. Thus I participate in board meetings and suggest what I think is good for enhancing the overall strategy of the company. Recently, for example, I suggested we improve our web pages to present a better image. Everyone agreed. So that's what we did. (Branding Manager, Orange)

To summarize:

First, Orange has a branding department. The department is responsible for brand applications and activities. Second, Orange considers branding a strategic issue within the company. It underscores the philosophy of the company. Third, the Brand

Manager adapts Orange's global strategy to the needs of the Jordanian market. Fourth, in doing this, the Brand Manager cooperates with, and discusses issues with all other senior managers within Orange (Amman and Paris). Fifth, Orange's brand strategy is formalised and suggested by the mother company (France Telecom).

7.3.5. The influence of Orange's brand strategy on its brand awareness, brand image, and customers attributes.

As with Zain's managers, at the conclusion of each interview, the researcher asked each Orange manager about extent Orange uses brand strategy to influence brand awareness, brand image, and consumer attributes. Table 7.4 shows their mean ratings for each aspect of brand strategy.

Table 7. 4. The relationship between Orange's brand strategy and brand awareness, brand image, and consumer attributes: managers' attitudes (1 = very weak; 5 = very strong).

No	Statement	Rank					Mean
		1	2	3	4	5	
1	The aim of the company's brand strategy takes into consideration brand awareness, brand image, and consumer attributes.						3.0
2	Brand positioning reveals positive brand awareness, brand image, and influences consumer attributes).						4.0
3	The way whereby the company personifies itself in the market reveals positive brand awareness, brand image, and influences consumer attributes.						4.3
4	The way whereby the company identifies itself in the market reveals positive brand awareness, brand image, and influences consumer attributes.						4.3
5	The quality of the provided services reveals positive brand awareness and brand image, and influences consumer attributes.						4.0
6	The way whereby the company attracts its customers emotionally reveals positive brand awareness and brand image, and influences consumer attributes.						4.6
7	The way whereby the company wishes its customers to look at themselves when they deal with it reveals positive brand						4.0

	awareness and brand image, and influences consumer attributes.	
8	The way whereby the company presents its different services in the market (one brand name, or different brand names) reveals positive brand awareness, brand image, and influences consumer attributes.	4.0
9	The way whereby the company communicates with its customers through delivering positive brand awareness and brand image, and influences consumer attributes.	5.0
10	Having a branding department increases the company's understanding of brand awareness, brand image, and consumer attributes.	4.3
Grand mean		4.15

The table shows that the Orange managers perceived a very positive relationship between brand strategy and brand awareness, brand image, and consumer attributes (mean: 4.15). On only one measure (*the aim of the company's brand strategy takes into consideration brand awareness, brand image, and consumer attributes*) did they perceive the relationship as neutral. On all other measures they perceived it as strong (4 or higher). In common with Zain managers, on a key measure, communicating to customers, they saw the relationship as very strong (5).

7.3.6. Summary

Orange made three mistakes in brand strategy. First, initially it competed only on price. This gave it a reputation for shoddiness; it also made customers embarrassed to admit to using Orange services. Perceived risk was high. Second, it had no communication strategy either to counter such negative images or to counter the positive image of rival services (especially Zain's). Third, rather than rectifying its negative image, Orange followed Zain, reinforcing the negative image of the company—it was not innovative. In short, Orange ignored brand identity, and Orange's initial brand strategy ignored brand awareness, brand image, and customers attributes.

The situation changed only when competition, most notably from Umniah, forced it to change. A combination of communication strategy, cleverness, and finesse changed the company's fortunes. The essence of the change was the development of a distinct brand personality, coupled with an integrated brand architecture (mobile phone, internet, and broadband) under one brand, designed to enhance customer perceptions of Orange.

7.4. WITHIN-CASE ANALYSIS OF XPRESS

7.4.1. Company profile

XPress Telecommunication is a private shareholding company. It launched its services in the Jordanian telecommunications market in June 2004. It presented itself as the latest wireless and mobile operator, offering a new form of telecommunications solutions. These were based on Integrated Digital Enhanced Network (iDEN) technology; iDEN is a mobile telecommunication technology developed by Motorola. The technology allows for two-way communication between two or more people at the same time. In this, it uses push to talk (PTT) services. PTT services are commonly used by government agencies—the police, fire departments, and so on. At the same time, iDEN provides ordinary mobile phone services—call, SMS, email, internet, Bluetooth, photo, video, and so on (XPress, 2009).

XPress has more than 200 employees; the majority (98%) are Jordanian. Its network covers 95% of Jordan's populated areas. XPress serves more than 100,000 corporate and governmental clients, especially those whose operatives travel extensively across Jordan. XPress has exclusive use of iDEN in the Jordanian market through an agreement with Motorola. The technology provides the corporate market a blend of benefits, most notably in cost-saving, time-saving, and productivity (XPress, 2009)

XPress, as the pioneer of iDEN in the Middle East, is in partnership with the BravO Company in Saudi Arabia. BravO also uses iDEN and BravO users also have the option of PTT.

7.4.2. XPress's perspective on brand strategy

Table 7.5 presents XPress's managers brand strategy definitions.

Table 7. 5. XPress managers' choices of definition of brand strategy

Number of managers accepting definition	Definition
1	A: Brand strategy is a positioning strategy which is responsible for making brand image.
1	C: brand strategy comprises developing the right perception in customers' minds through different management activities.

The table shows that the first manager of XPress preferred Definition A. He justified this as follows:

> Definition A is easier and less ambiguous. It reflects the reality of the mobile phone service industry. To me, two things are important: first, who you want to work with, and why; second, the need to meet their expectations. You know, we have identified our target market (those whom we work with). We are trying to build a good image and to meet their expectations. (Marketing Manager, XPress)

The second manager preferred Definition C. Thus:

> I believe that brand strategy is about having a place in customers' minds for a long period. To do this, you must have a clear policy for developing recognition of a company, and for building a good image. This ideally happens as a result of coordination of company activities. And this definition reflects this (Sales Manger, XPress).

7.4.3. The process of brand strategy within XPress.

XPress's Marketing Manager stated that the aim of XPress is to have a solid position in Jordan's market telecommunication industry. This is a vague aim. The Marketing Manager considered brand positioning as an aim, not just for brand strategy, but also as a general for aim for XPress—thus his choice of Definition A.

7.4.3.1. XPress's brand positioning

XPress managers stated that XPress was the idea of Jordanian businesspeople. These people had lived in the U.S.A. and had been impressed by iDEN. The businesspeople perceived a niche corporate market for iDEN in Jordan. This niche had been neglected by Zain and Orange.

Because it was the only company to offers iDEN, XPress found it relatively easy to position itself in the corporate market. XPress persuaded its target market of the benefits of the new technology—its special applications, its relevance to their work.

XPress came up with the slogan *to the next level*. The slogan reflects XPress's brand strategy. XPress appealed to Jordanian users' hedonism and love of new technology. It also appealed to their egos. This positioning strategy was consistent with what theory states that positioning should be (e.g., Aaker, 1996; Kotler and Keller, 2006; Kotler and Pfoertsch, 2006). XPress, at this stage understood how to satisfy the needs of businesspeople, and to use them as a reference group for XPress subscribers and potential subscribers.

XPress's Sales Manager stated the strategy was successful:

> The first response we had from enterprises was overwhelming. Jordanian businesses took up our services immediately. The response motivated us to expand into providing services for government projects. (XPress, Sales Manager)

XPress thus came to supply the majority of public servants in Jordan. However, in doing so, XPress confused its positioning strategy. It used a mixed strategy, one based on service functional values (attractive to businesspeople) and price (attractive to employees). XPress thus enlarged its market share, but at the price of losing its brand identity. At this stage, business people were uncomfortable (i.e., not satisfied) with being associated with employees. This increased their fears (perceived risk) of XPress as a brand.

In the period 2004–2006 XPress succeeded in dominating the corporate market. According to its Marketing Manager, XPress thereafter decided after to position itself in the Jordanian customer market. This was based on what the company saw as its competitive advantage in (iDEN) technology.

XPress market research suggested that Jordanian customers were unhappy with the international calls services and tariffs provided by other Jordanian companies. Utilizing its partnership with BravO in Saudi Arabia and companies in Palestine's West Bank, XPress thus entered the customer market. In 2006, XPress made its services available to all Jordanian customers. It positioned itself as an economic international mobile phone service provider. XPress wanted to let Jordanian customers benefit from its different technology, enabling them to use it for regular and international calls alike.

XPress was unsuccessful. This was due to the lack of brand awareness among the Jordanian public. Instead of tackling this problem, XPress continued offering new services, based on a technology with which the Jordanian public was unfamiliar.

In theory, the market for the international calls provided a good niche for XPress. Given that more than 1 million Jordanian live outside Jordan in Gulf States (especially Saudi Arabia), and that there are more than 2 million inside Jordan who have a direct relationship with Palestinian people in West Bank and Gaza Strip[7] , the potential market is huge. However, without good brand awareness, and positive brand image among Jordanians, especially as regards the advantages of iDEN, XPress's positioning strategy failed. This increased customer perceived risk of XPress.

7.4.3.2. XPress's brand personality

XPress's brand positioning had three aspects. The first was within the corporate private market; XPress promoted its services to businesspeople. The second was within government agencies and quangos; XPress promoted its services to bureaucrats, especially relatively junior ones. The third was within ordinary

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[7] About half the Jordanian population was originally Palestinians. The population left Palestine after the establishment of Israel in 1948 and after the Six Day War of 1967.

Jordanians; XPress promoted its services, national and international, to all Jordanians, emphasising its good value for money.

These three aspects were integrated with two brand personalities. The first, actively promoted by XPress, was that of a shrewd businessperson. XPress targeted businesspeople. This gave good brand awareness, and positive brand image of XPress among them.

XPress's targeting of the public sector was, as indicated, less successful. XPress increased its market share but did not attempt to change its image. XPress persisted with the idea of "business friend" as a brand personality. XPress's Marketing Manager stated:

> We focused on a distinct segment (i.e. public sector), giving people a fine service at an affordable price, and promoted ourselves as "the business friend". (Marketing Manager, XPress)

He clarified the idea of a "business friend"

> In Jordan the majority of people who use our services work in the public sector—engineers, contractors, and so forth. These people, as you know, have good wages and respectable positions in our society. Either the users of our service are among them or not. People look at these people as respectable, hard worker people, people who use mobile phones for business purposes. Being respectable is important in our culture. (Marketing Manager, XPress)

The inconsistency in the brand personality between "shrewd businessperson" and "business friend", the lack of a clear brand positioning strategy, and the weakness of XPress's communication strategy during this stage resulted in a negative brand personality. XPress, by default, became the "blue collar worker"; since then this reference group has been associated with XPress. This was not helped by XPress's insistence on competing on price.

When XPress tried to enter the mass market, the blue collar image went with it, again by default. Ironically, XPress's communication strategy enhanced this image. This added to customer perceived risk.

Thus XPress failed in the mass market because its brand personality was schizoid. One brand personality was that of a businessperson. The other was that of a poor person. Most Jordanians identified with neither.

7.4.3.3. XPress's brand identity

XPress's core identity is that of the best provider of advanced telecommunication technology in corporate market. This core identity succeeded as regards XPress's entry into the corporate market. But it was ineffective its specific technology offering was not particularly attractive to this market.

XPress's extended identity pertains to the emotional and functional benefits from a brand. As indicated, XPress ignored this. Hence the general population had poor perceptions of the company.

7.4.3.4. XPress's brand values

XPress's brand identity provides a value proposition to its customers. XPress has a cluster of functional, emotional, and self expressive values; iDEN provides functional values to the customer. Such benefits range through PTT, mobile phones, GPS, data services, and PTT international roaming. These values are designed to provide XPress with a strong position in the Jordanian corporate market. No other mobile operators could provide this range of functional benefits for the corporate market. Thus, XPress satisfies the needs of this niche market.

Still, the challenge for XPress is how to persuade the consumer market that these functional benefits are more beneficial to them than those of its competitors. So far, as indicated, the company has not been successful in this. Arguably, three things prevent it from success: lack of understanding consumer attributes (satisfaction, perceived risk, and reference group), low brand awareness, and negative brand image.

The issue is that most people do not need iDEN. Only businesspeople need iDEN, and most people do not see themselves as businesspeople. The image of a businessperson is echoed even in the shape of XPress's mobile handsets (Fold Motorola, which represents the image of a businessman). In contrast, most people seek emotional values from mobile phone providers, such as a luxury product or a high-tech product. XPress ignored this consideration.

7.4.3.5. XPress's brand architecture

In addition to PTT and ordinary mobile phone services, XPress provides an Internet service. The Internet service was originally designed to suit the needs of businesspeople. Recently, it has been enhanced to cover the needs of all XPress users.

XPress provides its Internet service under the name of Xplore. This means XPress uses branded category architecture (two different brand names for two different services offered by a single company). XPress is the only mobile phone service company in Jordan that at present uses this approach. XPress justifies this on the grounds that it (a) seeks to avoid confusing customers and (b) wishes to highlight the diversity of its services. The Marketing Manager stated:

> Basically, the decision to have a different name for our Internet service is based on two things: to avoid confusing customers when they use it, and to show customers the diversity of our services. (Marketing Manager, XPress)

He continued:

> You know, till now in Jordan you can not browse the Internet with your handset [using rival companies' handsets]. We made browsing available from the time of our establishment. We chose the name for two reasons. First, it is very close to XPress and tells users it is one of XPress's benefits. Second, it has associations with Internet Explorer. (Marketing Manager, XPress)

The researcher noticed that this service was not and still is not being promoted in a successful way to customers. There appears a dearth of XPress promotional activities as regards its internet service, except to businesspeople. XPress's brand architecture appears to enhance the weaknesses of customer brand awareness, brand image, and understanding of ordinary consumer attributes of XPress.

7.4.3.6. XPress's communication strategy

XPress's marketing campaign focuses on the brand's core identity. The XPress's brand reflects the core benefits of well being "the best technology for your work", a benefit that is appreciated by Jordanian businesspeople, and satisfied them. This marketing focused on those attributes that are most motivating to businesspeople. The marketing tried to strike a balance between the value of technology and enjoyment. Advanced technology is a functional strategy. This inspired the use of the slogan *to the next level.* XPress's advertising included the image of an elegant, well dressed man, with a mobile phone in one hand and a briefcase in the other, walking towards a big building entrance. XPress in the meantime developed its logo. This comprised the letter X in bold red between the Arabic word for *express* and the English words *press* (Figure 7.3).

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Figure 7. 3. XPress's logo.

Source: (Xpress, 2009)

Initially, XPress used direct approaches to its target audience (businesspeople). In 2004, XPress launched through a presentation in a large hotel in Amman. Businesspeople were invited, as were leading journalists. XPress used direct mails and printed invitations to invite these people. At the hotel, XPress showed the invited audience a video describing the philosophy of XPress and the benefits of its services.

The stratagem worked, and XPress used similar methods thereafter. The businesspeople were impressed. XPress seemed to understand their needs, and how they liked being treated (being invited to expensive hotels). Two points were important here: (a) the use of communications with businesspeople to build good brand awareness, and positive brand image; (b) good understanding of their attributes (XPress succeeded in ameliorating business people's fears, and in making business people a reference group, thus satisfying them).

In 2006 XPress launched its campaign aiming to enter the corporate employee market. XPress market research had determined that the majority of employees were men, so this was a key characteristic of the target audience. The advertising that ensued featured a male worker wearing an overall, with a paint brush in one hand and a mobile phone in the other. The worker appeared to be calling another (male) worker, who appeared on the other side of the picture. This second worker stood on a ladder. The same advertising promoted PTT. This advertising was distributed on billboards around industrial and constructional sites, wherever there was a corporate employee.

The results, as indicated, were mixed. They were good insofar as XPress succeeded in extend its services to employees. They were bad insofar as XPress damaged its image in businesspeople' minds—it was no longer their special brand. Plausibly, XPress would have done better to encourage businesspeople to promote the service among employees. Within a year, XPress had acquired the image of the "blue collar" company. XPress mixed customer attributes, and confused them with mixed brand awareness, and image.

During this times, XPress successfully signed deals with government agencies and quangos. This resulted in good word of mouth publicity for XPress, which XPress exploited in the corporate market. However, the deals enhanced XPress's negative, "blue collar" image, and icreased the perceived risk of ordinary customers.

XPress continued in the same vein when the targeting regular Jordanian customers. XPress advertising highlighted the benefits of PTT—as indicated, of debatable interest to ordinary people. The advertising was limited. It mainly involved advertising in the press and on billboards in Amman. An advertisement featured three casually dressed people, each holding a mobile phone and standing by a flag. The three flags represented Jordan, Palestine, and Saudi Arabia—the countries in which iDEN technology was available. The advertisement stated that talk was unlimited to Saudi Arabia and Palestine, for 30 Jordanian piasters[8] a day.

The campaign was ineffective. XPress did not substantially increase its market share. XPress has since recognized that the poor brand awareness, brand image, and misunderstanding consumer attributes were largely to blame.

> We recently made some efforts to increase our customer knowledge. These efforts helped us to know how much Jordanian customers know about what we have to offer. We have promoted some good activities, like conducting competitions including questions about XPress's services, and offers. We at XPress strive to make our customers have fun. Fun and rewards from such competition will enhance their knowledge of XPress. (Marketing Manager, XPress)

XPress's current communication strategy concentrates on building good perceptions to customers. It uses the mass media. XPress uses television and radio to run competitions. It also uses press advertisement and billboards to reinforce the message. Thus, to an extent, XPress is now trying to rectify its previously poor brand strategy and marketing. It still, however, appears not to have addressed the problem of what, exactly, it stands for. Is it a businessperson's mobile phone service, a "blue collar service", or something else?

7.4.4. The status of brand strategy in XPress

The Marketing Manager stated that the department of marketing is mainly responsible for making and designing brand activities within XPress.

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[8] Approximately 25 pence.

> Our marketing department is responsible for brand activities. We consider a brand as a strategic communication tool. It is the external face of our marketing efforts. (Marketing Manager, XPress)

The Sales Manager also stated that the marketing department is mainly responsible for brand activities. However, he also stated that the sales department and the Executive Manager have the final words on brand strategy application.

> For me, the sales department guides the way in which brand strategy should be re-built. We did this recently. We noticed that our sales are less than other companies in the customer market, and discovered that our company has weak awareness in customers' minds.(Sales Manager, XPress)

Thus, within XPress, brand strategy is integrated through three managers (Marketing, Sales, and Executive).

The Marketing Manager pointed that XPress involves all departments in building brand strategy. Each department is responsible for part of the strategy. He added:

> Of course, the Executive Manager and marketing department decide the main brand strategy of the company. The rest of the managers do what the strategy requires them to do. For example, the Sales Manager is responsible for explaining the part of our communication strategy to those sales people who deal directly with customers. (Marketing Manager, XPress)

Senior management is committed to support and to facilitate XPress's brand strategy. Brand strategy is formal activity for XPress. It is determined mainly by the Executive Manager with the support and guidance of the Marketing Manager.

The Marketing Manager stated:

> At XPress brand strategy is part of the overall business strategy. And it is based on the market need, which is assessed continually. I guess brand strategy is vital for our behaviour and presentation in the market. (Marketing Manager, XPress)

The Sales Manager said the same, but from a different viewpoint:

> I support the idea of having a brand department or at least brand office within the marketing department. However, I guess top management recognizes the importance of brand strategy. To be honest, this awareness has escalated recently, as a result of different department managers' comments regarding our market share. We are not happy enough with it. (Sales Manager, XPress)

Such comments illustrate six points. First, brand strategy at XPress is part of its overall business strategy. Second, brand strategy at XPress is assessed continually, based on the conditions of the market. Third, brand strategy at XPress determines the performance of the company in the market. Fourth, XPress has neither a brand department nor an office responsible for branding within its marketing department. Fifth, the majority of managers at XPress recognize the importance of brand strategy. Sixth, the weakness of the current brand strategy resulted in weak brand awareness and brand image in the market; this was due to lack of understanding consumer attributes.

7.4.5. The influence of XPress's brand strategy on its brand awareness, brand image, and consumer attributes

As with the other companies, at the conclusion of each interview, the researcher asked each manager about the extent XPress uses brand strategy to influence brand awareness, brand image, and consumer attributes. Table 7.6 shows their mean ratings for each aspect of brand strategy.

Table 7. 6. The relationship between XPress's brand strategy and brand awareness, brand image, and consumer attributes: managers' attitudes (1 = very weak; 5 = very strong).

No	Statement	Rank					Mean
		1	2	3	4	5	

1	The aim of the company's brand strategy takes into consideration brand awareness, brand image, and consumer attributes.	3.0
2	Brand positioning reveals positive brand awareness, brand image, and influences consumer attributes).	2.0
3	The way whereby the company personifies itself in the market reveals positive brand awareness, brand image, and influences consumer attributes.	2.0
4	The way whereby the company identifies itself in the market reveals positive brand awareness, brand image, and influences consumer attributes.	1.5
5	The quality of the provided services reveals positive brand awareness and brand image, and influences consumer attributes.	4.0
6	The way whereby the company attracts its customers emotionally reveals positive brand awareness and brand image, and influences consumer attributes.	3.0
7	The way whereby the company wishes its customers to look at themselves when they deal with it reveals positive brand awareness and brand image, and influences consumer attributes.	2.0
8	The way whereby the company presents its different services in the market (one brand name, or different brand names) reveals positive brand awareness, brand image, and influences consumer attributes.	1.0
9	The way whereby the company communicates with its customers through delivering positive brand awareness and brand image, and influences consumer attributes.	4.5
10	Having a branding department increases the company's understanding of brand awareness, brand image, and consumer attributes.	1.5
Grand mean		2.45

The table shows that Xpress managers saw a weak relationship between brand strategy and (brand awareness, brand image, and consumer attributes) (mean: 2.45). On only one measure (9, communication strategy) did they perceive the relationship as strong to very strong and on six measures they perceived the relationship as weak to very weak. On all other measures and on they perceived it as strong (2 or lower).

7.4.6. Summary

Initially, XPress did well. This was because it understood its target market (businesspeople), knew the strengths of its own services, and marketed accordingly. The company then expanded, with some success, but in the process lost its identity. The company was slow to recognise this. As a result, when it attempted to expand further into the Jordanian market, it failed.

The company appears now to be making tentative efforts to rectify the situation. Nevertheless, the company's understanding of branding seems poor. The company lacks a corporate structure devoted to branding. To date, XPress has no clear brand strategy, and customer brand awareness, brand image is poor. XPress may not yet understand the customer market.

7.5. WITHIN CASE ANALYSIS OF UMNIAH

7.5.1. Company profile

Umniah was the fourth mobile phone service operator to enter the Jordanian market. It is 98% owned by the Bahraini company Batleco. Umniah was granted its GSM license in 2004. It launched its Jordanian services at the end of July 2005.

7.5.2. Umniah's perspective on brand strategy

Table 7.7 shows Umniah managers' definitions of brand strategy.

Table 7. 7. Umniah managers' definitions of brand strategy.

Number of managers accepting definition	Definition
1	A: Brand strategy is a positioning strategy which is responsible for making brand image.
1	G: Brand strategy is a set of articulated plans and tactics used by a brand owner to achieve its brand objectives.
1	C: brand strategy comprises developing the right perception in customers' minds through different management activities.

The table reveals that each manager chose a different definition. The Executive Manager justified his choice of Definition A as follows:

> I believe that every company wants to let people think about it in some way, and it tries to guide them to this way. This definition expresses this in an easy and unambiguous way. It gets to the point. (Executive Manager, Umniah)

The Communication Manager justified her choice of Definition C as follows:

> A brand is a vehicle that transfers values to customers. A brand makes customers aware of these values, and guides them to think about the company in a positive way. The tactics of a brand strategy are responsible for making the best way in which these values are recognized and liked by customers. (Communications Manager, Umniah)

The Marketing Manager justified his choice of Definition G as follows:

> Whether we have it literally or not, we have already developed awareness, and have tried to draw a particular image in customers' minds. In order to do this, we implemented some steps. In short, what are all these things about? Simply, they aim to interact with customers in a good way. This results in good attitudes towards us and more revenue. To me, this is what Definition G reveals. (Marketing Manager, Umniah)

These comments suggest Umniah's business strategy impacts on its brand strategy, which in turn influences brand awareness, brand image, and consumer attributes.

7.6.3. The process of brand strategy within Umniah

Umniah's Executive Manager stated that brand strategy is guided by the main aims of Umniah, namely: to facilitate the widespread use of telecommunications services, secure a significant market share in Jordan, and to propel Umniah's success into regional markets. He added that Umniah would achieve these aims through integrating brand strategy, superior management, better value propositions, and advanced technology.

7.6.3.1. Umniah's brand positioning

The Executive Manager viewed brand strategy as a positioning strategy. This view is consistent with Park *et al.*'s (1986) description of brand strategy. Park *et al.* (1986) state that a brand is managed in three stages: introduction, elaboration, and fortification. The first is about building a brand image for customers; the second, is about showing them the brand values; the third is about generalizing the benefits of a good brand image based on clear values to new products or services offered by a company.

Umniah has good understanding of what customers want. It built its brand image on customer needs. This is in contrast to the other mobile phone service providers in Jordan. Each of the other companies dictated to customers what their brand image was, and tried to persuade them to adopt it. Umniah's brand image is *customer led.*

Umniah adopted this different approach through the insight of its Executive Manager. The manager had previously worked for Zain for several years. When he left Zain, he helped found Umniah, and, because of his experience at Zain, he knew what mobile phone users wanted. He understood the market thoroughly. The Communications Manage commented:

> We were the last telecommunication company to enter the market. We knew from the start that we could not win the first place. We had to develop a niche. So we identified our market as the youth market. We targeted those people who are interested in using mobile phones for fun. (Communications Manager, Umniah)

The Jordanian youth market is large. Almost one-third (32.2%) of the Jordanian population is aged under 14 years, and almost two-thirds (63.7%) is aged 15–64 years (CIA, 2010). Jordan, like other Arab countries, has a predominantly young population. And Umniah was successful in targeting Jordanian youth. By the end of 2007, less than three years after its foundation, it had over 1 million Jordanian mobile phone subscribers, representing 24 % of the market share (Umniah, 2009).

As of January 2009, Umniah's market share is 24%. This compares with 39% for Zain and 35% for Orange.

In 2007, Umniah targeted the army. Many Jordanian soldiers are young and most have low pay. Umniah therefore adopted a positioning strategy based on price. Umniah could not compete with Zain or Orange on quality. It undercut them on price, which is what poorer people in Jordan wanted.

This is not to say that Umniah offered low quality services. Its services were of sufficient quality to compete with those of Zain and Orange. Moreover (see below), Umniah also positioned itself as an innovative company, with innovations specifically aimed at the youth market (again see below).

Umniah's strategy accords with theory. Keller (2003) states that "brand values can serve as the basis of brand positioning in terms of points of parity and points of difference" (p. 151). Likewise, de Chernatony and McDonald (1992) state:

> Brands succeed because customers perceive them as having added values, that is, values over and above their commodity constituents. But success comes from developing added values which make brands noticeably different from competitive brands and which result in relevant and welcomed attributes. (p. 155)

Thus Umniah positioned itself differently from its competitors. However, the company has been only partially successful. It has gained little market share outside Amman (plausibly because Umniah phones do not receive signals well outside Amman) (see below). The low cost of its services may also act against it. Keller (2003) observes that "it might be difficult to position a brand as inexpensive and at the same time assert that it is of the highest quality" (p. 144).

7.6.3.2. Umniah's brand personality

In targeting the youth market, Umniah devised a youthful brand personality. The company portrayed itself as young, modern, innovative, down to earth, intelligent, and compassionate. Umniah personified itself as a dynamic, honest, intelligent young Jordanian; this was in contrast to, as Umniah would have had it, venal businesspeople (i.e., Zain and Orange). This helped Umniah's brand positioning; it differentiated it in the market and enhanced Umniah's brand preference. (For the importance of brand personality, see Aaker, 1997; Biel, 1993; Freling and Forbes, 2005).

Umniah's Communication Manager stated that brand personality is expressed through Umniah's brand tagline (*be heard*), innovation, and lower prices. She stated:

> In Jordan it is hard to get others to listen to you if you are not rich. Most people are not rich. Yet we believe most people are innovative, and that they have important things to say. So we give them a chance to be heard. We give them something new, always in terms of technology at unbeatable prices. This draws on our brand personality, as striving to make everyone's wish come true.(Communications Manager, Umniah)

The Communications Manager, in that she acknowledges that ordinary people have important things to say, reinforces the strategic importance of the company's tagline, *be heard.*

This innovation is an important aspect of Umniah's brand personality. It carries two advantages. First, it reinforces the image of the company as being young, dynamic, and different. Second, in that the innovations are specifically aimed at the youth market, it reinforces the image that the company cares for what young people want, and understands them. Umniah presents itself in young people's minds as "one of us". By implication, it positions Orange and Zain each as "one of them". Notice that this especially undermines Zain. Zain's slogan is *one of us.* The effect of Umniah's strategy is to label Zain dishonest. Also note the importance of using reference group for Uminah.

7.6.3.3. Umniah's brand identity

As indicated, core identity is "the timeless essence of the brand" (Aaker, 1996, p. 85). Being an innovative company with low prices is the core identity for Umniah.

Umniah has a clear extended identity. It presents a good relationship with youth, as it makes the latest technology available to them at reasonable prices. This is reinforced by Umniah's image of being innovative, exciting, and catering for the needs of youth. Umniah's slogan, *be heard*, adds especially to this.

Umniah's Marketing Manager stated that Umniah has a clear vision of its brand identity's purpose. The purpose is expressed in the brand's relationship with customers, the brand personality, the brand' logo (Figure 7.4), and the slogan *be heard.*

Figure 7. 4. Umniah's logo.

Source: (Umniah, 2009)

Umniah often combines its logo with its slogan (Figure 7.5).

Figure 7. 5. Umniah's logo with slogan.

Source: (Umniah, 2009)

For the Marketing Manager, the purpose of the identity is "rising innovativeness and growth". This approach encourages the youth to remain loyal to Umniah.

7.4.3.4. Umniah's brand values

Brand values are the ultimate objective of the service provider. They reflect the aim of maximizing future cash flow.

> We aim to provide customer-centric telecommunication services through superior management, better value propositions, and advanced technology all at a reasonable price. Thereby we maximize our shareholders' values. (Marketing Manager, Umniah)

This quotation reflects the philosophy of marketing in general. Kotler and Armstrong (2008) state that marketing provides value for customers (satisfaction) and for companies (financial revenue). Umniah links its value to customers with its price strategy. This includes billing for seconds, not minutes. The value to customers, however, extends beyond price. The value comprises functional and emotional benefits. Together, they promote self-expression. Functional benefits depend on value added service (VAS). The VAS of a mobile phone company comprise all services provided by a mobile service company beyond standard voice calls—excellent voice quality, use of the latest technology, SMS services, and so on. VAS differentiates between service providers. The Marketing Manager stated:

> The Intelligent Network and Value Added Services (VAS) platforms offer a variety of old and new services, with features that distinguish our subscribers from others. (Communication Manager, Umniah)

In contrast, Umniah has poor network coverage outside Amman. This plausibly impacts negatively on customers' perception of Umniah. Umniah's Communications Manager stated:

> We recently conducted some research on the perception of Umniah outside Amman. The research indicated that people are still not happy with our network coverage. (Communication Manager, Umniah)

Umniah provides emotional benefits, based on youth entertainments. Umniah was the first service provider in Jordan to provide such entertainments, despite being last to enter the market. These entertainments include music box (a service that allows users to endow their friends' mobiles with a ring-tone based on favourite tunes), Java games, card games, SMS to television, "match analysis" (checking compatibility with potential friends or lovers—this is based on astrology), ready-written romantic messages, and checking one's horoscope. Umniah's Marketing Manager stated:

> We go beyond utilitarian functions to hedonic functions. We use them to build a strong bond between us and our targeted customers. You know, we believe that these types of services represent the customers' aspirations. We give the young what they hope for. We help them express themselves. (Markting Manager, Umniah)

Subscribing to Umnaih identifies a person as prudent, down to earth, exciting, and youthful. This is the self-expressive value that Umniah encourages in subscribers.

7.6.3.5. Umniah's brand architecture

Umniah's Executive Manager stated that the company used its success in mobile services to expand into Internet and business services (e.g., website design for companies). Such expansion reinforces Umniah's innovative image.

The three components of Umniah's portfolio (mobile phone, Internet, and business services) are organised such that that they operate under one brand, mutually supporting each other.

Umniah's mobile phone and Internet services mainly target the youth market. The company's business services targets small to medium size businesses (SMBs). This is shrewd of Umniah—Zain and Orange have cornered the big business market (see above). Umniah's only major competitor in the SMB market is Zain, which targets small businesses as well as large ones (again, see above). Umniah's Communications Manager stated that the company's business services indirectly support Umniah's brand strategy. When Umniah designs a website for a company, for example, this provides opportunity for Umniah to persuade the company to use Umniah's Internet and mobile phone services.

Nonetheless, Umniah's Internet and business services are not widely recognised among Jordanian people—at present, most Jordanians do not know of Umniah's brand architecture. So Umniah's competitive advantage remains in the innovation and pricing of its mobile phone services. Umniah's brand architecture, at present, does not give it much extra power in the marketplace.

7.6.3.6. Umniah's communication strategy

The Marketing Manager stated that, since its establishment in 2005, Umniah has tailored its communication campaign to meet the expectations of its core target group (the young). Lifestyle, income, and age comprise the basics of Umniah's communication strategy. This is consistent with the view of Sheth *et al.* (1991), who state that successful marketing communication must be based on understanding of the relationship between product/service brand and customer benefits.

The Communications Manager stated that the aim of the first communication strategy was to communicate the brand to Jordan's youth. Umniah's market research had suggested that the youth market was potentially the most lucrative and the most loyal segment of the market. Equally, if not more, important, the market research suggested young Jordanians would use mobile service functions (e.g., texting), in addition to using the phones for talking. Thus Umniah highlighted the functions included in its services (and see brand value, above). Again, this was shrewd of Umniah. Umniah's competitors had not appreciated that young people use mobile phones in different ways from older people.

Umniah identified the most visited places of the youth—university campuses, cafés, clothes shops, and amusement parks. Umniah made a deal with the universities to the effect that Umniah would provide them with facilities (e.g., Internet) at nominal price in exchange for Umniah being allowed to market its services within campuses. The campaign started in Amman. Umniah used the phrase *an innovative brand for less cost*. Umniah accompanied this with messages concerning lifestyle, age, and income (see brand values, above). Echoing this positioning, Umniah coined its slogan *be heard.*

To enhance its appeal to, and identification with, youth, Umniah used pop music and popular young singers in its advertising—on television, in the press, on radio. This tactic succeeded in building good awareness of the brand, which in turn contributed to depicting the image of innovative yet cheap brand. Umniah achieved 10% of market share within first six months (Umniah, 2009). Notice the use of reference group. In the same time, it was a way to reduce the perceived risk of customers.

As indicated (see discussions on Zain, Orange, and XPress) Umniah's competitors changed their positioning strategies in response to the threat from Umniah. XPress, for example, made its services available to everyone, not just businesses. Umniah's Marketing Manager stated that this resulted in a slight halt in Umniah's progress. In response, Umniah targeted all sectors of the market, not just the youth sector.

To effect this expansion, Umniah first reduced the tariff between Umniah and Umniah calling (to one Jordanian piaster), and increased the tariff from Umniah to other networks (and vice versa). Umniah promoted its image as an innovator by being the first to provide wireless Internet. Umniah's wireless Internet was soon common in universities, cafés, and places of entertainment. It promoted its message of the "caring", innovative company in television and other advertising and sponsorships. Umniah opened a number of Kiosks in the Jordanian universities to promote its services. It was the first mobile phone service provider in Jordan to do so. Through this, Umniah's tried to meet and satisfy the high demands for wireless internet among Jordanian youth, and hide some of Umniah's weakness of coverage outside Amman.

Umniah tried to position itself as the second mobile phone service provider in Jordan. The Marketing Manager stated that Umniah's market research indicated that people tended to use Umniah's for talking and for fun, Umniah being the cheapest service provider. So Umniah introduced new VAS (see above)—voice messages, romantic messaging, and so forth. Umniah sponsored television programmes that, not only advertised Umniah services, but also featured users' text messages (with the users' permission). This added to positive word of mouth for Umniah. People phoned each other, saying things like "I saw your name on the television", or "Your text message was good". The Executive Manager stated:

> We always think in new ways and look at new segments to satisfy our and their needs. The army, for example, is a lucrative segment in the market, and needs a special

promotional message to attract it. I guess we did that. We are innovative, not just in our services, but in delivering our message, too. We used the power of its own staff to extend our market. You know, changing the marketplace needs innovative promotional activities. (Executive Manager, Umniah).

This quotation illustrates the manager's good understanding of consumer attributes. Umniah's targeting of the army is illustrative. First, Umniah conducted research to identify the most frequented places of soldiers, the times they most frequently visited them. It discerned that, on Fridays and Saturdays, most soldiers go to the main markets in the main Jordanian cities. So Umniah dressed all of its staff working in Jordanian cities on Fridays and Saturdays to look like army officers. The company played popular, patriotic Jordanian songs and music inside its stores on Fridays and Saturdays. Its television and other advertising featured an open army Lenin bag and offered soldiers a 25% discount. See Figure 7.6.

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Figure 7. 6. Umniah advertisement.

Source: Umniah (2009).

The caption above the bag translates to "You are the crown on our head and the medal on our chest."

Umniah used an integrated cross-media approach to support its message. For example, the television commercials asked viewers to look at the day's morning paper, or pay a visit to one of Umniah's shops. Television was used to attract people's attention. The timing of commercials was chosen carefully—between 7 and 9 p.m. (the period soldiers are allowed to watch television). Umniah used press releases and its shops to help army's subscribers understand the details of the promotion. The campaign lasted three months, with customer involvement escalating from month to month. This integrated advertising was new. No other Jordanian company—much less a mobile phone company—had used it.

Umniah also used its staff. It sent each member of a staff a brochure, together with three free charged Umniah pay-as-you-go cards. This was to encourage staff to get their friends and families to use Umniah. Thus, again, Uminah used reference group. Umniah gave staff extra money for each new subscriber they recruited. Again, this was a novel marketing ploy in Jordan. Using a staff as a communication tool is consistent with the literature (e.g., de Cherntony and Segal-Horn, 2003).

7.6.4. The status of brand strategy in Umniah

The Executive Manager stated that he and the marketing department are responsible for brand activities:

> I decide the necessary activities for our brand, based on the situation in the market. Of course, the role of the marketing department is vital. It provides data and information about market trends, and how can we react to them. (Executive Manager, Umniah)

The Marketing Manager agreed that the Executive Manager is mainly responsible for decisions about Umniah's brand. He also stated that the marketing department is responsible for collecting the information of the market and measuring the extent of

Umniah's brand awareness and image, and for monitoring changes in consumer attributes. He stated that there is a sub-department of branding within the marketing department. The sub-department collects, designs, and suggests brand activities that the department send to the Executive Manager.

When he asked why Umniah does not have a branding department, he stated:

> To have a separate department means more expenses, and I guess to top management this means unnecessary expenses, at least for now. (Marketing Manager, Umniah)

The Communications Manager agreed that the Executive Manager is the responsible for brand activities. She stated that the communications department liaises with the marketing department in supplying and applying Umniah's brand plans.

7.6.6. Summary

Umniah entered the market late. Nonetheless, it quickly achieved a substantial market share within Jordan, and now constitutes a major rival to Zain and Orange.

This success appears due to a number of factors—identifying unexplored areas of the market (especially the youth market); identifying the needs of its target customers (consumer attributes); sophisticated, integrated advertising to its target audience, presenting a clear, and coherent brand image and brand personality. The company's willingness, not only to innovate, but to use its innovation, both as part of its brand identity and in its advertising, was also instrumental. A further factor is the importance Umniah accords to brand strategy within the company.

7.7. CROSS-CASE ANALYSIS

This section compares the cases of Zain, Orange, Umniah, and XPress. It focuses on similarities and differences across the four cases. It also discusses the findings of the study and relates them to previous studies.

7.7.1. Brand strategy definition within telecommunications companies.

Table 7.9 shows the preferred definitions of brand strategy among telecommunication company managers in Jordan.

Table 7. 8. Preferred definitions of brand strategy.

Definition	Manager	Company	Percent
A	Marketing Manager	Xpress	17%
	Executive Manager	Umniah	
B	Marketing Manager	Orange	8%
C	Marketing Manager	Zain	25%
	Communication Manager	Umniah	
	Sales Manager	Xpress	
D	Branding Manage	Zain	8%
E	-	-	-
F	-	-	-
G	Executive Manager	Zain	42%
	Communication Manager	Zain	
	Executive Manager	Orange	
	Branding Manager	Orange	
	Marketing Manager	Umniah	
Total	12 managers	4 companies	100%

As indicated, definitions of brand strategy sometimes overlap and can be ambiguous. That managers in different companies, and different managers within the same companies, therefore, selected different definitions is unsurprising. Nonetheless, Definition G was the most popular, except for managers within XPress. Given that Definition G was arguably the best (see above), and given that XPress is the least successful telecommunications service provider in Jordan, this is suggestive. Note, however, that the data are too sparse for statistical analysis. The result is suggestive only.

However, with the exception of the respondents from XPress, most respondents agreed that brand strategy involves formulating a set of plans to realise company objectives; most respondents thus viewed brand strategy as central to business strategy. This finding accords with the literature (see e.g., Aaker and Joachimsthaler, 2000; Osler, 2003). This level of agreement between respondents is re-assuring given that many authors argue that clear and accurate definitions of key terms, and management's use of them, improves corporate performance (Aaker and Joachimsthaler, 2000; Ambler and Barwise, 1998; Osler, 2003; Kotler and Pfoertsch, 2006; Stern, 2006). It is also significant that many respondents variously mentioned image, brand complexity, positioning, and differentiating the company from its rivals—they appeared to have good understanding of key marketing concepts.

Table 7.10 lists the similarities and differences between the four companies with reference to their choices of brand strategy definitions.

Table 7. 9. Similarities and differences between branding in the four companies.

Similarities and Differences	Zain	Orange	XPress	Umniah
Brand Strategy Definition	G	G	A	A
Company's Aim	Clear	Clear	Very vague	Vague
Company's Aim Influence on Brand Strategy	Guides Brand Strategy	Guides Brand Strategy	Guides Brand Strategy	Guides Brand Strategy
Use of Influential factors	Regional spread to enhance customer brand awareness, and brand image	Global spread to enhance customers brand awareness, and brand image	Used the power of businesspeople	Executive Manager's experience The experience suggests formulating brand image is market-led
Staff involved in formulation of strategy	All senior managers involved	All senior managers involved	All senior managers involved	All senior managers involved
Staff involved in tactical decisions	Senior and middle management	Only senior management	Only senior management	Only senior management

The table reveals that the two most successful companies (Zain and Orange) are the only companies to have clear aims, and that only Zain involves middle management in tactical decisions. Other than this, there appears little difference between Zain and Orange, the two brand leaders.

There seems little difference between XPress's and Umniah's practices, save that XPress's aims are very vague as opposed to just vague. There is, however, a vast difference between the performances of the two companies. This plausibly may be attributed to Umniah's relatively less vague aims and, arguably crucially, to the intelligence (in both senses of the word) of Umniah's Executive Manager—in other words, he knows what the other companies are doing, knows what the public wants, and uses such knowledge to good effect. In this regard, Umniah is the only company to have a bottom-up formulation of brand strategy. This may also, plausibly, have contributed to Umniah's greater market success relative to that achieved by XPress.

The difference between Umniah and the other three companies is that Umniah focuses on perceived value—good quality at low prices. Umniah implicitly adopts Keller's (1998) definition of a brand, namely that a brand comprises consumers' perceptions of a product or service to the effect that the product or service has a range of added values.

Kapferer (2008) rejects Keller's definition. He states: "this definition focuses on the gain of perceived value brought by a brand. How do consumers' evaluations of a car change when they know it is a Volkswagen or a Peugeot, or a Toyota? Implicitly, in this definition the product itself left out of the scope of the brand . . . as a result brand management is seen as mostly a communication task. Modern brand management starts with product and service as the prime vector of perceived value, while communication is there to structure, to orient tangible perceptions and to add intangible ones" (2008, p.10). Kotler and Pfoertsch concur: "The philosophy", they state, "or basic direction of impact of the brand strategy has to conform to what the company is doing. In many cases the nature of the products or services a company sells *limits* [emphasis added] the decision as to how to brand" (2006, p.171). In this note that (see chapter 8) Orange, Zain, and XPress base their brand strategies upon high quality, but Umniah does not. Thus it is possible that Umniah's relative lack of success is due to the company's failure to understand the nature of branding.

7.7.2. The process of brand strategy within telecommunications companies

7.7.2.1. Brand positioning within telecommunications companies

Table 7.11 summarises each of the four companies' brand positioning.

Table 7. 10. The four companies' brand positioning.

Brand positioning	Zain	Orange	XPress	Umniah
Type of market	Mass market	Mass market	Niche market	Niche market
Way of positioning	Brand personality and brand values (best quality)	Brand personality and brand values (emotional values, global presence)	Brand values (functional values, technology)	Brand personality and brand values (price)
Brand positioning outcome	Consistent brand positioning outcome (market leader)	Inconsistent brand positioning outcome (powerful global company)	Inconsistent brand positioning outcome (business technology)	Consistent brand positioning outcome (innovative company) Value for money

The table reveals that Zain and Orange each target the mass market. This is unsurprising given that they were the first to enter the Jordanian market, and that each (especially Orange) has considerable presence elsewhere. The only difference between the companies concerns brand positioning, which in Orange's case is inconsistent. This arguably is why Orange has less market share than Zain. Alternatively, Orange's inconsistent brand positioning may have been forced on the company by its relatively late arrival.

Both XPress and Umniah aim for niche markets. Arguably, this was forced on them by their late entry into the market. However, Umniah has a consistent positioning outcome, but XPress has not. Umniah appears to have made the most of its niche market, but XPress appears to have not.

As indicated, brand positioning is the place that a brand has in the minds of target consumers, and it is this that lends brand negative or positive connotations in putative consumers' minds. Thus Aaker (1991) states that strong brand positioning makes consumers distinguish the distinctiveness and power of a brand, and Lee and Liao (2009) state that brand positioning influences consumer behaviour and brand preference; thus brand positioning is an important component in brand strategy. The literature concurs with such sentiments: the degree of brand preference is a correlate of market penetration (e.g., Nedungadi, 1990; Aaker, 1996; Ghosh and Chakraborty, 2004; Keller, 2003). Thus Kapferer (2008) states: "Positioning is a *critical* [emphasis added] concept. It reminds us that all consumers' choices are made on the basis of comparison. Thus, a product or service will only be considered if it is clearly part of a selection process" (2008, pp.175-176); and Kotler and Pfoertsch (2006) emphasise the necessity for companies to identify who their potential customers are—that is, to know where their market lies and to know its nature. Failure to do so, the authors state, leads to nonsensical brand positioning; it may also lead, the authors argue, to employees pursuing meaningless activities. This statement reflects the importance of consumer attributes.

Finally on this issue, there may be a "first mover" advantage: the company that first enters a market may secure an intrinsic advantage in brand positioning. Usero and Fernandez (2009); and see Bijawaad *et al.*, 2008), in a study of the European mobile telecommunications industry; found that followers were unable to erode pioneer advantage.

However, as regards the Jordanian mobile phone service provider industry, results of the present study, although they corroborate claims as to the importance of brand positioning, suggest that such advantage, if real, is slight. See chapter 8.

7.7.2.2. Brand personality within telecommunications companies

Table 7.12 summarises the four companies' brand personalities.

Table 7. 11. The four companies' brand personality.

Brand personality	Zain	Orange	XPress	Umniah
brand personality	Global citizen	Global powerful person	Blue collar person	Young intelligent person
Its consistency with other brand strategy variables	Consistent partly as Zain still not yet a global company	Consistent totally	Inconsistent	Consistent with the majority of variables except brand functional values (e.g. quality of network coverage).

The table reveals each company brand has a clearly defined brand personality. However, the only company whose outcome brand personality is totally consistent with its branding is Orange. This arguably, was not too difficult for Orange to achieve. It presents itself as a global company. And it *is* a global company. And it *was* a global company *before* it entered Jordan (albeit under a different name).

Both Zain and Umniah are only partly consistent. Zain's problem is that it was not a global company when it entered the Jordanian market, and it still is not. Thus Zain has an aspirational brand personality. Against this, it has been successful in its use of chauvinistic personality and its identification with the Jordanian citizen. Pride in being Jordanian appears to have worked for Zain.

Umniah's inconsistency lies in its functional values. Its services are not as high a quality as those of its major competitors. Against this, Umniah's brand personality of being youthful, innovative, and so on, has been successful.

XPress's marketing behaviour is schizoid. XPress is perceived as a blue collar (down market) company, but its purported brand image, originally at least, was of an executive (up market) company.

The notion of using brand personality as one of the brand strategy components is prevalent within the literature (e.g., Aaker, 1996; Aaker, J, 1998; Keller, 2003, Osler, 2003; Kapferer, 2008). The literature also suggests brand personality influences consumer brand preference (Grimm, 2005; Rajagopal, 2006). To this Chang

(2009), in the specific instance of the telecommunications industry, adds that brand personality is reciprocally related to brand preference—brand personality influences brand preference and vice versa. Other literature (e.g., Ghodswear, 2008) suggests that brand personality helps companies achieve sustainable advantages that its competitors can not copy.

The results of the present study (chapters 8 and 9) accord with the literature. Zain, as indicated, has a strong brand personality, and is doing well. XPress has a poor brand personality, and is doing (much) less well. Zain's distinct brand personality also seems to be helping it keep its competitive edge in the market.

7.7.2.3. Brand identity of telecommunications companies

Table 7.13 shows the four companies' core and extended identities.

Table 7. 12. The four companies' core and extended identities.

Brand Identity	Zain	Orange	XPress	Umniah
Core Identity	a global mobile network provider	standardised world class services	advanced telecommunication technology for corporate market	innovative company with low prices
Extended Identity	Mix of functional, emotional, and self expressive values	Mix of functional, emotional, and self expressive values	Mainly functional values	Mix of functional, emotional, and self expressive values

The table reveals that all companies have core and extended identities—except XPress, the company with the smallest market share.

The literature suggests that brand identity is central to business success (e.g., Aaker, 1996; Kapferer, 2008), but is ambivalent on the effect of re-branding. Orange is illustrative. Orange had to change its brand identity if it was to flourish (see above). On the one hand, changing brand identity may be "good". Thus Ghodeswar (2008), for instance, states that "brand identity is inspirational and may imply the image that needs to be changed or augmented" (p. 5). Thus changing brand image may promote sales.

On the other hand, changing brand identity may be "bad". Kaikati (2003) states that in business the unfamiliar is often most in danger of being rejected, and therefore, changing identity can alienate customers who feel loyal to a brand. Such ambivalence in the literature suggests that changing brand image may be a mixed blessing.

In practice, however, change of brand identity—if the Jordanian mobile phone service industry is any guide—may be forced onto companies, regardless of its theoretical advantages and disadvantages. Thus, as indicated, Zain relied on its brand identity (largely chauvinistic) until Orange entered the market and then rebranded itself—this rebranding arguably forced Zain to react. The later entry of Umniah forced further change. Only XPress retained a relatively stable brand identity. This resulted in a lamentable position in the marketplace. Thus point here is that marketing (*branding*) is dynamic. Companies can not afford just to stand still. This point is not only acknowledged by authorities within marketing (e.g. Aaker, 1996; Keller, 2008).

Some see brand identity as comprising a range of separate elements. Kapferer (2008), for instance, names six: a clear vision, differentiation from other competitors, appreciation (by and of customers), performance, values, and competence. He states that each adds to company success. Others see brand identity as being simpler. Aaker (1996), for example, sees brand identity as comprising only core identity and extended identity (see chapter 4). However, the salient point is that the literature agrees on the importance of brand identity, and its close association with company values. It appears that some (e.g., Orange, Zain) Jordanian mobile phone service providers appreciate this, but one does not (i.e., XPress).

7.7.2.4. Brand values of telecommunications companies

Table 7.14 shows the four companies' brand values.

Table 7. 13. The four companies' brand values.

Brand Values	Zain	Orange	XPress	Umniah
Functional value	The best provider in terms of quality	Good service quality but not as good as Zain	Advanced exceptional technology (iDEN)	Good services not as good as Zain or Orange. Yet it offers always new interesting things
Emotional value	Full of enjoyment and belonging	The best emotional benefits, these including: innovation, friendliness, straightforwardness, and trust	None	Youth entertainments
Self expressive value	Proud Jordanian Arab person	Effective respectable global person	None	Prudent, down to earth, exciting, and youthful person

The table reveals that all four companies have distinct core values. It also reveals that XPress has no extended values. Moreover, each of the other companies has distinctive extended values. The extended values of Umniah are different from those of Orange, which in turn are different from those of Zain. Value—according to market orientation philosophy—is the goal of marketing (Nislon, 2000; Harmsen and Jensen, 2004). Aaker (1996) states that the three aspects of value (functionality, emotion, and self-expression) are central—along with credibility—to differentiating a company from its competitors. As indicated (chapter 4), these are called the value proposition. A value proposition comprises the total benefits to consumers in the context of the total costs (i.e., price).

The table also shows that Zain, Orange, and Umniah provide different sets of values. They tailor these values carefully to achieve differentiation. Zain's and Orange's values are broadly similar. Both companies could be compared to Vodafone and Orange in the UK. In contrast, Umnaih and XPress mainly present their values in terms of functional utility (i.e. low price, and innovative technology).

Chapter 8 shows that consumers are aware of Zain, Orange, and Umnaih's values, but are relatively unaware of those of XPress—XPress that has good functional value (plausibly the best, at least in Jordan), but nobody outside XPress seems to know it. Conversely, Umniah has, relatively, the poor functional value (again, see chapter

8)—Umniah is relatively dismal in terms of service quality—but nobody seems to mind, plausibly because (a) Umniah does not tell anybody how dismal its service quality is; (b) Umniah tells everybody how great it is in other respects; and (c) in spite of evidence to the contrary, Umniah *does* tell consumers its service quality is good. Umniah, one may surmise, has a good communications strategy, and XPress a poor one. Also note that Umniah's position is not necessarily "dishonest". The literature (e.g., Chang and Wildt, 1994; Dodds *et al.*, 1991; Hellier *et al.*, 2003) suggests that service quality and price determine value. It also suggests (e.g., McDougall and Levesque, 2000; Zeithaml, 1988) that lower quality service, if delivered with low price, equates to good value, at least in consumers' minds. Thus Umniah's customers may rightly perceive it as providing good value, despite Umniah's dismal service quality—because Umniah's services are inexpensive, customers do not expect much from the company. In this, Umniah may be akin to the *3* network in the UK. Note, however, that some (e.g. Bijwaard *et al.*, 2008) claim that paying cheap prices for shoddy goods and services does not represent good long-term value.[9]

Keller (2008) states that brand awareness, to some extent, means brand value—brand awareness correlates with brand values, and it does so because of effective communication. Values are presented to customers through advertising, publicity, WOM, and so on.

One other issue is worth noting. In the service sector as a whole, delivering values depends on staff (de Chernatony *et al.*, 2006). The present study, however, finds that this is not necessarily the case in the mobile phone service providers—some of which have fairly low quality staff. This last issue is covered in Chapters 8 and 9.

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[9] Bijwaard *et al.*s point raises awkward issues. The problem is that goods and services received now are more valuable than good and services promised at some time in the future. The same is true of money: £100 received by me today is more valuable that £100 promised to me in one month's time and *much more* valuable than £100 promised to me in one year's time. The difficulty arises in calibrating how value changes over time—in other words, I know that £100 received by me today is more valuable to me than £100 promised to me in one year's time, but I do not know *exactly* how much more valuable.

7.7.2.5. Brand architecture of telecommunications companies

Table 7.15 shows the four companies' brand architecture.

Table 7. 14. The four companies' brand architecture.

Brand Architecture	**Zain**	**Orange**	**XPress**	**Umniah**
The type of strategy	Monolithic	Monolithic	Branded category	Monolithic
Service provided	Mobile phone services and Internet	Mobile phone services, Internet, and landline services	Mobile phone, PTT services, and Internet	Mobile phone services, Internet, and business solutions

The table reveals that XPress is the only company not to have a monolithic, integrated structure. It also reveals that all four companies provide more than one service.

As indicated (chapter 3), brand architecture is the vehicle by which the brand team creates synergy, clarity, and leverage (Aaker and Joachimsthaler, 2000). However, mobile phone service providers worldwide are different in terms of brand architecture. Some (e.g., Vodafone) have a monolithic architecture—branded house—but others (e.g., Telefónica—the Spanish multinational telecommunication company) are non-monolithic. Both architectures may be effective, provided management ensures brand image and strategy are consistent with consumer desires (Kotler and Pfoertsch, 2006). This degree consistency is central to establishing a company's brand identity (Kotler and Pfoertsch, 2006). Apropos the present study, Zain's, Orange's, Umniah's brand images and strategies appear consistent with their target consumers; in this, their brand architecture practices are consistent with the literature (e.g. Aaker and Jochimsthaler; 2000; Kotler and Pfoertsch, 2006)—each uses a monolithic brand architecture consistent with its consumer attributes..

In contrast, XPress has not applied consistent brand architecture. Arguably, XPress should have used different brand names when presenting itself to its two main target customers (i.e. businesspeople, and employees). This policy is used, for example, by Nokia; Nokia targets rich people through its *vertu* brand, but targets ordinary people (i.e., not-so-rich people) through its *Nokia series* brand. Conversely, XPress uses a different brand name for its Internet services—XPlore—when to do so, arguably, is ill advised: the different brand name plausibly reduces ordinary people's awareness of the brand "XPress" brand.

7.7.2.6. Communication strategy of telecommunications companies

Table 7.16 summarises the four companies' communications strategies.

Table 7. 15. The four companies' communications strategies.

Communication Strategy	**Zain**	**Orange**	**XPress**	**Umniah**
Promotional tools	Different communications tools	Different communications tools	Mainly advertising	Integrated communications, such as, advertising , and other promotional activities
Positioning Statement delivered through communications	Wonderful world	Live without borders	Up to the next level	Be heard
Consistency with other brand strategy variables	Consistent	Consistent	Inconsistent	Consistent

The table reveals only XPress has an inconsistent communications strategy. Moreover, only XPress relies only on advertising. Conversely, only Umniah has integrated advertising with other forms of communication.

The battle between Zain and Orange illustrates the importance of a distinct communication strategy, especially as regards timing in brand strategy. The literature (e.g., Duncan, 2002; Kapferer, 2008; Keller, 2008) supports this. Communication fosters awareness, shapes the image, influences customers attributes and controls market share (see Keller, 2008). Keller (2008) uses Intel for illustration. He comments: "Between 1990 and 1993 Intel invested over [US] $500 million [around

£250 million] in advertising and promotional programmes designed to build Intel's brand equity. As a result users' awareness had increased and Intel had the strongest image" (p. 9). This huge advertising cost, and its consequent effect, reveal the importance of investment communications strategy.

This is not to deny that WOM is important (e.g., Bansal and Voyer, 2000), and may, in some circumstances, be more powerful than advertising. But WOM by itself may not be sufficient. Grace and O'Cass, 2005b, present evidence that controlled communications—i.e., advertising, and other promotional activities—can, in some circumstances, be more effective than uncontrolled communications—i.e., WOM—in service branding. In this regard, George and Berry, (1981) present evidence that consumers associate a company's product/service quality with the size of the company's advertising budget—in other words, the more a company spends on advertising, the better consumers perceive the quality of the company's products/services, regardless of their actual quality. A company may thus "deceive" consumers about the shoddy nature of its products/services provided the company spends enough on advertising (cf. Umniah)!

George and Berry (1981) emphasise the importance of advertising continuity, especially for a service firm. The continual use, in advertising, of distinctive symbols, formats and themes builds and reinforces the brand awareness, brand image, and influences customers attributes; it makes the service provided by the firm more tangible to the consumers. Good advertising also targets opinion leaders and thus fosters WOM—indeed, it may be essential for it. Here recall. Zain's use of politicians during parliament elections and Umniah's use of popular entertainers (reference group).

7.7.3. Brand status of telecommunications companies

Table 7.17 shows the status of branding within each of the four companies.

Table 7. 16. Status of branding within each of the four companies.

Brand Status	Zain	Orange	XPress	Umniah

Department of Branding	Separate department	Separate department	Marketing department is responsible for branding activities	An office within marketing department
The main responsible for brand activities	Executive Manager of the mother company (Zain)	The mother company (France telecom	Marketing Manager	Executive Manager

The table reveals that only XPress accords branding no especial status, but that Umniah accords it less status—at least in terms of providing it a separate department—than do Zain and Orange. Note again that the literature (e.g., Aaker, 1996; de Chernatony, 2001; Keller, 2003; Kapferer, 2008) suggests that companies that spend the most on branding (via, e.g., advertising) tend to have the best images among consumers and the largest market shares.

7.8. THE INFLUENCE OF BRAND STRATEGY ON BRAND AWARENESS, BRAND IMAGE, AND CONSUMER ATTRIBUTES

Branding has to be seen in perspective. It is a strategy. As such, it is subservient to an aim. In this case, ultimately, ensuring greater company revenue. As indicated, a brand strategy is an algorithm whose precepts company employees follow. A brand strategy is one that presumes increased brand awareness, brand image, and influences customers attributes. Thus, it makes brand differentiation from other brands—brand preference—and so on further increase sales (and revenue).

Companies that pay most attention to branding, all other things being equal, then should be the most successful.

The respective market shares of each of the four companies are 39%, 35%, 24%, and 2%, which broadly reflect each company's "score" for branding. This only broadly accords with the results of interviews. The overall mean evaluation of brand strategy in terms of furthering brand awareness, brand image, and consumer attributes for the four companies were, respectively, 3.8 (Zain), 4.15 (Orange), 2.45 (Xpress), and 3.7 (Umniah). Xpress's and Umniah's positions in terms of shares of the market, at fourth and third places, respectively, accord with their managers' views of brand strategy, but Zain's and Orange's are reversed. Thus, although Xpress's poor market share can be explained—plausibly, but not certainly—by its managers' attitudes towards branding, Zain's leading position cannot. If brand strategy were all there was to the matter, Orange should be, by far, the leading telecommunications company in Jordan.

However, all things are not equal. Zain was the first mobile phone company in Jordan and enjoyed a monopoly for four years. This must have given it a considerable market advantage. That Orange and Umniah, each seeing the importance of brand strategy, made such inroads into the market is suggestive—the quantitative phase of the study (chapter 8) illustrates this suggestion—as is the fact that Xpress, which did not see its importance to anything like the same extent, did not make substantial inroads into the market.

The literature on branding supports this. Kotler and Pfoertsch (2006), for instance, note the importance of brand strategy in making brand awareness, brand image, and influences consumer attributes: "Today's challenge is not only to be known, but to be known around the globe for a sustained period of time" (p.3). Similarly, Duncan (2002) states: "gaining brand knowledge, which means acquiring an understanding of the brand and its benefits, is an *essential* [emphasis added] element in a customer brand decision" (pp.171–172). To such observations one may add that it is not enough to be known. One must know how one wants to be known (cf. XPress).

Kotler and Pfoertsch (2006) suggest more: the power of a brand, they say, lies in the customer mind. Keller (2003, 2008) concurs. Brand awareness and brand image, he states, are akin to a picture that rests constantly in consumer minds. Through understanding consumer attributes one can influence customers. This picture determines brand preference, and thus ensures revenues for the company (Zhuang *et al.*, 2008).

7.9. Corroborations of Theory and the Literature

The present phase of brand strategy of the study corroborates what theory and the literature suggests in five ways, thus:

7.9.1. Brand strategy is a multi components concept

Some of the literature (e.g., Park *et al.*, 1986) suggests that branding is one-dimensional—branding involves a single component (see chapter 4). However, the majority of the literature, as indicated above, suggests that branding is multi-faceted—branding includes, for instance, ethical and life-style values, technological values, and economic values. The results of the present study corroborate this majority view (and see Chapters 8 and 9).

7.9.2. Brand strategy is determined top-down

This accords with theory. A salient feature of Zain, Orange, and Umniah is that, in each case, transmission of brand strategy was vertical. As indicated, tactical issues may be determined bottom-up, though note, even here, the Jordanian mobile phone service operators tended to determined tactics at a relatively senior level. It is determined by business strategy which suggest by the top management (see Aaker and Joachimsthaler, 2000; Osler, 2003).

7.9.3. Brand strategy involves added values

The added values can be anything, from the largely imaginary (e.g., Jordanian patriotism—Zain's brand personality, in the case of Zain) to the tangible (e.g., PTT—XPress's functional brand value in the case of XPress). This accords with the literature (e.g., Aaker, 1996; de Chernatony, 1999). However, they must be communicated—via a communication strategy— to potential consumers. Moreover, the added values should be consistent (Aaker, 1996). Orange appears to have suffered because its brand image of a high-tech company suffered because of its image as a cheapskate company. Being high-tech, state of the art, is not associated with being cheapskate. In this, Keller (2003) argues that it is impracticable for companies to claim to provide high quality services at cheap prices. In contrast, being low priced did not appear to negatively impact on Umniah, because its low prices were consistent with its image of serving the needs of the young, and with the modest quality of its services. Added values should also include extended identity, particularly in a competitive context. The relative lack of success of XPress in contrast to the success of Umniah may be explained by the former company's failure to develop extended identity—XPress suffers from unclear brand identity.

There is also the issue of core versus extended identity. The core identity of Zain is excellent technology; its extended identity includes Arab pride, and family values. In Zain's case, the core identity and the extended identity are consistent. Orange, by contrast, appears to have suffered because its core identity (excellent technology) was at loggerheads with its extended identity (being cheapskate). Again, this accords with the literature (e.g., Aaker, 1996; Keller, 2003).

7.9.4. Strategies and tactics must gel

The schizoid nature of Orange's values illustrates that what executives think are their core and extended identity are not necessarily what the identity is. No doubt Orange executives did not plan for their company to be perceived as being cheapskate, but they might just as well have. The effect of the company's tactics was to change the brand identity—a core component of the strategy—from being "good" to "bad". This caused the company problems. As indicated, tactics may feed back on strategy, without executive being aware of it. The only refuge.

Orange had to change its brand identity to meet what it wants its customers to think about it. This accords with the literature (Aaker, 1996; Keller, 2003; Kapferer, 2008).

On the contrary, XPress still has a weak relationship between strategy and tactics. XPress's strategy is vague, and still does not know what it wants to achieve. Its tactics are vague as well, and not well coordinated. XPress still can not draw a clear persona of the company or how it wants its customers to think about it. It does not have clear brand identity. Customers do not know what the company stands for.

7.9.5. Brand strategy must ensure positive brand awareness, brand image, and influences consumer attributes

Brand strategy furthers increased brand awareness, brand image, and influences consumer attributes. It differentiates a brand from other brands, and so on; it thus furthers increased sales (and revenue) (see, e.g., Keller, 2003; de Chernatony, 2006). In this, effective brand strategy must foster brand awareness, brand image, and influences positively consumer attributes (e.g., satisfaction, reference group, and reducing their perceived risk) therefore, it can ensure brand preference. Thus Aaker and Joachimsthaler (2001) states that the main justification of strategic branding is that it protect company profits margins from falling. In other words, brand strategy creates brand awareness, brand image, and influences consumer attributes, and these create and maintain profits (brand preference). The literature (e.g., Dunn *et al.*, 1986; Aaker, 1996; Hellier *et al.*, 2003; Kotler and Pfoertsch, 2006; Mieres *et al.*, 2006; Zhuang *et al.* 2006; Swaminathan *et al.*, 2007) stats that brand awareness, brand image, and consumer attributes imapct directly brand preference. The results of the present study support this contention (and see chapters 8 and 9).

7. 10. SUMMARY AND CONCLUSION

Because the analysis by its nature, is qualitative, any conclusions are tentative, however, they broadly accord with the literature. Four general conclusions appear robust: (a) brand strategy is multifaceted (b); it is the job of senior management (it is determined top-down); (c) providing added values is important to successful brand strategy; and (d) tactics follow from, and must accord with, strategies. The relative lack of success of Xpress, coupled with the relative success of Umniah, are especially suggestive in these regards.

Beyond these general findings, results suggest the following:

1. Perceptions of the nature and role of brand strategy vary both between and within Jordanian mobile phone service providers. Ways of implementing it also vary between companies.
2. Broadly three companies—Zain, Orange, and Umniah—albeit in different ways, have sophisticated brand strategies, and see the strategies' importance in terms of generating sales (i.e. brand preference). The fourth company, Xpress, does not—or, at least, did not until recently.

3. The development of brand strategy evolved in those companies that took it seriously. Zain's brand strategy became more sophisticated in response to competition. The only company to start with a coherent brand strategy from the outset appears to have been Umniah; this, plausibly was because it was the last to enter the market and therefore had time to study it.

From this two conclusions follow. The first pertains to descriptive versus legislative descriptions of branding in the literature (Chapter 4). The literature is sometimes unclear as to whether is merely describing what companies do, or whether it is advocating what they should do. The results of the qualitative analysis suggest that both approaches have merit. At a descriptive level, the successful companies—Zain Orange, and Umniah—did adopt brand strategies that are broadly in line with what the literature suggests. However, in the cases of Zain and Orange, the adoption was haphazard. It was not so much planned. It evolved. In other words, the companies appeared to have discovered for themselves what the academic literature suggests. This suggests that legislative approaches—if, indeed that is what they are—to brand strategy within the academic literature have merit.

The second conclusion, and more important as far as the present study concerned, pertains to the overarching importance of fostering brand preference. Brand strategy is said to deliver brand preference through fostering brand awareness and brand image and determining consumer attributes as shown in Figure 7. 7.

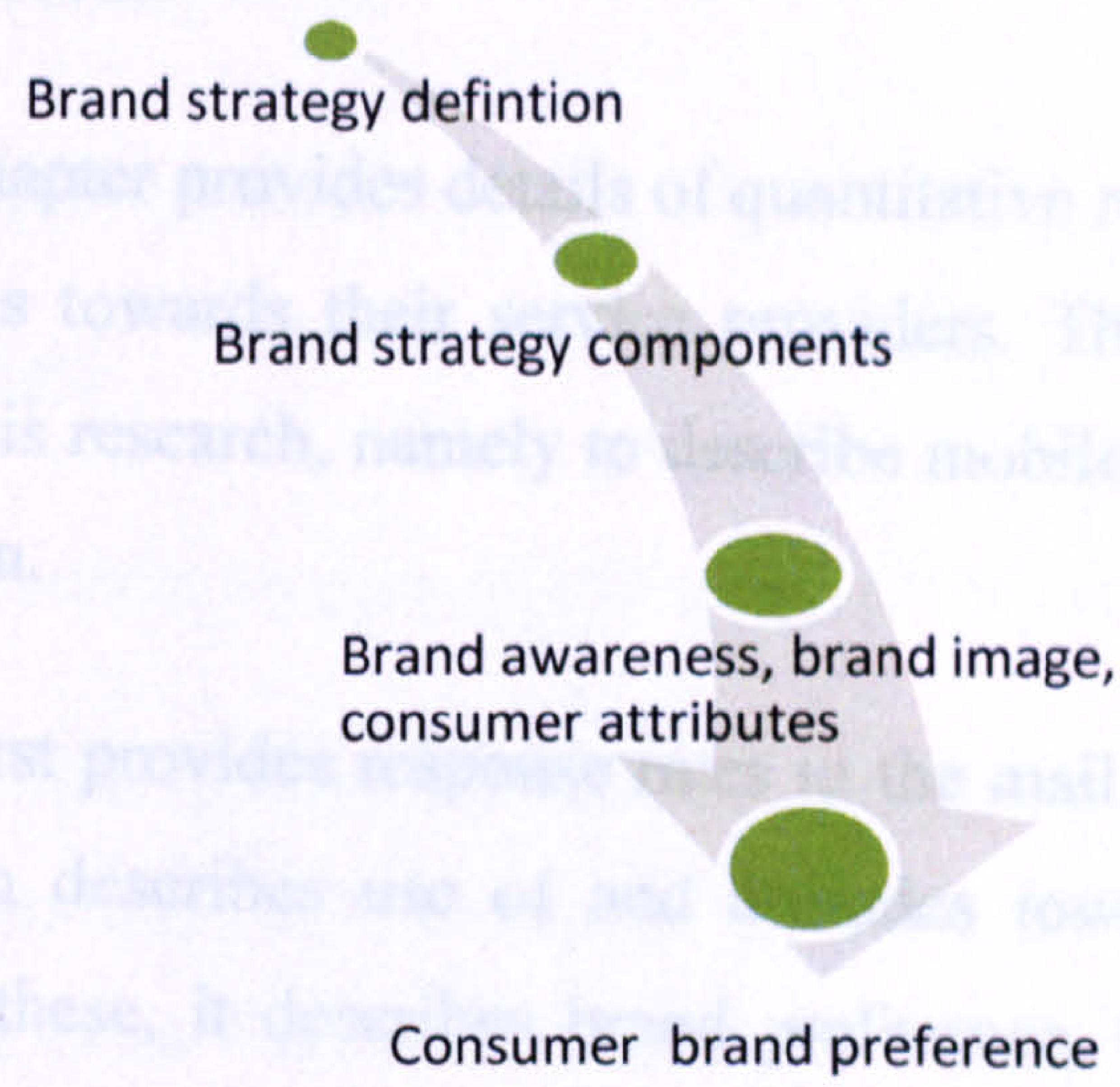

Figure 7. 7. Stages of branding.

Source: Developed by the researcher

The results of the qualitative analysis, tentative though they are, are consistent with the model shown in the figure.

CHAPTER 8: DESCRIPTIVE STATISTICS

8.1. INTRODUCTION

The present chapter provides details of quantitative research on mobile phone service users' attitudes towards their service providers. The chapter addresses the second objective of this research, namely to describe mobile phone services, their users, and usage in Jordan.

The chapter first provides response rates to the mail questionnaire and a respondent profile. It then describes use of and attitudes towards mobile phone services in Jordan. From these, it describes brand preference, brand awareness, brand image, and consumer attributes. The chapter concludes with corroborations of theory and the literature.

8.2. RESPONSE RATES AND RESPONDENT PROFILE

8.2.1. Response rates

Table 8.1. shows the response rates for the questionnaire mailshot and the two follow-up letters. It also shows a breakdown of usable versus unusable questionnaires.

Table 8. 1. Responses to questionnaire mailshot.

Response profile	Main survey	1st follow-up	2nd follow-up	Total
Usable questionnaires	582	48	18	648
Non-usable questionnaires	68	19	6	93
Total	650	67	24	741
Total response rate				37%
Total usable response rate				32.4%

The figure shows a relatively high response rate, of which the majority of returned questionnaires were usable. In all, there were 648 usable questionnaires, rendering the sample large enough for meaningful statistical analysis, both descriptive and inferential (Chapter 6). The response rate of usable questionnaires—at 32.4%—was relatively high by the standards of social science research at least as regards mailed questionnaires (Chapter 6).

8.2.2 Respondent profile

8.2.2.1. GENDER

The 648 respondents comprised 357 males (55%) and 291 females (45%).

The sample gender profile is consistent with the profile of Jordan's population; this is 51.5% males and 48.5% females. Further, the sample population parallels the distribution of those with bachelor's degrees and above; in this group 55% are male and 46% female (Statistical Yearbook, 2008). Thus the sample was broadly representative.

Gender distribution varies in relation to mobile phone service providers. See Figure 8.1

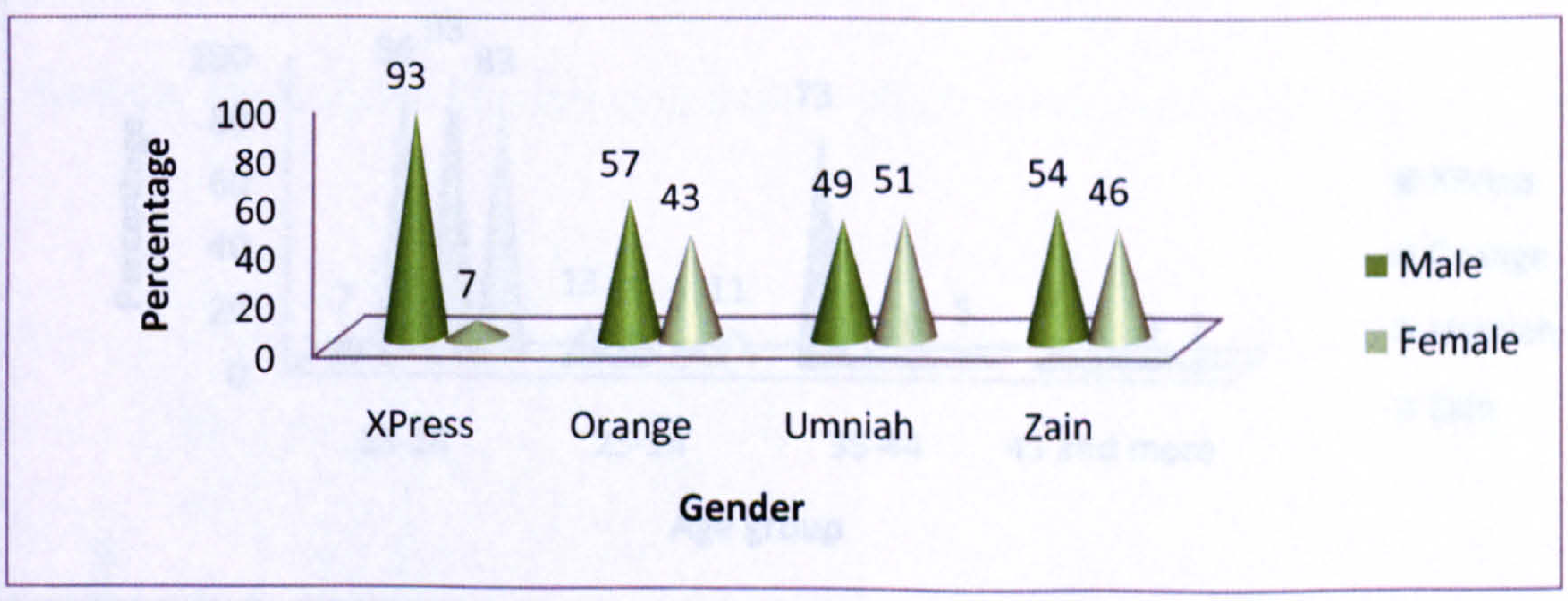

Figure 8. 1. Respondents' gender distribution in relation to mobile phone service providers

The figure reveals that XPress has very few female subscribers; this reinforces the impression that XPpress is perceived as a masculine brand. The gender distribution of the other three mobile phone service providers is consistent with the overall gender distribution of the sample.

8.2.2.2. AGE

The 648 respondents comprised 547 within the age group 18–24 (84.4%), 61 within age group 25–34 (9.4%), 34 within age group 34–45 (5.2%), and 5 within age group 45 and above (.8%). See Figure 8.2.

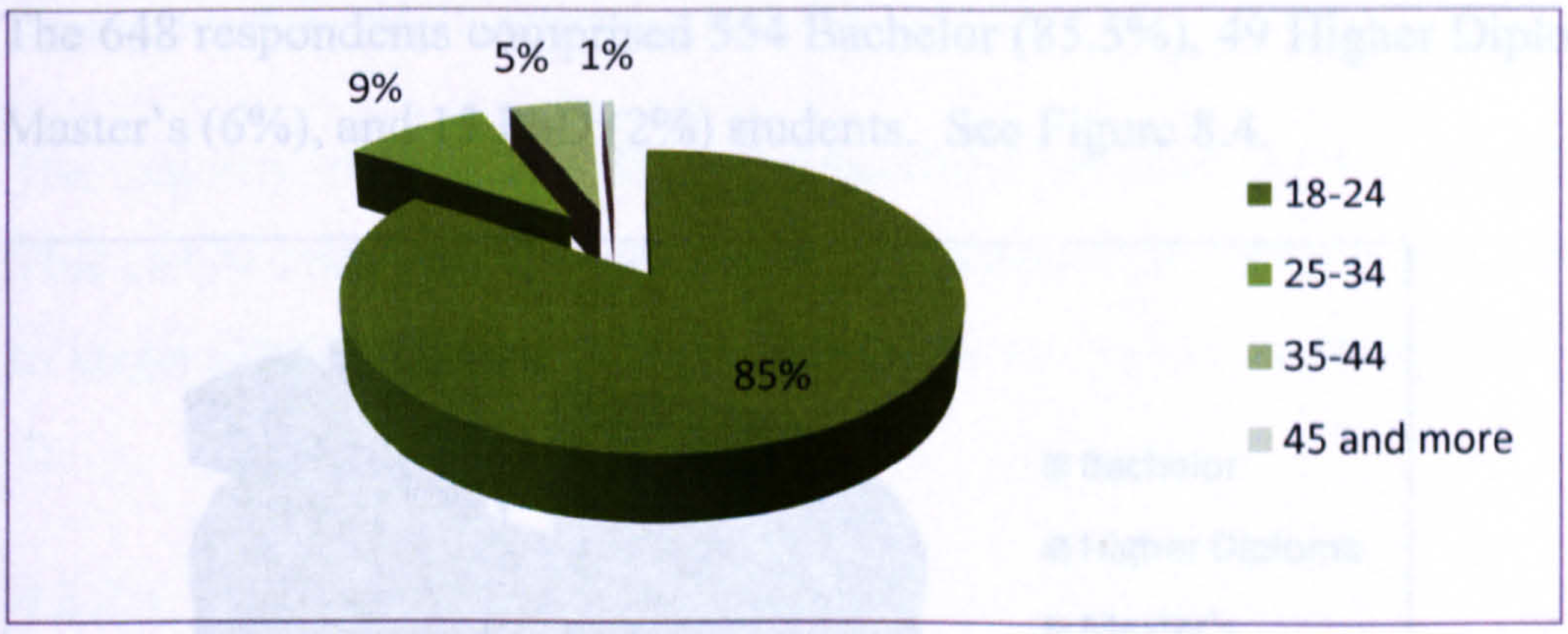

Figure 8. 2. Respondents' age distribution.

Age distribution varies in relation to mobile phone service providers. See Figure 8.3

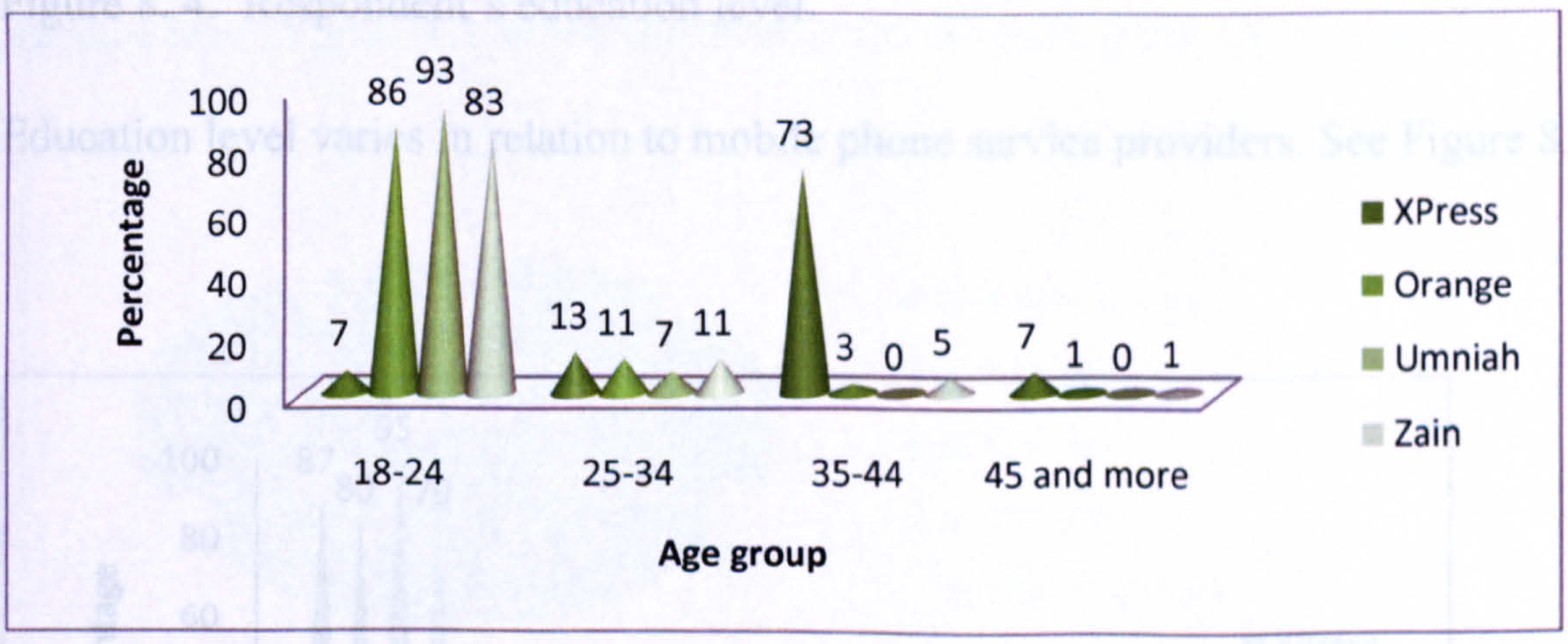

Figure 8. 3. Respondent's age distribution in relation to mobile phone service providers.

The figure reveals that Zain and Orange cover the most age groups. XPress has very few subscribers in the 18–24 age group, and most of its subscribers are from the last three age groups. This suggests that younger people are not interested in Xpress, as might be expected from XPress's persona as a blue collar worker (see Chapter 7).

In contrast, most of Umniah's subscribers are within the 18–24 age group. Umaniah is weak within the last three age groups, as might be expected from Umniah's persona as a young person (see Chapter 7).

8.2.2.3. EDUCATION LEVEL

The 648 respondents comprised 554 Bachelor (85.5%), 49 Higher Diploma (8%), 42 Master's (6%), and 15 PhD (2%) students. See Figure 8.4.

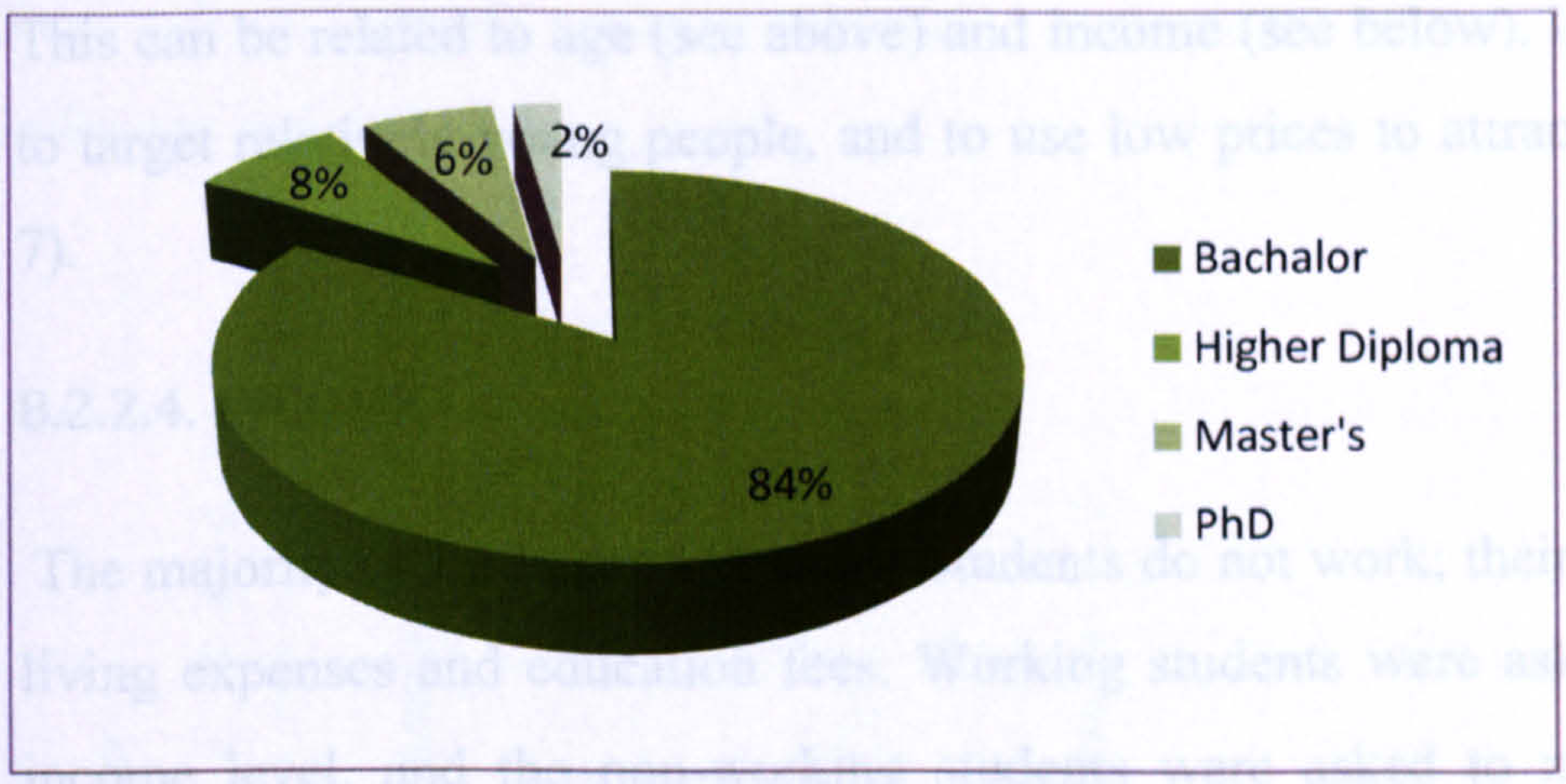

Figure 8. 4. Respondent's education level.

Education level varies in relation to mobile phone service providers. See Figure 8.5.

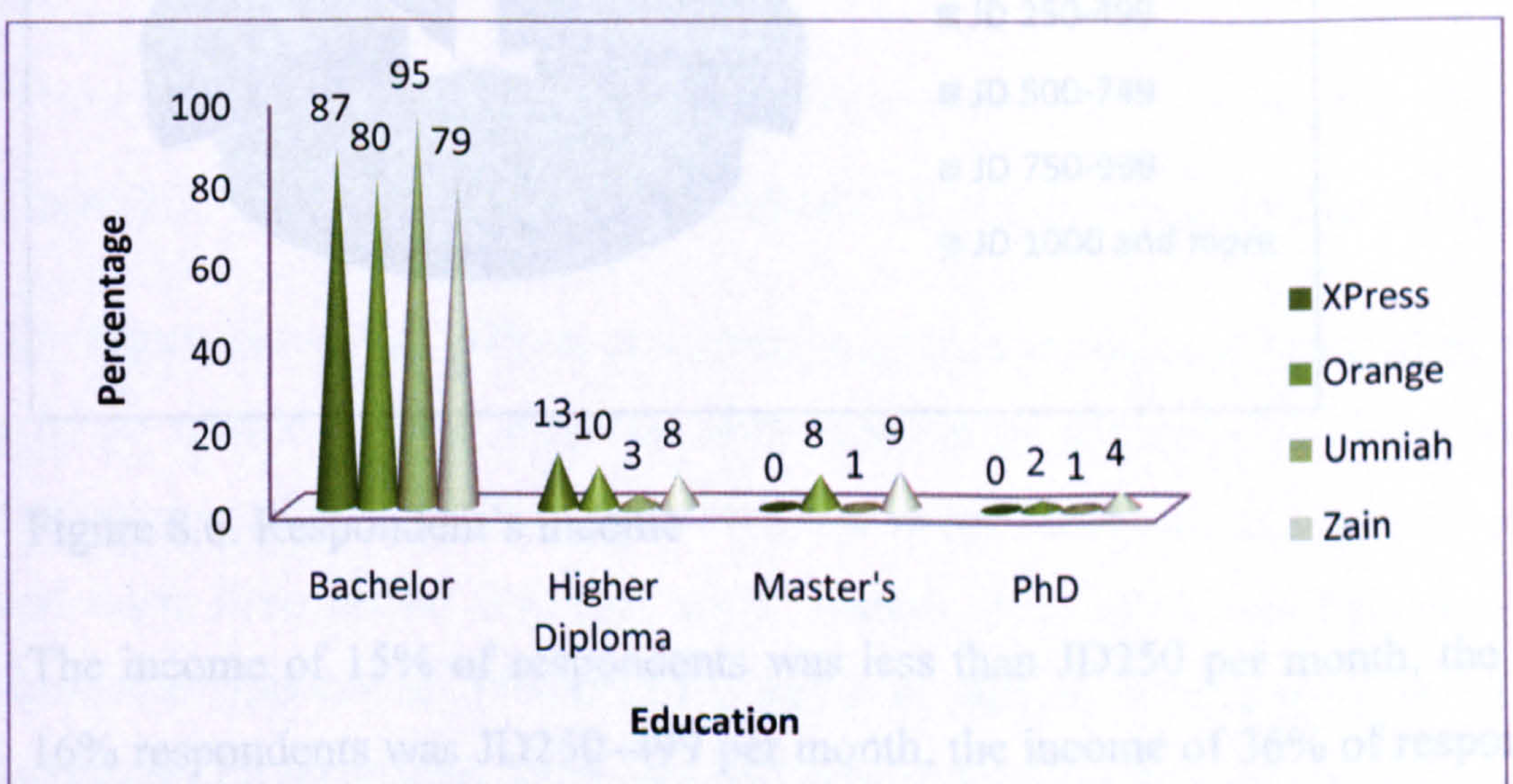

Figure 8.5. Respondent's education level in relation to mobile phone service providers.

XPress has no subscribers studying Master's or PhD level. All its student subscribers are Bachelor or Higher Diploma. Again, this may reflect Xpress's "blue collar" image. However, it may be that students neither want nor need XPress's unique service (PTT) (see Chapter 7). Conversely, Zain's and Orange's subscribers are distributed fairly on all education levels; this may reflect the mass positioning strategies of the two companies (see Chapter 7).

The majority of Umniah's student subscribers are studying for Bachelor's Degrees. This can be related to age (see above) and income (see below). Umniah's strategy is to target relatively young people, and to use low prices to attract them (see Chapter 7).

8.2.2.4. INCOME

The majority of Jordanian university students do not work; their families cover their living expenses and education fees. Working students were asked to mention their income level, and the non-working students were asked to mention their family income level. Figure 8.6 shows the breakdown of respondents' income level.

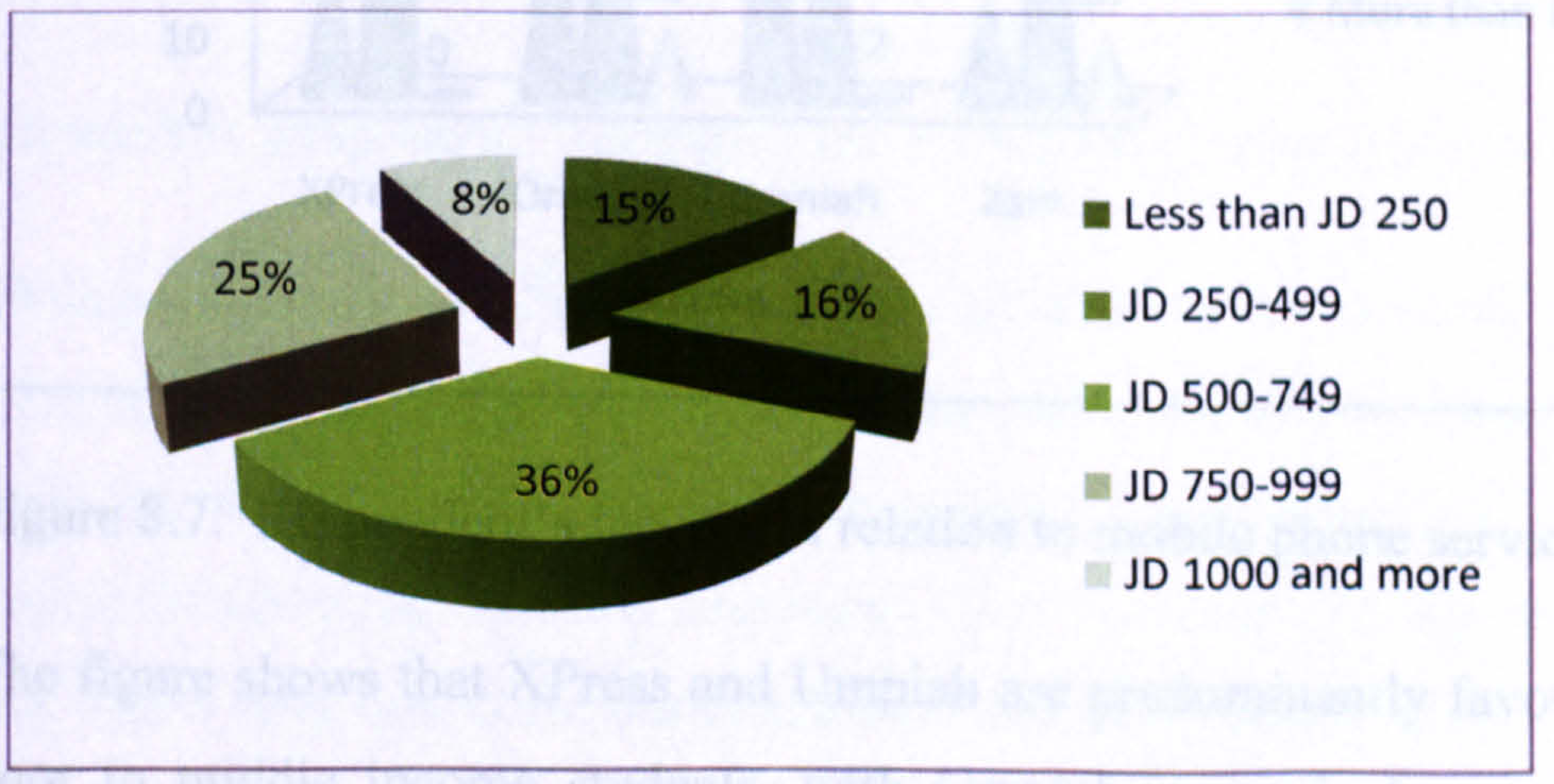

Figure 8.6. Respondent's income

The income of 15% of respondents was less than JD250 per month, the income of 16% respondents was JD250–499 per month, the income of 36% of respondents was JD 500–749 per month, and the income of 25% was JD750–999 per month; only 8% of respondents had incomes of more than JD1000 per month.

Almost one-third (31%) of respondents had incomes of less than JD500; this is considered the poverty line in Jordan (e.g., Khalil, 2004). This percentage is close to the official statistics, which state that around 30% of the Jordan population live below the poverty line (Khalil, 2004). On the other hand, almost two-thirds (61%) of respondents had incomes of JD500–999; this is considered the income of the middle classes (Khalil, 2004). Some 8% of respondents had incomes of more than JD1000; these respondents could be considered rich.

Respondents' income varies in relation to their mobile phone service providers, as indicated in Figure 8.7.

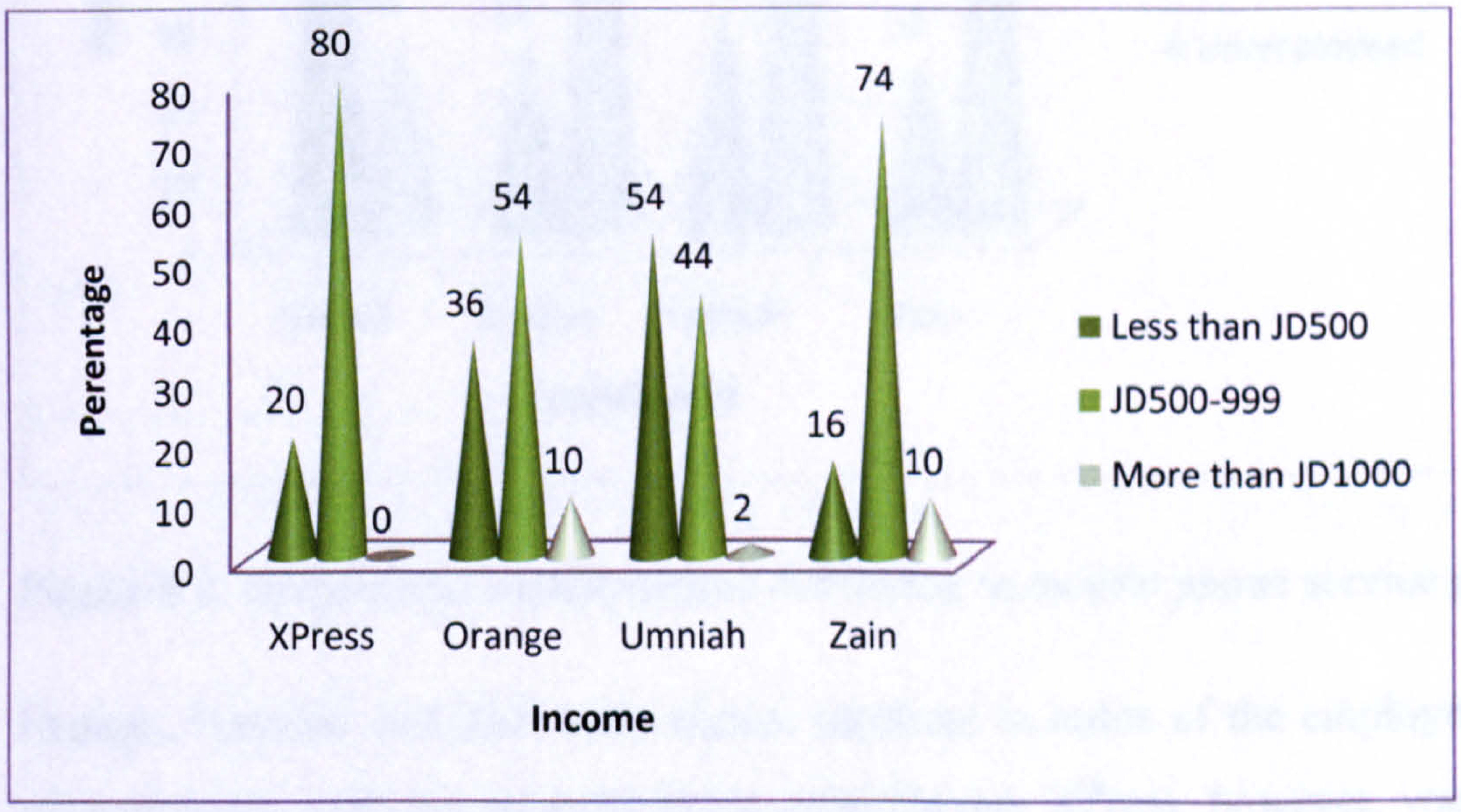

Figure 8.7. Respondent's income in relation to mobile phone service providers

The figure shows that XPress and Umniah are predominantly favoured by relatively poor to middle income students, with Umniah in particular servicing the poorer students; and Zain and Orange serving the richer students, too. Zain, in particular, had made little inroad into the "poor" market. The differences between Zain and Orange as opposed to XPress and Umniah as regards serving the rich students are significant on inspection, as are the differences between Xpress and Zain as opposed to Umniah servicing the middle income students. Umniah, in particular, appears a "poor person's company".

8.2.2.5. RESPONDENTS' EMPLOYMENT

The majority of university students in Jordan do not work. This was reflected in respondents' employment status: 175 (27%) of the respondents worked, while 473 (73%) did not work. Respondents' employment varies between mobile phone service providers, as shown in Figure 8.8.

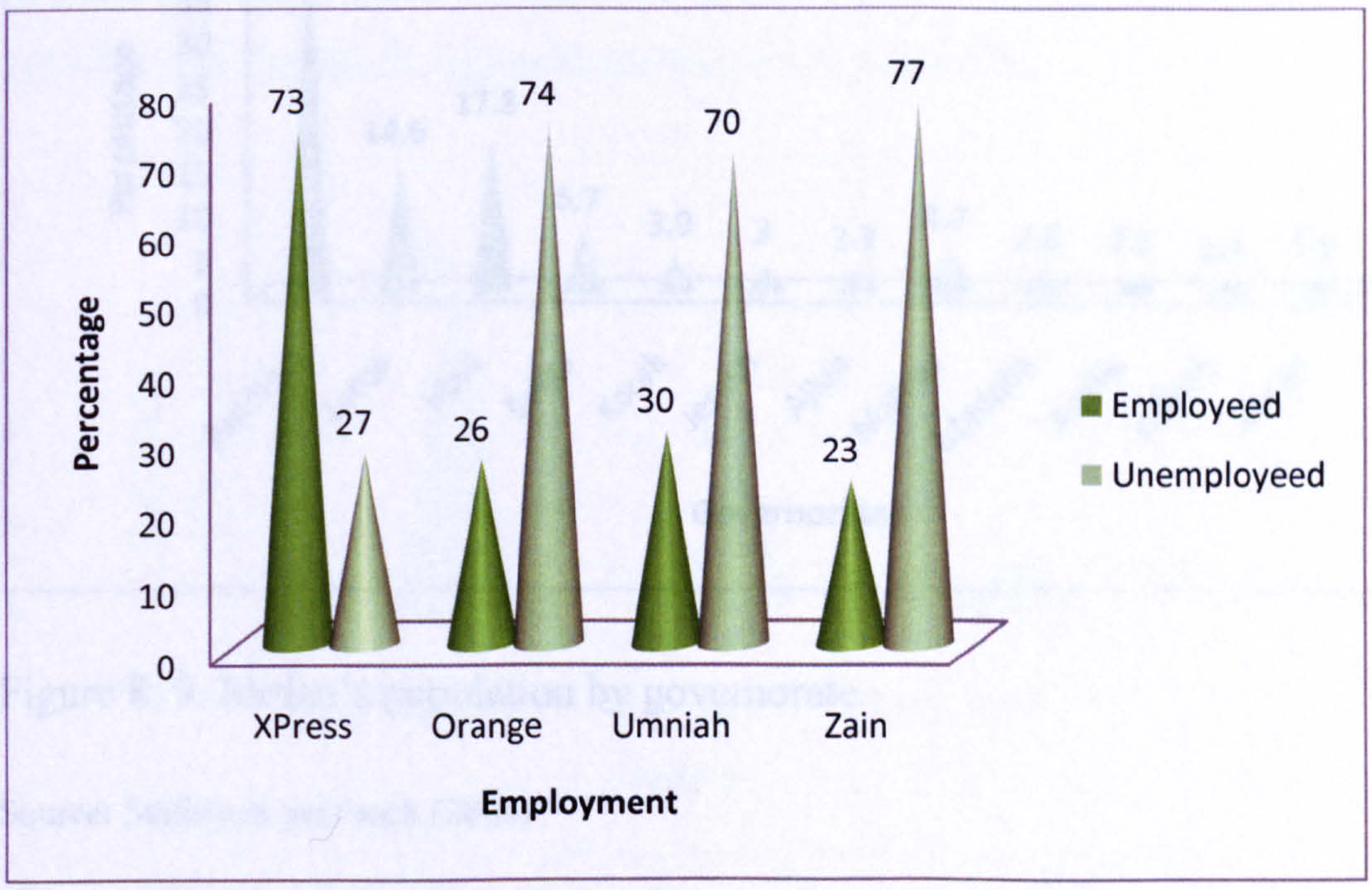

Figure 8.8. Respondent's employment in relation to mobile phone service providers.

Orange, Umniah, and Zain were almost identical in terms of the employment status of their users, with the majority being unemployed. XPress, however, was different, with the majority of its users being employed; this is consistent with the company's policy of servicing business customers. Note however that the statistics as shown in the figure may reflect the peculiarities of the student population. Rich students may not work, and poor students may work; the converse is plausibly true of the non-student population.

8.2.2.6. RESPONDENTS' DOMICILE

Jordan comprises 12 governorates, every four of which form a region. The Central Region comprises Amman, Zarqa, Balga, and Madaba; the North Region comprises Irbid, Mafraq, Ajlun, and Jerash; and the South Region comprises Karak, Tafleah, Ma'an, and Aqaba. Universities in Jordan are distributed over the governorates. In general, the demographics of students reflect the demographics of the population by governorate. Figure 8.9 shows the breakdown of Jordan's governorates by population.

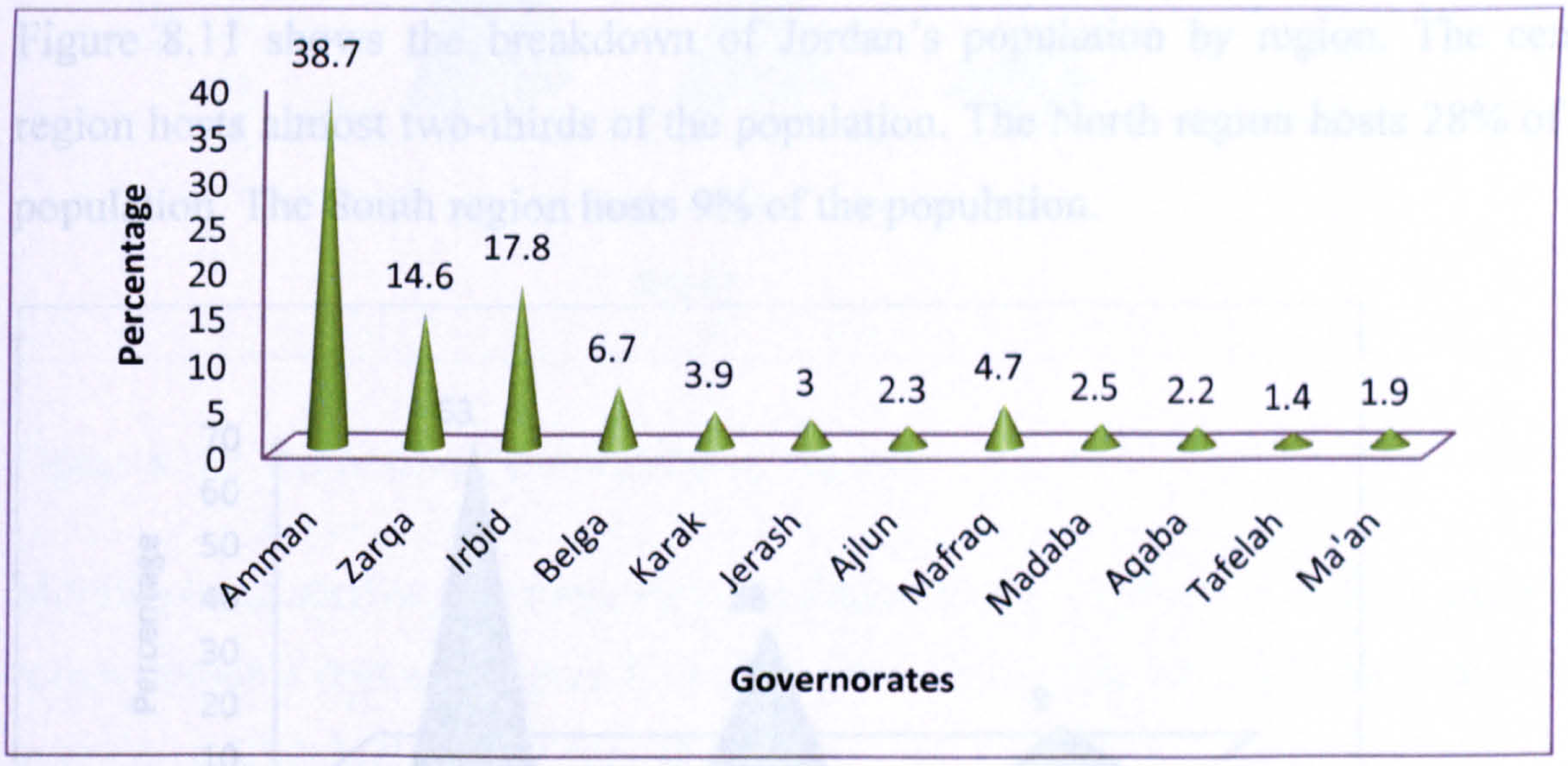

Figure 8. 9. Jordan's population by governorate.

Source: Statistical yearbook (2008)

Figure 8.10 shows the breakdown of respondents' domicile by governorate.

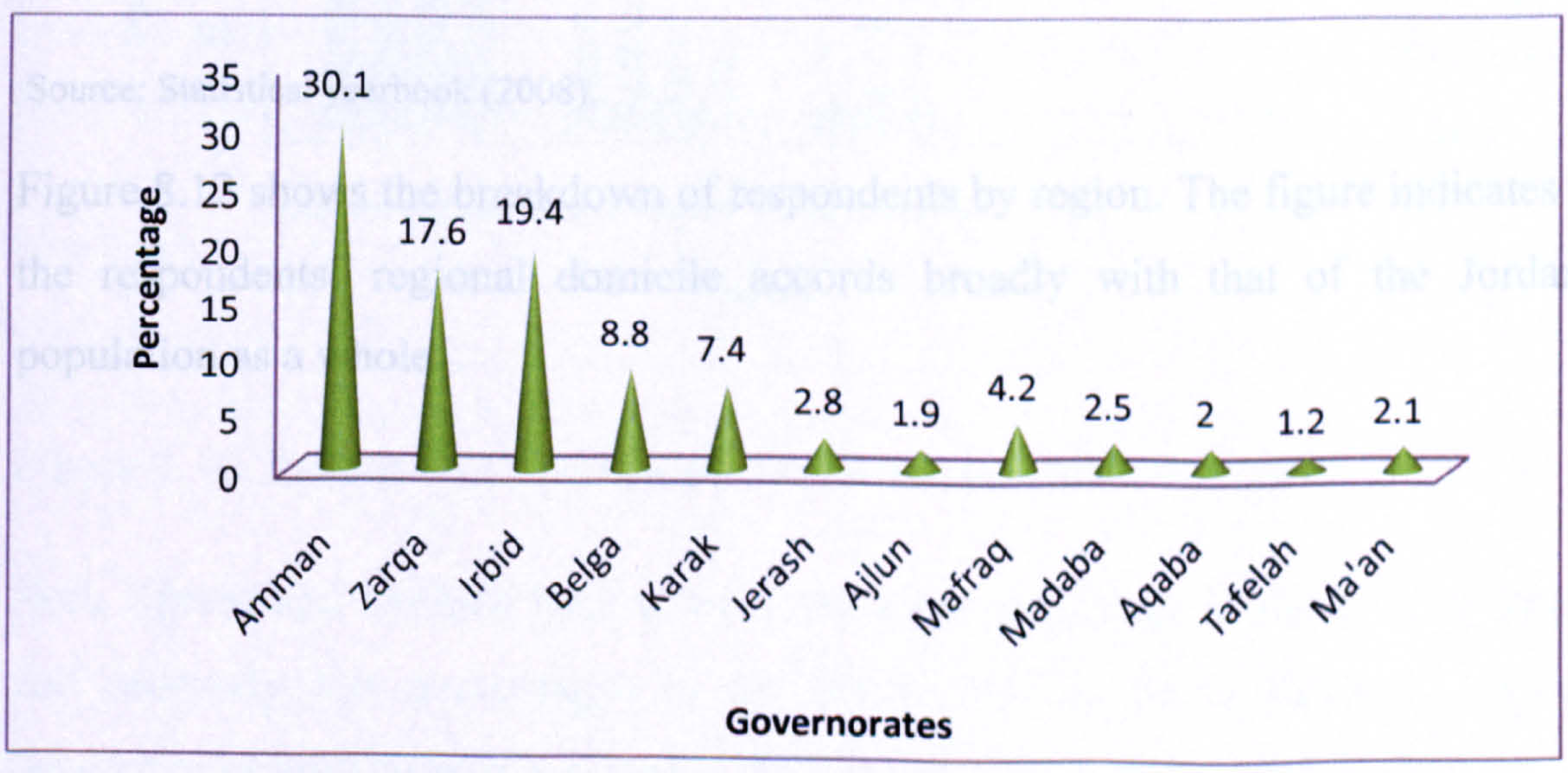

Figure 8.10. Respondent's domicile by governorate

The figure shows the respondents' governorate of residence breakdown broadly accords with that of the general population.

Access to mobile phone services is determined by a range of factors, including the geographical distribution of the market share of the respective service suppliers. Accordingly, the distribution of the domicile of the respondents was assessed for its consistency with the overall population of Jordan.

Figure 8.11 shows the breakdown of Jordan's population by region. The central region hosts almost two-thirds of the population. The North region hosts 28% of the population. The South region hosts 9% of the population.

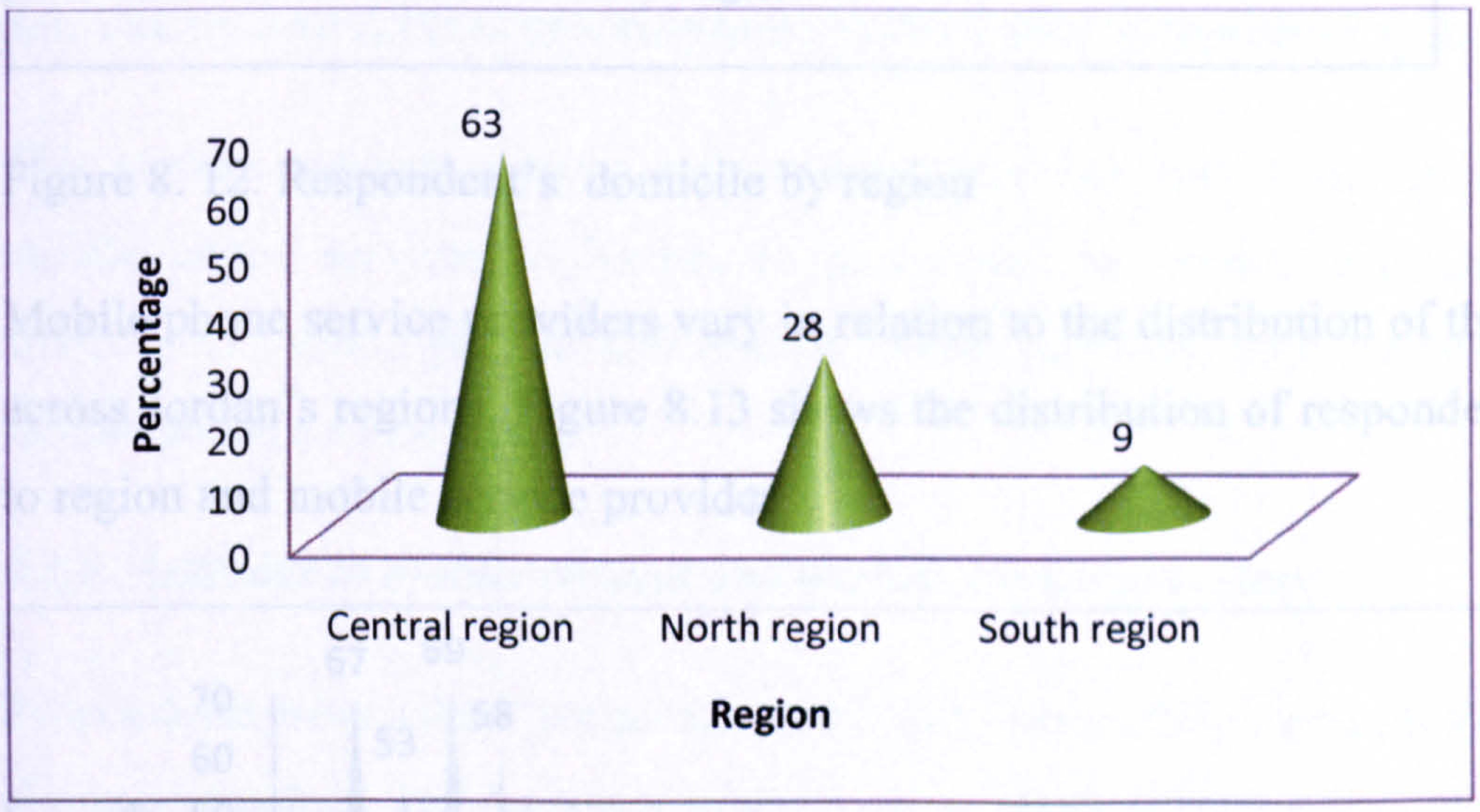

Figure 8. 11. Jordan's population by region.

Source: Statistical yearbook (2008).

Figure 8.12 shows the breakdown of respondents by region. The figure indicates that the respondents' regional domicile accords broadly with that of the Jordanian population as a whole.

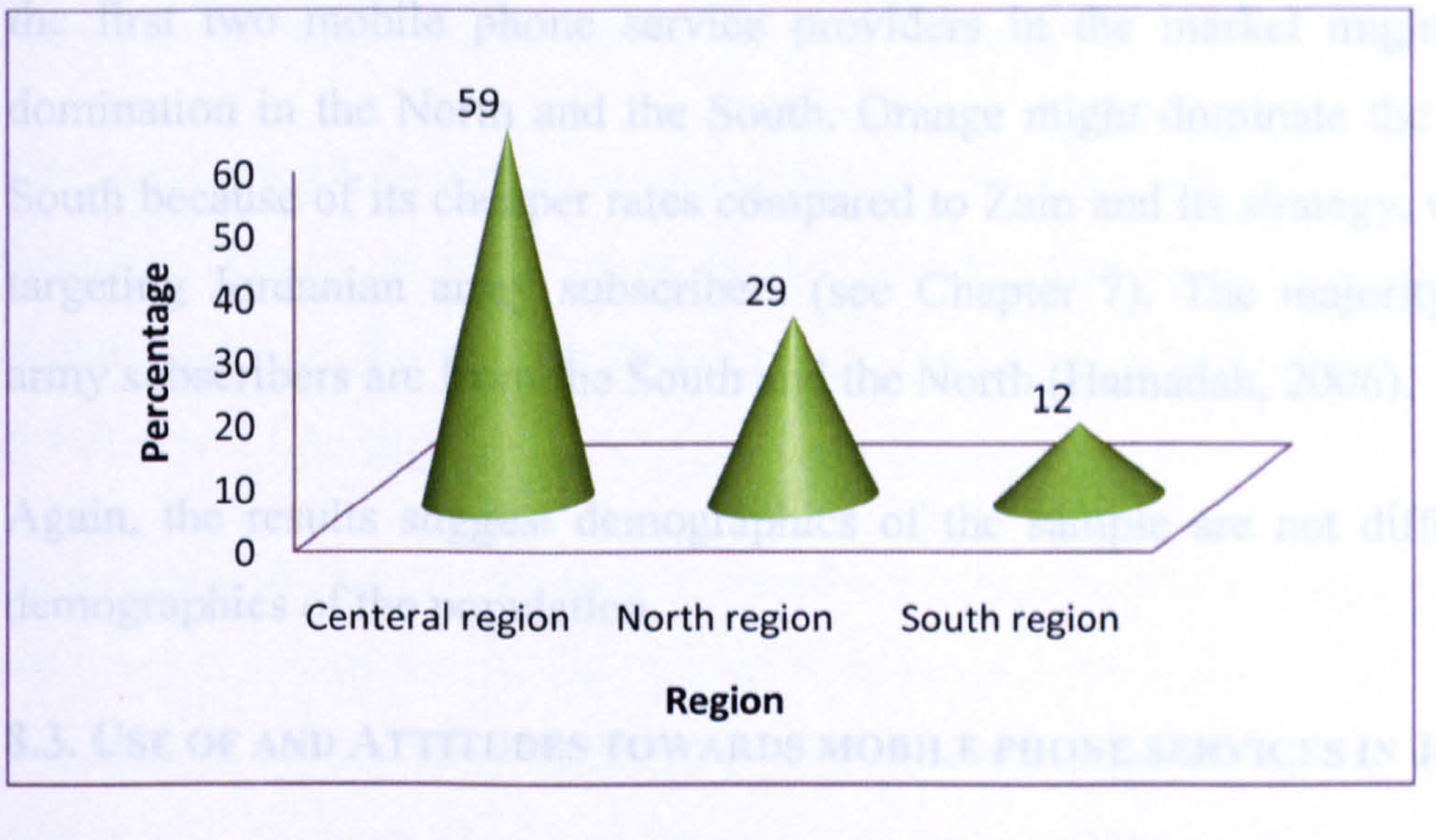

Figure 8. 12. Respondent's domicile by region

Mobile phone service providers vary in relation to the distribution of their customers across Jordan's regions, Figure 8.13 shows the distribution of respondents according to region and mobile service provider.

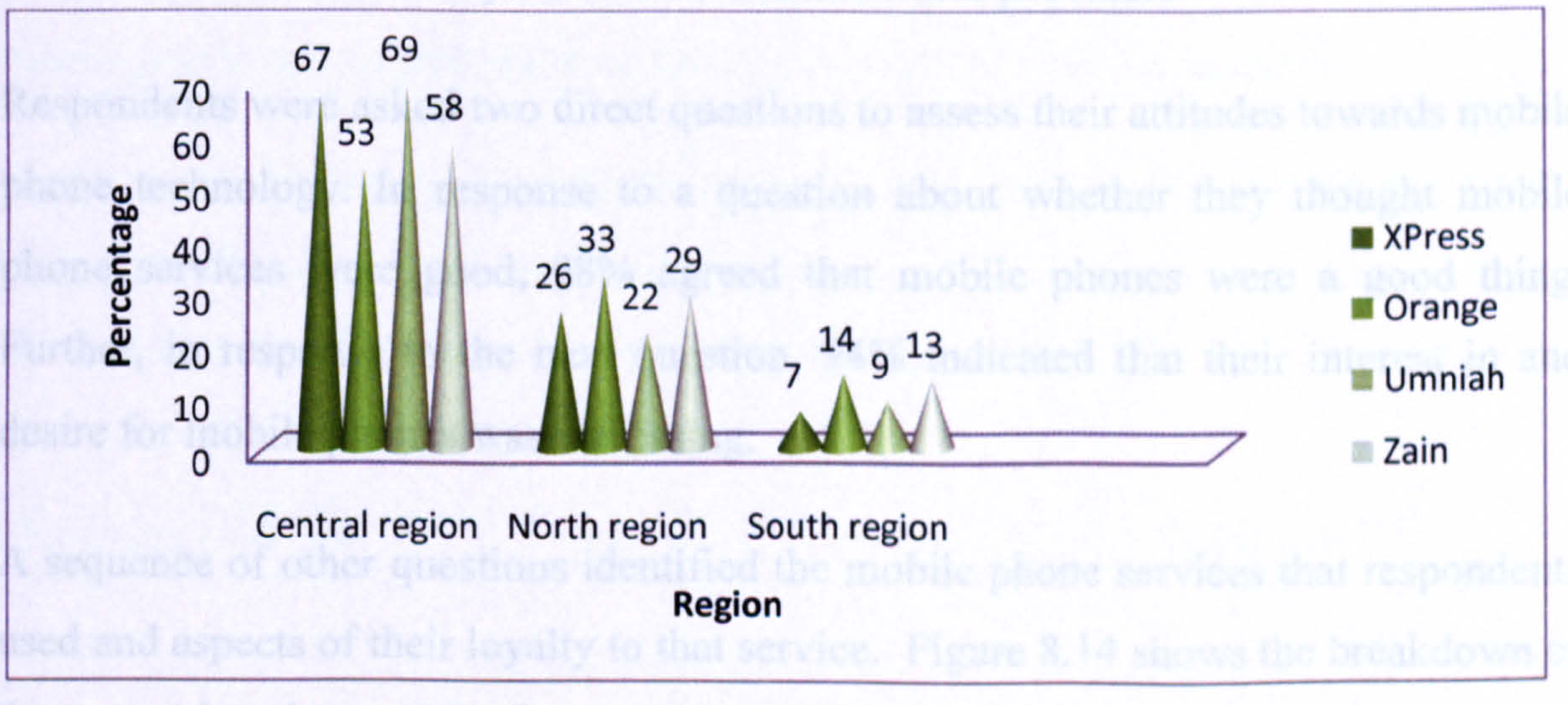

Figure 8. 13. Respondent's mobile phone service providers by region

Both Xpress and Umniah have a relatively high percentage in the Central Region, and relatively low percentages in the North and the South Regions. Coverage weakness for both companies outside the Central Region might explain this.

Both Zain and Orange have good percentages in all three regions. They dominate the market in the North and the South. Orange is marginally better in the South and the North and Zain is marginally better in the Central Region. Good coverage and being the first two mobile phone service providers in the market might explain their domination in the North and the South. Orange might dominate the North and the South because of its cheaper rates compared to Zain and its strategy, which aimed at targeting Jordanian army subscribers (see Chapter 7). The majority of Jordanian army subscribers are from the South and the North (Hamadah, 2006).

Again, the results suggest demographics of the sample are not different from the demographics of the population.

8.3. Use of and Attitudes towards mobile phone services in Jordan

This section presents general information about the use of and attitudes towards mobile phone services in Jordan. In particular, this section summarises data on attitudes to mobile phones and mobile phone suppliers, and various statistics on mobile phone service usage.

8.3.1. Attitudes to mobile phones and mobile service providers

Respondents were asked two direct questions to assess their attitudes towards mobile phone technology. In response to a question about whether they thought mobile phone services were good, 98% agreed that mobile phones were a good thing. Further, in response to the next question, 94% indicated that their interest in and desire for mobile phones was increasing.

A sequence of other questions identified the mobile phone services that respondents used and aspects of their loyalty to that service. Figure 8.14 shows the breakdown of the respondents' use of the four mobile phone service providers in Jordan.

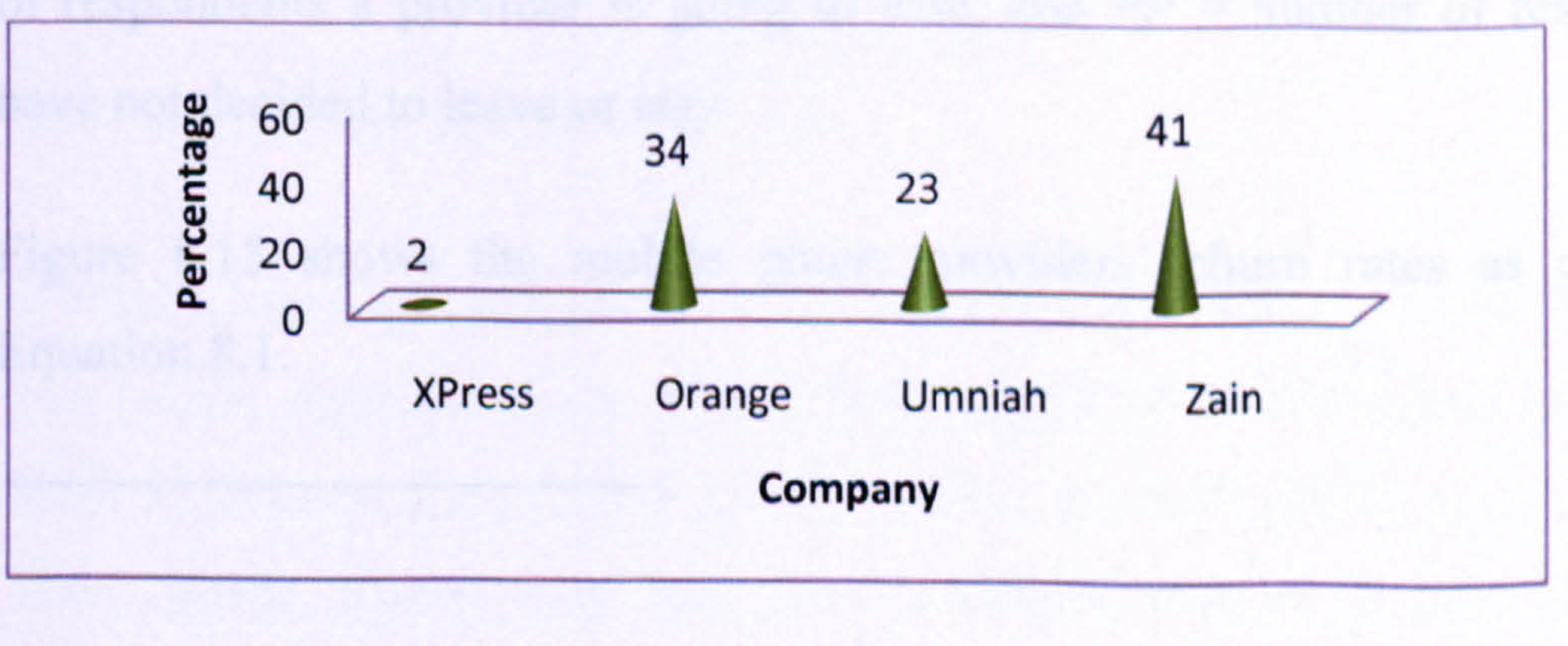

Figure 8. 14. Mobile phone service providers' usage.

Figure 8. 14. Mobile phone service providers' usage.

Zain and Orange dominate the respondents' use, with Umniah representing a poor third and Xpress an even worse fourth. The predominance of Zain, with an even greater share of the market than Orange, may be a consequence of Zain's brand strategy (see Chapter 7).

To evaluate the power of these companies in retaining their customers, respondents were asked if they would like to deal with the same provider again. In the event of respondents saying they would not, they were asked which mobile phone provider they would use, and why. Responses reveal considerable brand loyalty. Only 2 % of respondents wanted to change, and only 9% did not know; 89% were committed to their existing provider. This breakdown is important for two reasons. First, it suggests that companies could fight over almost 9% of the current customers in the market. Second, possibly 11% of respondents are not satisfied enough with their current providers; they do not have strong brand preference. These two considerations are an indication of the level of flexibility in market share.

Further investigation shows that, 2% of respondents wished to change from Zain to Umniah or Orange. One may examine the examine *churn rate* for each mobile service provider. The churn rate is provided by Equation 8.1. [10]

$$\text{Churn rate} = \frac{PW-PL}{PP}, \qquad \text{Equation 8.1}$$

where PW = number of respondents a provider is going to get or win, PL = number of respondents a provider is going to lose, and PP = number of respondents who have not decided to leave or stay.

Figure 8.15 shows the mobile phone providers' churn rates as determined by Equation 8.1.

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[10] This equation suggested by the researcher based on the related question in the questionnaire (see appendix A), and data sense.

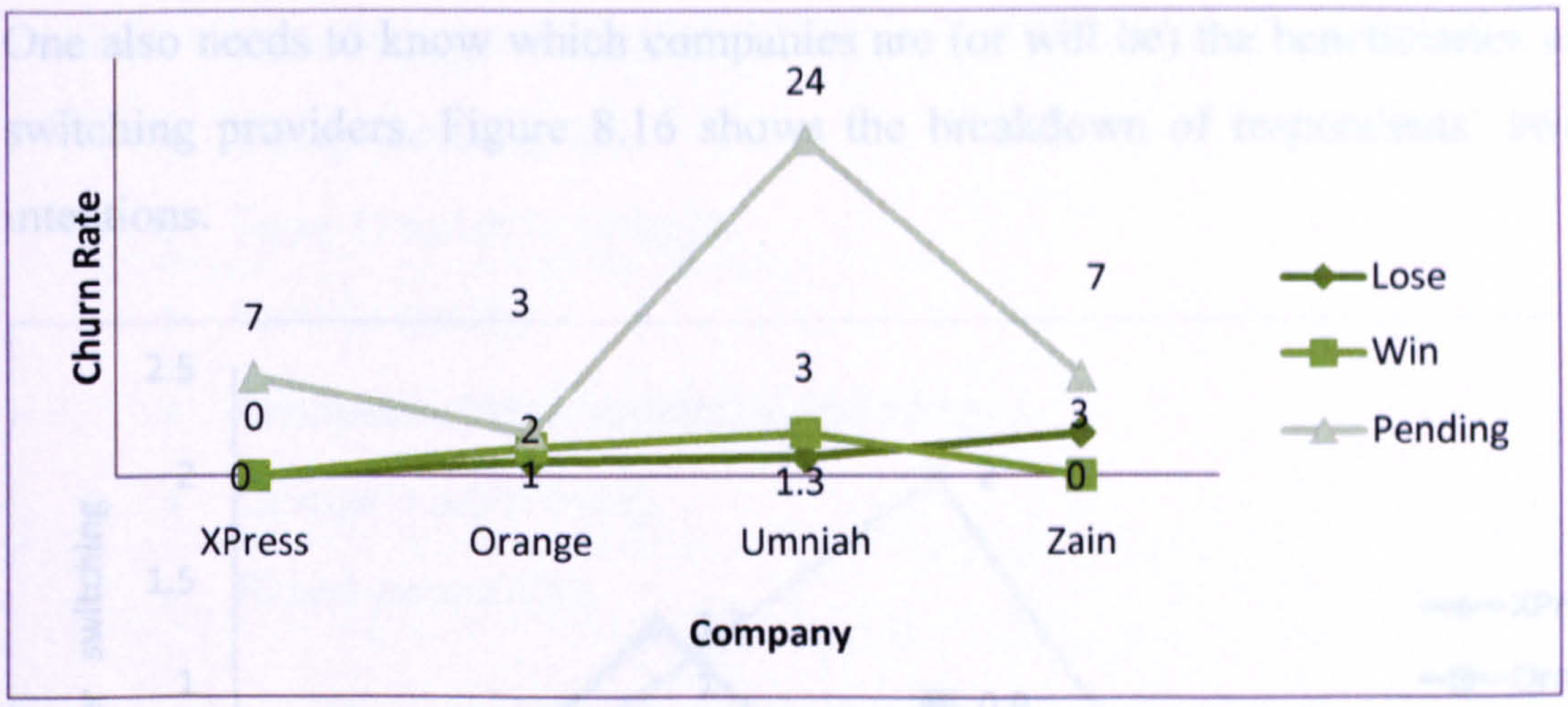

Figure 8. 15. Mobile phone service providers' churn rate.

Orange's student customers were broadly the most loyal. The churn rate for Orange $= \frac{2-1}{3} = 0.33$. By contrast, up to 7% of Zain's customers may switch brand. In this, Zain may suffer from its own brand strategy—Zain usually presents itself as the most prestigious service provider in the market (Chapter 7), and, as indicated, not all people can afford Zain's services. The churn rate for Zain $= \frac{0-3}{7} = {}^{-}0.42$. On these figures, Umniah may lose 1.3% of customers, but attract 3%. The churn rate for Umniah $= \frac{3-1.3}{24} = 0.07$.

The greatest uncertainty is associated with Umniah, with over one-quarter (24%) of its customers suggesting that they might change brand. Umniah seems successful in the short term, but may have a less secure future. Umniah could be a victim of its brand strategy: Umniah targets the youth market (Chapter 7), and young people, in time, grow old.

The churn rate for XPress $= \frac{0-0}{7} = 0$.

XPress's low churn rate may be a consequence, not of its customer loyalty, but of its low market share. As of the end of 2008, the official market shares for the companies were as follows: Zain (39%), Orange (35%), Umniah (24%), and XPress (2%). In other words Xpress may lose few customers because it does not have many customers.

One also needs to know which companies are (or will be) the beneficiaries of users switching providers. Figure 8.16 shows the breakdown of respondents' switching intentions.

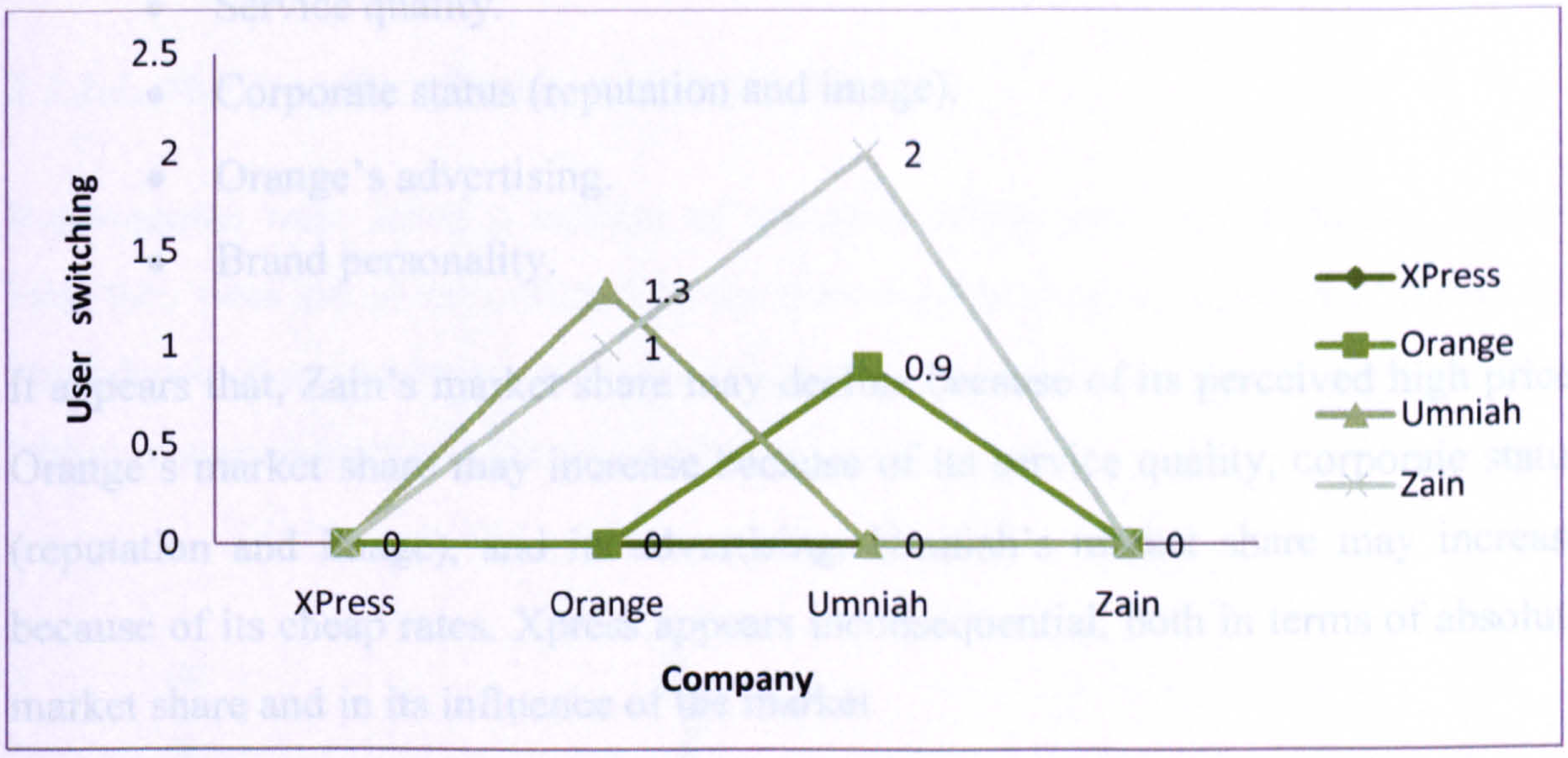

Figure 8.16. Respondents' switching among mobile phone service providers.

The figure shows that no respondents wished to switch to XPress and, more surprisingly, none wished to switch to Zain. Instead, the beneficiaries of any switching appear to be Orange and Umniah. Curiously, some Umniah customers wished to switch to Orange, and vice versa. Thus 1% of Orange's respondents would go for Umniah, and 1.3% of Umniah respondents would go for Orange. Both companies, however, also appeared to be attracting customers from Zain. Thus 3% of Zain's respondents would go for Orange and Umniah, with 1% going for Orange and 2% going for Umnaih.

The respondents who wished to change companies were asked about their reasons for this. The reasons are classified as follows:

- From Zain to Orange:
- Service quality.
- Corporate status (reputation and image).
- Orange's advertising.
- From Zain to Umnaih:
- Cheap service price.

- From Orange to Umniah:
- Cheap service price.
- From Umniah to Orange:
- Service quality.
- Corporate status (reputation and image).
- Orange's advertising.
- Brand personality.

It appears that, Zain's market share may decline because of its perceived high price. Orange's market share may increase because of its service quality, corporate status (reputation and image), and its advertising. Umniah's market share may increase because of its cheap rates. Xpress appears inconsequential, both in terms of absolute market share and in its influence of the market.

The figures suggest Orange may be the market leader in the future—it appears to win more customers than it loses; the situation is the reverse with Umniah. The literature (e.g., Kim and Yoon, 2004; Tsai and Lu, 2009) suggests Orange's practice is optimal. The literature specifically suggests that the mode of competition has shifted from acquiring new subscribers to retaining existing customers and luring customers away from rival companies. The way to avoid rival companies stealing customers is to maximize customer brand loyalty. This reinforces the impression of the importance of brand preference in retaining customers. The literature (e.g., Rundle-Thiele and Mackay, 2001; Aydin *et al.*, 2005) suggests that brand preference is the measure of brand loyalty.

Tsai and Lu (2009) state that understanding customer-oriented strategy provides a way of maintaining customers and, thus profits. Keaveney (1995) suggests that promotional activities are a logical means of retaining customers. However, these promotional activities must be orchestrated along with other marketing activities if they are to be effective. Company success is predicated on brand strategy. Brand strategy appears to explain Orange's success.

A number of studies (e.g., Kumar and Leone; 1988; Walters, 1991; Erdem and Swait, 2004) suggest the main reasons for switching are advertising, price, loss of credibility, and lifestyle. The present study's results are also consistent with such studies.

8.3.2. Use and usage of mobile phones

8.3.2.1. The intensity of using mobile phones

Respondents were asked a number of questions about their use of mobile phones. First they were asked how often they use their mobile phones. Figure 8.17 shows the breakdown of respondents' intensity of using their mobile phones. Most (over four-fifths) of respondents used their mobile phones frequently.

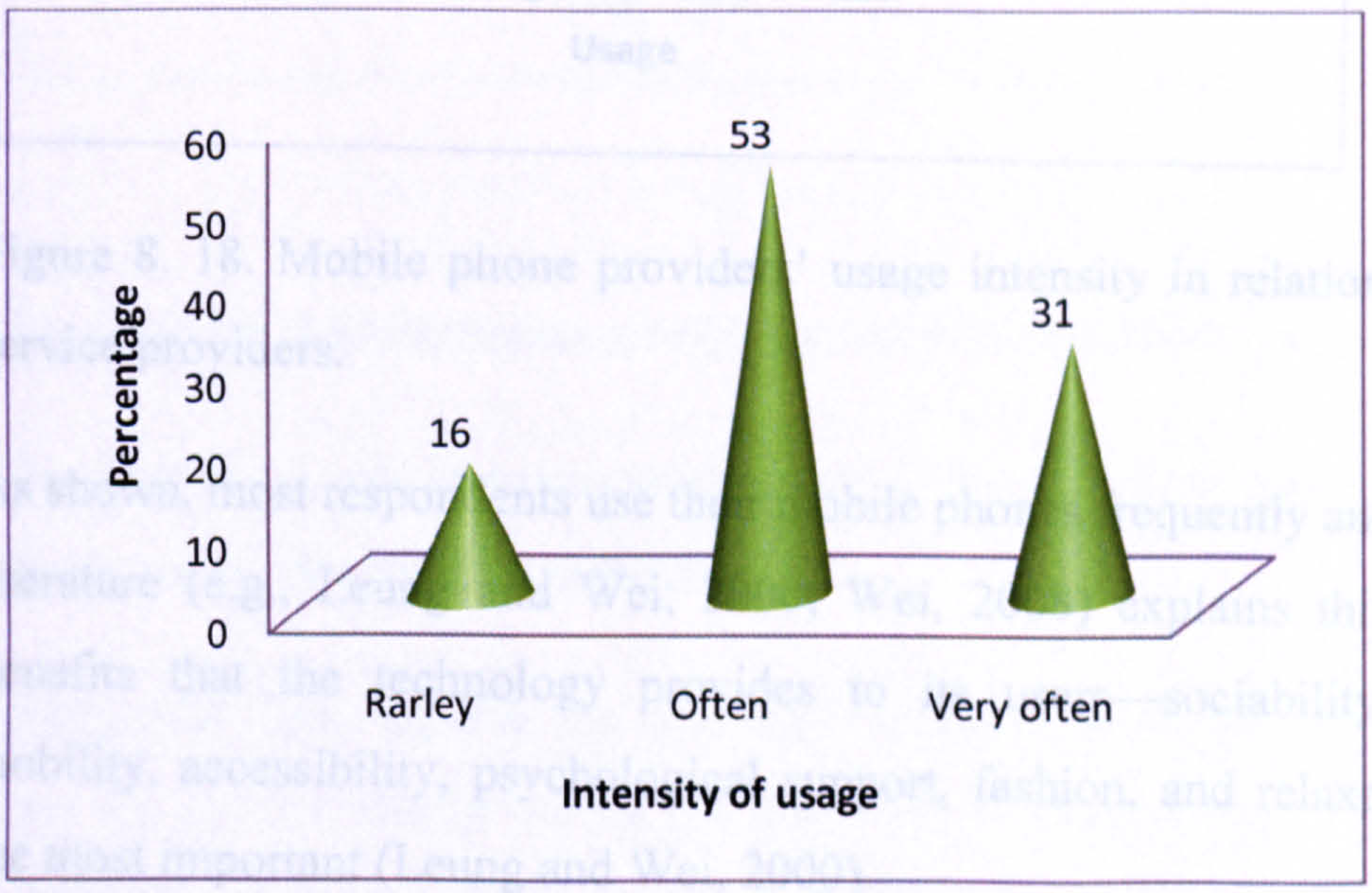

Figure 8. 17. The intensity of use of mobile phone service.

Comparison of the four mobile service providers in terms of the intensity of using mobile phone service reveals some differences in levels of use between providers, as shown in Figure 8.18. XPress' respondents used its service "often" (73%), and "quite often" (27%). This is expected, as XPress's respondents use their mobile phones to manage their work, and as noticed above, the majority of XPress's respondents (92%) do work.

Usage by customers of the other three companies appeared broadly similar, save that fewer of Zain's customers used the service "very often" and more used Umniah's "very often". This may reflect Zain's brand image. Zain's brand image is, partly at least, as a fashion accessory. Umniah's, by contrast, is largely functional.

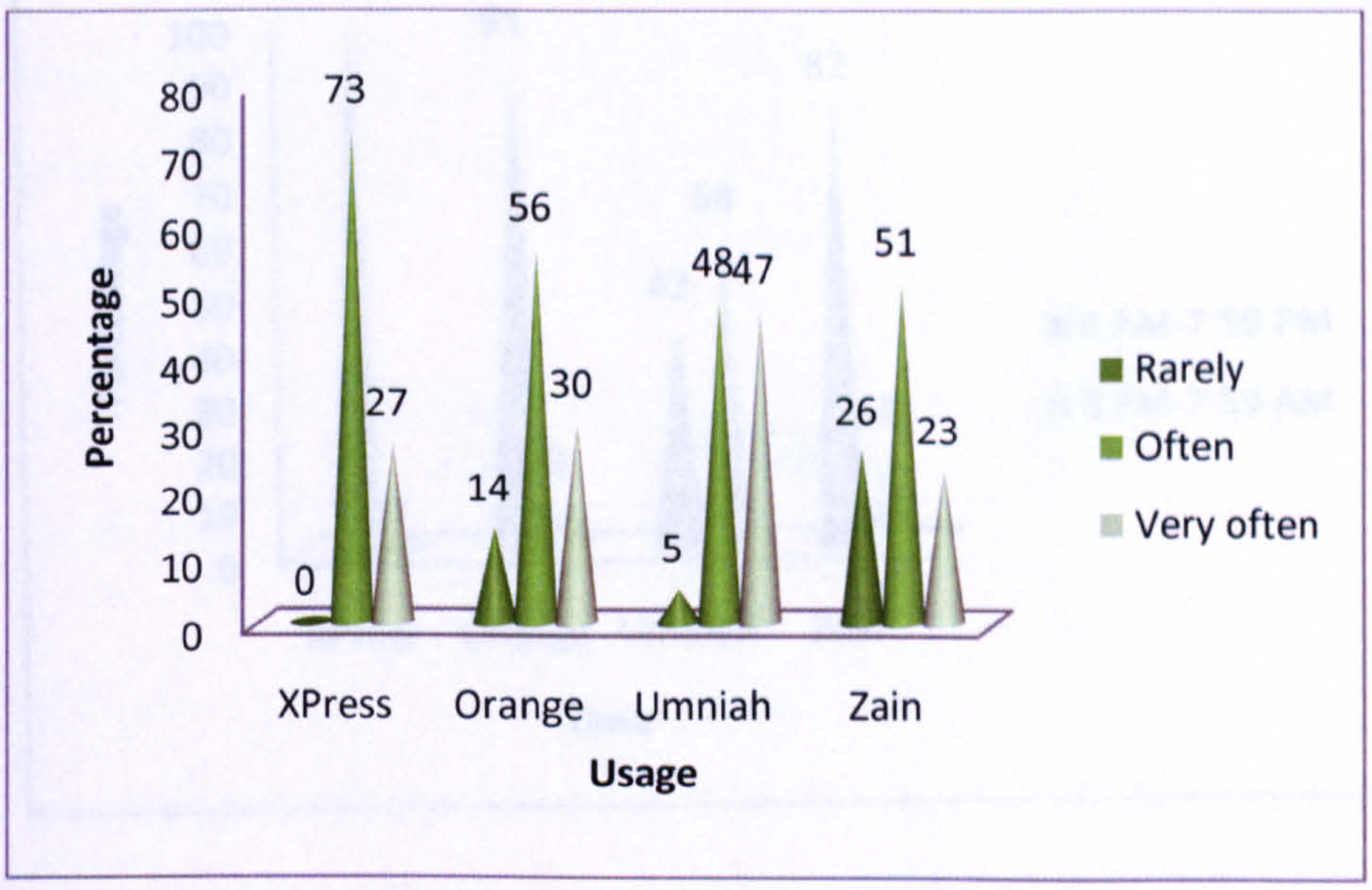

Figure 8. 18. Mobile phone providers' usage intensity in relation to mobile phone service providers.

As shown, most respondents use their mobile phones frequently and extensively. The literature (e.g., Leung and Wei, 2000; Wei, 2008) explains this in terms of the benefits that the technology provides to its users—sociability, instrumentality, mobility, accessibility, psychological support, fashion, and relaxation are arguably the most important (Leung and Wei, 2000).

8.3.2.2. The time of use of mobile phones

As indicated, the majority of respondents used their mobile phones intensively. Mobile phone service providers in Jordan mostly use two time zones in their charging tariffs: from 8:00 AM to 7:59 PM, and from 8:00 PM to 7:59 AM. Respondents were asked during which of these time zones they used their mobile phone most intensively. 76% of respondents use their mobile phone most intensively in the day time, and 24% of respondents use them most intensively in the night time. This outcome masks different usage of time in relation to mobile phone service providers. Figure 8.19 shows mobile phone service providers' respondents time of usage.

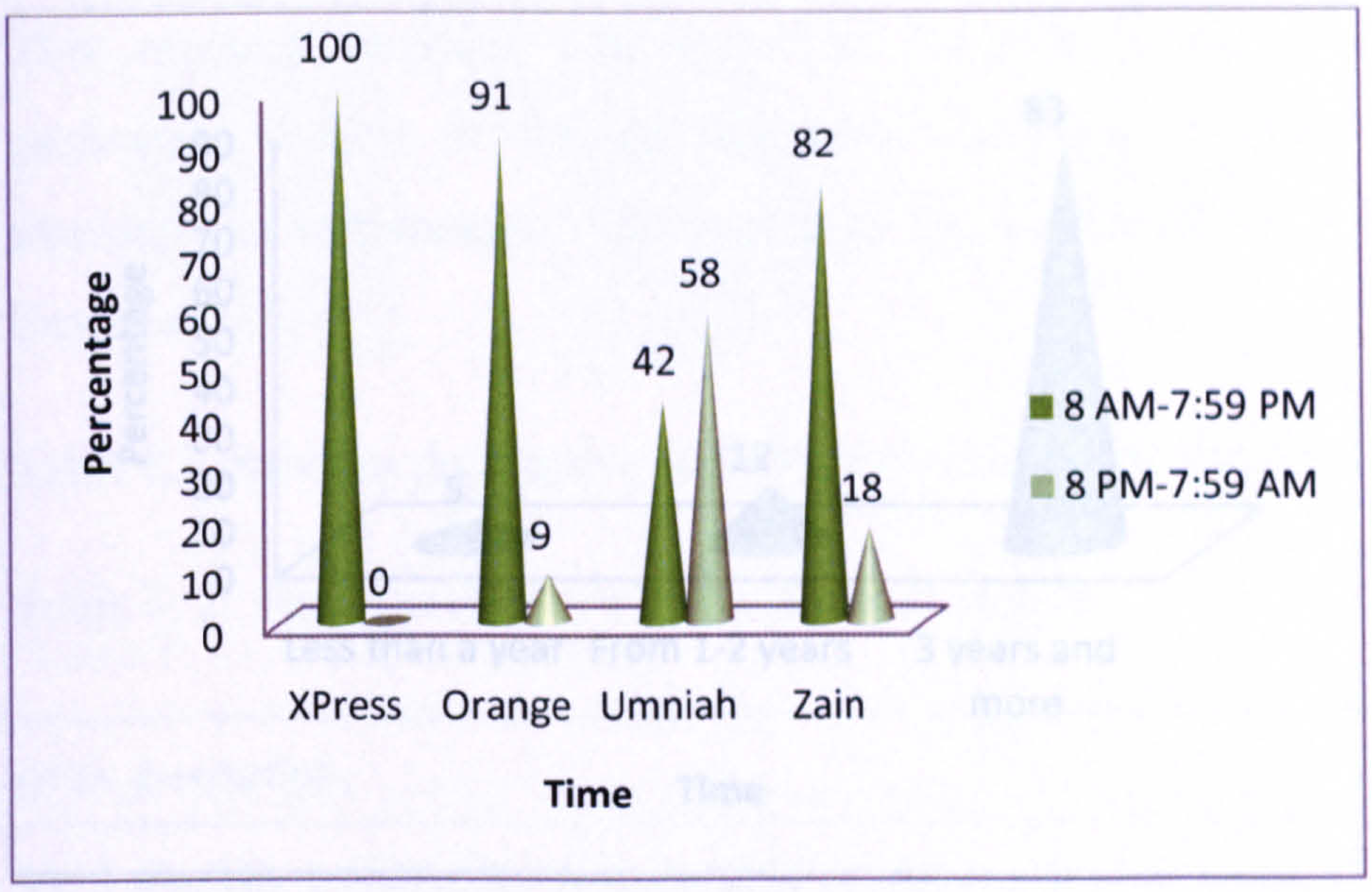

Figure 8.19. Mobile phone service providers' respondents time of usage

Figure 8.19 reveals that respondents vary in the daily time that they use their mobile phones according to their provider.

Again, the figure reflects the companies branding positions. All XPress's customer use the service mostly during the day. This is unsurprising: almost all business is conducted during daytime hours, and XPress's market position is to provide for business users. Similarly, Zain's market position, as indicated, is as a fashion accessory—one does not need a fashion accessory in the dark, when nobody can see it. Umniah's high level of night time use may reflect that it is a practical service—people use it for what mobile phones intrinsically provide—ability to talk at any time with distant people. Orange's position, lying between that of Zain and Umniah, may reflect its in between status—part practical, part fashion accessory.

8.3.2.3 The time of having a mobile phone

Respondents were asked about how long they had been using a mobile phone. Figure 8.20 shows the breakdown of respondents' years of having mobile phones.

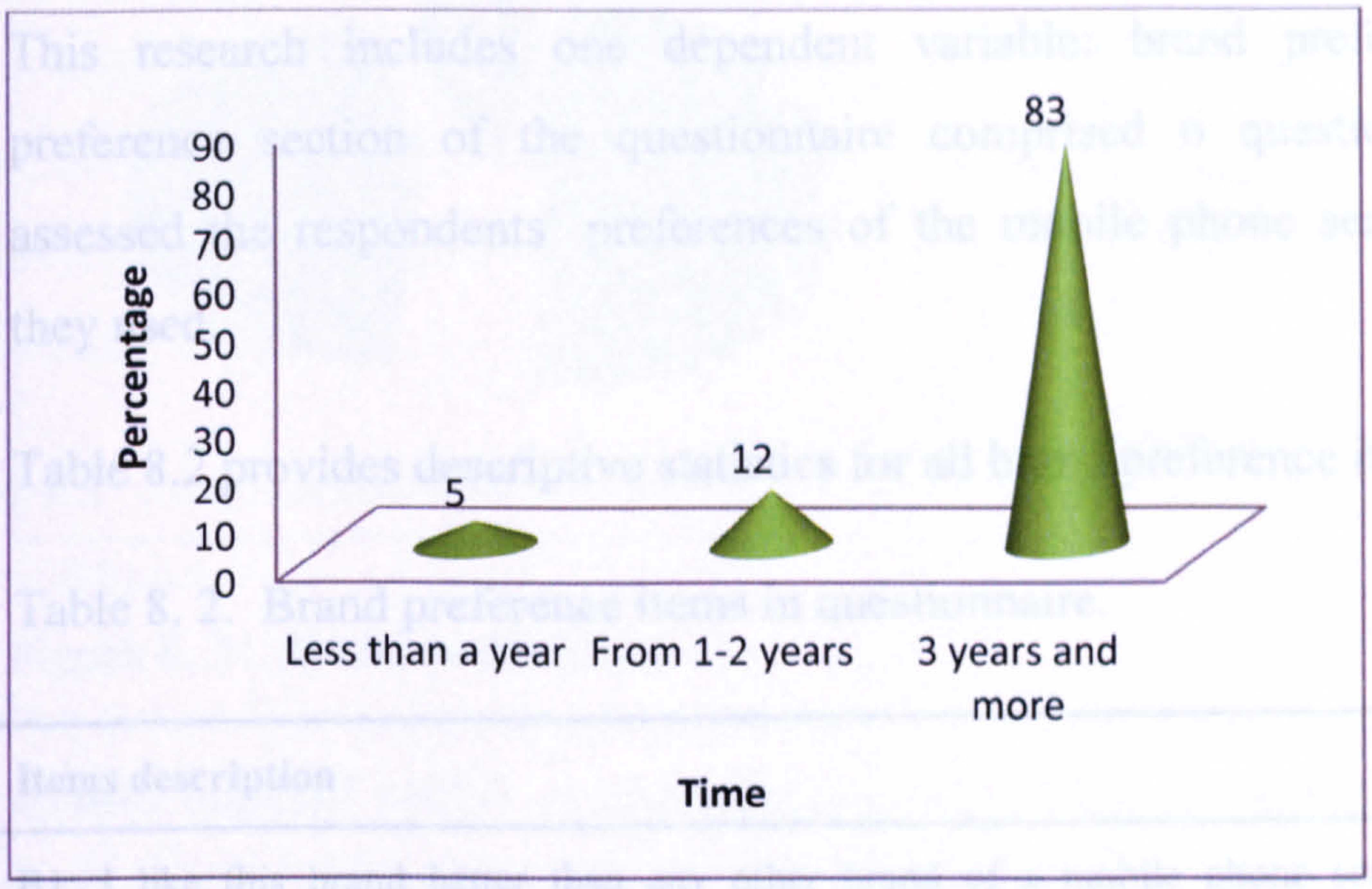

Figure 8. 20. Respondent's time of having mobile phones

The figure reveals that the majority (over four-fifths) of respondents had used their phones for a long time. This is unsurprising; mobile phones have been commonplace for over a decade.

ITU (2010) estimates the number of people worldwide using mobile phone services as 4.6 billion. ITU reports that this constitutes the fastest adoption of technology in history (see Chapter 2). In Jordan, the ratio of mobile phone subscribers to landline subscribers is 16:2.1 (ITU, 2010), which suggests that Jordanians view mobile phones as more important than landlines.

8.4. Brand preference, brand awareness, brand image, and consumer attributes

The dependent and independent variables of the study are based on factor analysis, as described in Chapter 9. The following sub-sections provide descriptive analysis. All variables covered in this section were measured using a set of statements (items) designed to collect data on respondents' attitudes. A five point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used throughout (see Appendix A)

8.4.1. Dependent variable: Brand preference

This research includes one dependent variable: brand preference. The brand preference section of the questionnaire comprised 6 questions (indicators). It assessed the respondents' preferences of the mobile phone service providers that they used.

Table 8.2 provides descriptive statistics for all brand preference items.

Table 8. 2. Brand preference items in questionnaire.

Items description	Mean	Std. Deviation
B1: I like this brand better than any other brand of a mobile phone service provider.	3.7438	.72008
B4: I am not interested in trying a mobile phone service from another mobile phone service provider.	3.4900	.75238
B6: This brand of this mobile service provider is my preferred brand over any other brand of mobile phone service providers	3.2130	.77301
B2: This company meets my mobile phone service requirement better than other companies.	3.1574	.69213
B5: I do not intend in the near future to replace this brand of mobile phone service provider with another one.	3.1306	.82128
B3: I would use this brand more than I would use any other brand of other company of a mobile phone service provider.	3.0185	.69024

The table shows that respondents have a positive preference for their mobile phone service providers' brands, as judged by the questionnaire items. All means indicate overall positive brand preference towards the mobile phone service providers. The overall means mask a range of opinon across respondents, as is clear from the standard deviations shown in the table.

Figure 8.2 shows a breakdown of the questionnaire Likert scores for brand preference.

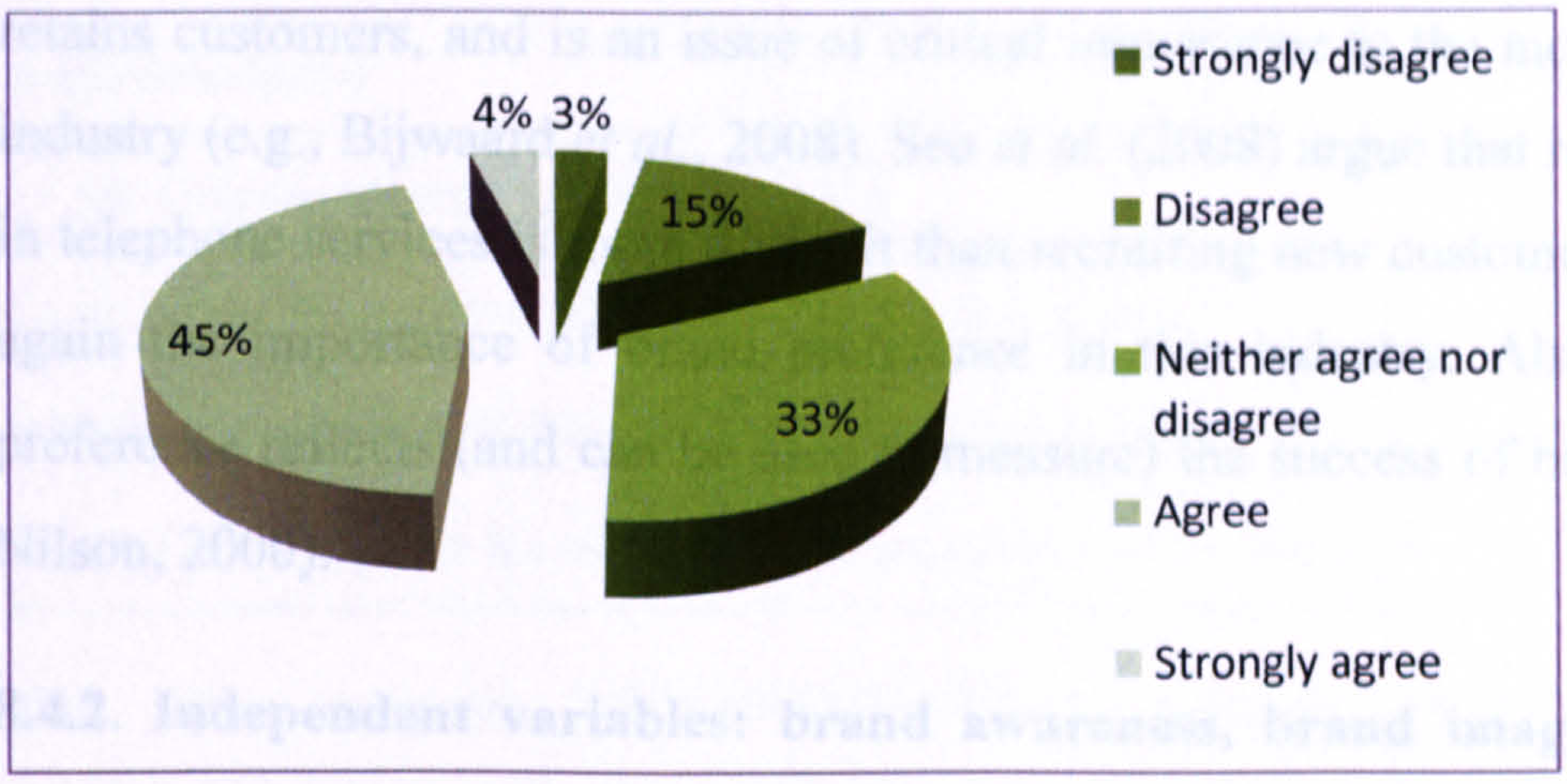

Figure 8. 21. Brand preference.

Almost one-half (49%) of respondents had a strong or very strong preference for their mobile service providers, while a sizeable minority (18%) indicated no preference, and about one-third had neither strong nor weak preference. Respondents' preference varied with mobile service provider.

Figure 8.22 shows the means of the respondents' brand preference to the four telephony companies.

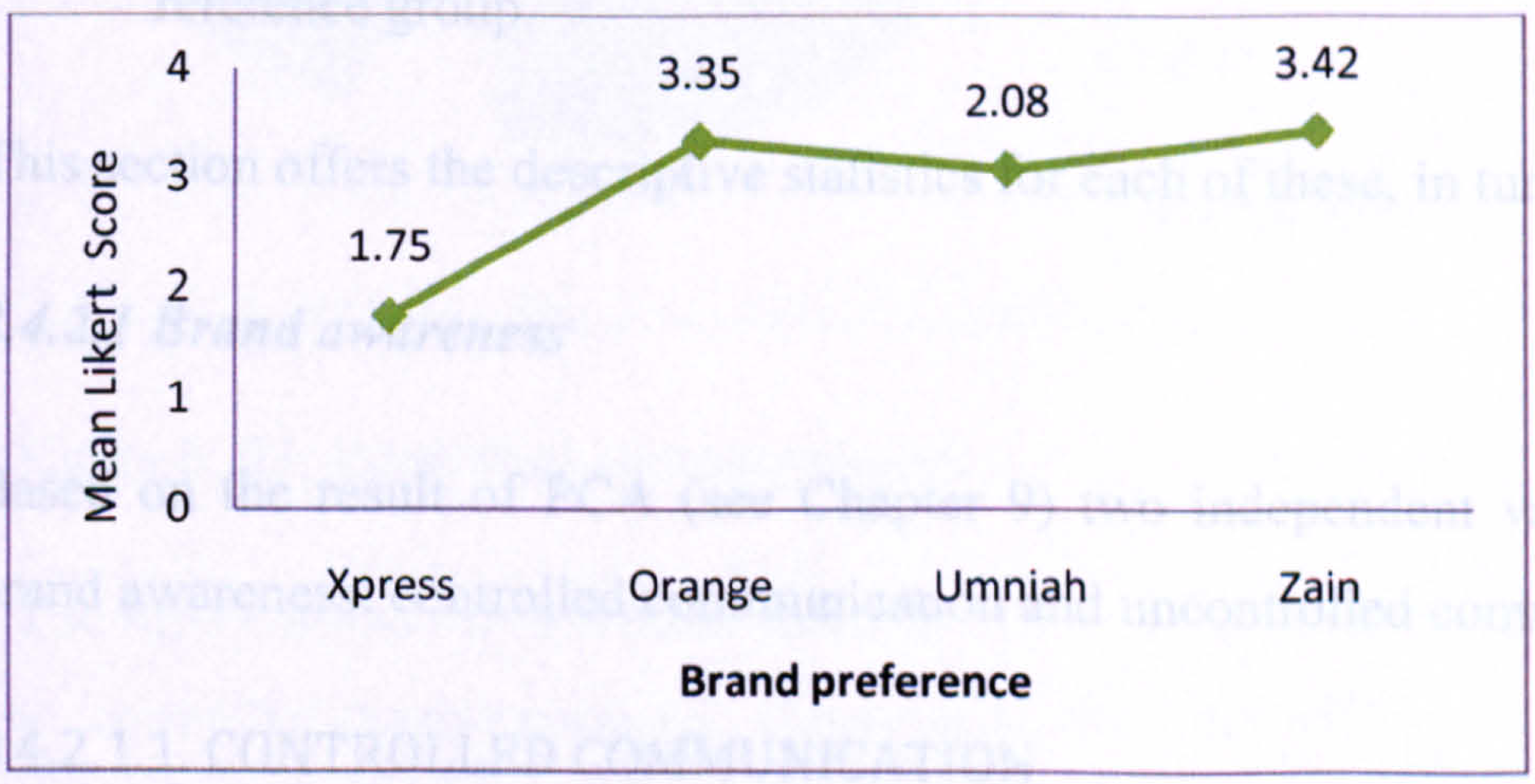

Figure 8. 22. Brand preference for the four service providers.

The figure shows that respondents of Zain, Orange, and Umniah rated their brand preference higher than did respondents of XPress.

The literature suggests that brand preference is a valid measure of market share, as it basically measures brand loyalty (e.g., Aydin *et al.*, 2005); this is defined as long-term customer preference for a particular product or service. Brand preference retains customers, and is an issue of critical importance to the mobile phone service industry (e.g., Bijwaard *et al.*, 2008). Seo *et al.* (2008) argue that retaining customers in telephone services is more difficult than recruiting new customers. This illustrates again the importance of brand preference in this industry. Also note that brand preference reflects (and can be used to measure) the success of brand strategy (e.g., Nilson, 2000).

8.4.2. Independent variables: brand awareness, brand image, and consumer attributes

This research includes eleven independent variables, divided into three groups:

a) *Brand awareness* includes: controlled communication (advertising), and uncontrolled communications (WOM and publicity).
b) *Brand image* includes two sub-groups: *service attributes* includes: price and quality, and *provider's attributes* includes: brand personality, country of origin, service (location and employee), and corporate status.
c) *Consumer attributes* includes: satisfaction, consumer perceived risk, and reference group.

This section offers the descriptive statistics for each of these, in turn.

8.4.2.1 Brand awareness

Based on the result of PCA (see Chapter 9) two independent variables determine brand awareness: controlled communication and uncontrolled communication

8.4.2.1.1. CONTROLLED COMMUNICATION

The controlled communication section of the questionnaire comprised four questions (indicators) to assess respondents' perception of corporate status and the degree of agreement or disagreement with the indicators.

Table 8.3 shows descriptive statistics of controlled communication items.

Table 8.3. Descending means: controlled communication

Descriptive Statistics

Items description	Mean	Std. Deviation
C1.50: I like the advertising of this company	3.3457	.80240
C1.51: I react favourably to the advertising of this company	3.1963	.79673
C1.52: The advertising of this mobile phone service provider is good	3.1435	.94816
C1.53: I am happy with the advertising and promotions of this company	3.0648	.88021

The table suggests respondents had a positive perception of controlled communication, as judged by each item in the questionnaire. The means ranged from 3.0648 (C1.62) to 3.3457 (C1.60), suggesting customers were positive about the controlled communication of mobile phone companies.

Figure 8.23 shows the percentage breakdown of the questionnaire Likert scores.

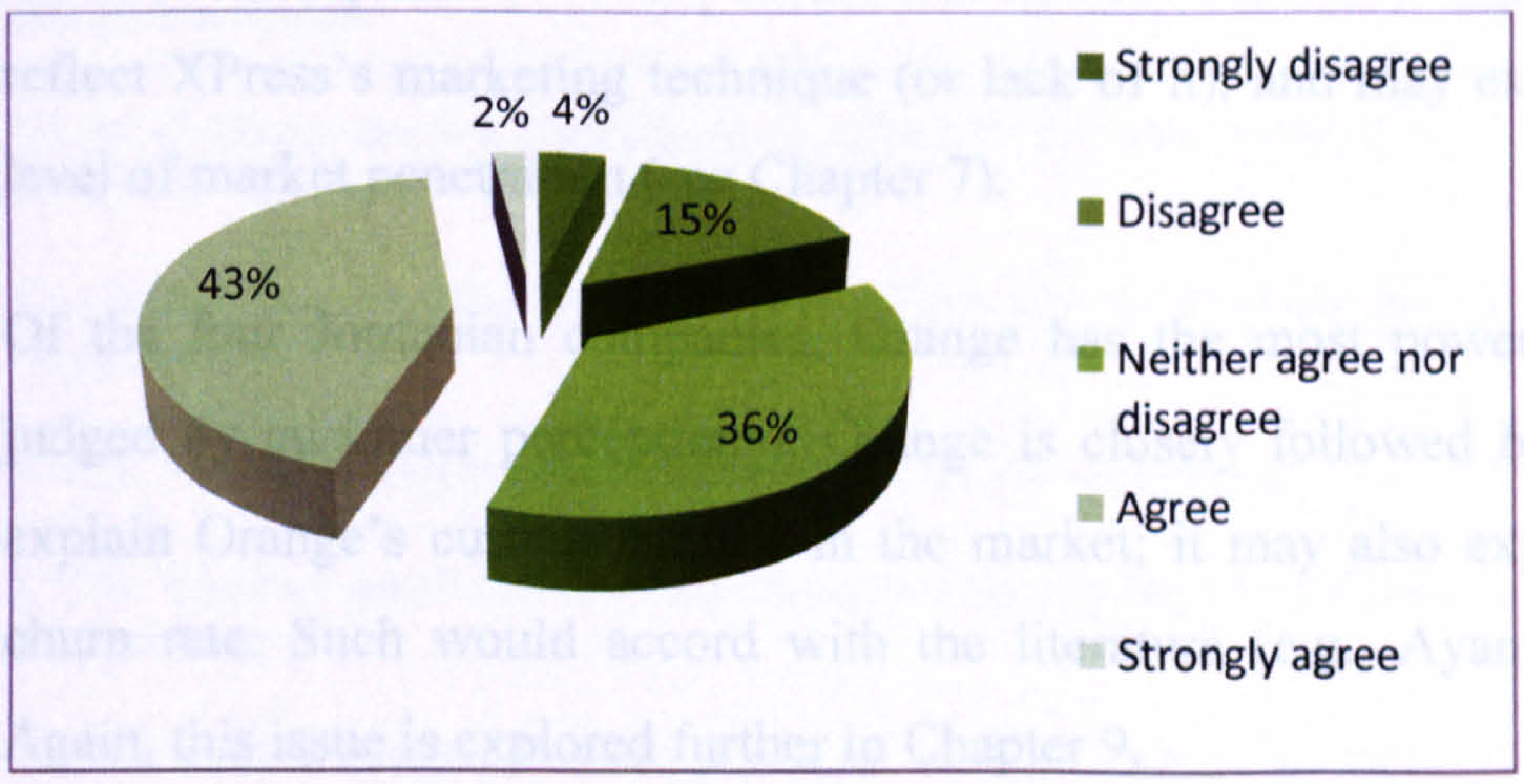

Figure 8. 23. Controlled communication.

The figure shows that a sizable minority (19%) of respondents do not react positively to controlled communication. Conversely, the bulk (45%) of respondents did so. Over one-third (36%) of respondents had no strong feelings on the matter.

Figure 8.24 shows the breakdown by mobile phone service provider.

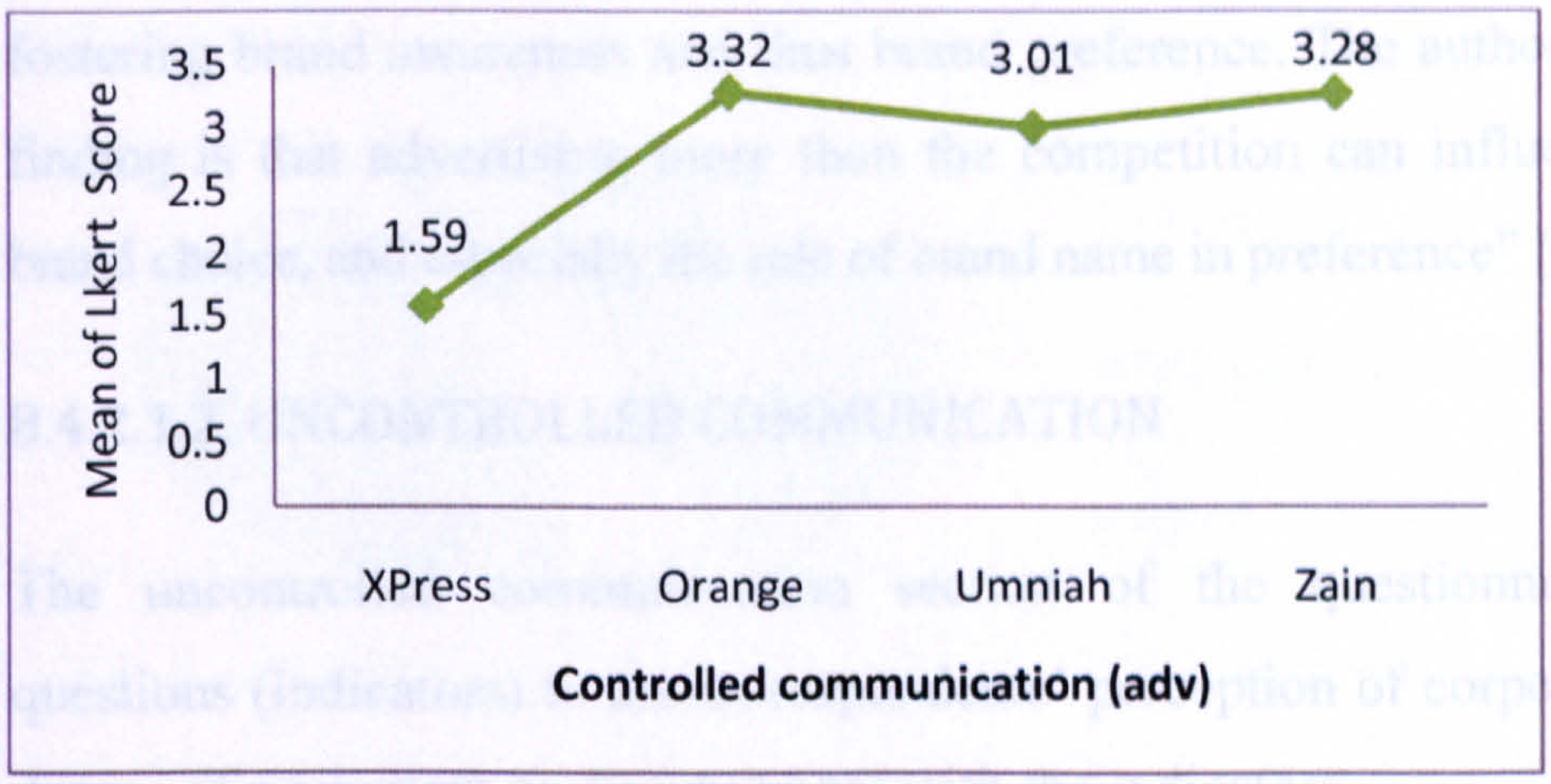

Figure 8. 24. Controlled communication (advertising) for the four service providers.

The figure shows that respondents who used Orange, Umniah, and Zain services admitted, overall, to having been influenced *positively* by controlled communication. In contrast, respondents who used XPress services did not so admit. Again, this may reflect XPress's marketing technique (or lack of it), and may explain XPress's low level of market penetration (see Chapter 7).

Of the four Jordanian companies, Orange has the most powerful advertising (as judged by customer perceptions); Orange is closely followed by Zain. This could explain Orange's current success in the market; it may also explain Orange's low churn rate. Such would accord with the literature (e.g., Ayanwale *et al.*, 2005). Again, this issue is explored further in Chapter 9.

Timing of advertising is also important. Orange (see chapter 7) launched its rebranding campaign—especially its advertising—two months before Zain's rebranding. This timing arguably explains Orange's success. Chioveanu (2008) comments: "firms first invest in advertising, and then compete in prices for the remaining brand indifferent consumers" (p. 69). Chioveanu's comment accords with evidence. In an empirical investigation of the Turkish cola market, Ulas and Arsaln (2007) found that the "Timing of advertising is also proved to be critical" (pp. 163–164).

Repetition of advertising is important, too, and is what both Zain and Orange did for more than three months (and still do so, albeit at a lower level). D'Souza and Ram (1995) present evidence that advertising, and repeating it over time, is important is fostering brand awareness and thus brand preference. The authors state: "The major finding is that advertising more than the competition can influence awareness and brand choice, and especially the role of brand name in preference" (p. 32).

8.4.2.1.2. UNCONTROLLED COMMUNICATION

The uncontrolled communication section of the questionnaire comprised six questions (indicators) to assess respondents' perception of corporate status and their degree of agreement or disagreement with the indicators.

Table 8.4 shows the descriptive statistics of uncontrolled communication items

Table 8. 4 Descending means: uncontrolled communication

Items description	Mean	Std. Deviation
C1.54: Publicity has been significant in affecting my views about this company.	3.6373	.79971
C1.55: Publicity revealed some things I had not considered about this company.	3.5139	.75813
C1.57: Publicity influenced my preference towards this company.	3.4707	.86083
C1.58: Word of mouth has been significant in affecting my views about this company.	3.3395	.68694
C1.59: Word of mouth revealed some things I had not considered about this company.	3.1944	.75160
C1.61: Word of mouth influenced my preference towards this company.	3.1825	.76685

The table shows respondents had a positive perception of uncontrolled communication, as judged by each item in the questionnaire. The means ranged from 3.1825 (C1.67) to 3.6373 (C1.68), illustrate this.

Again, the overall means cover a range of opinion within respondents. Figure 8.25 shows the percentage breakdown to the questionnaire Likert scores for uncontrolled communication.

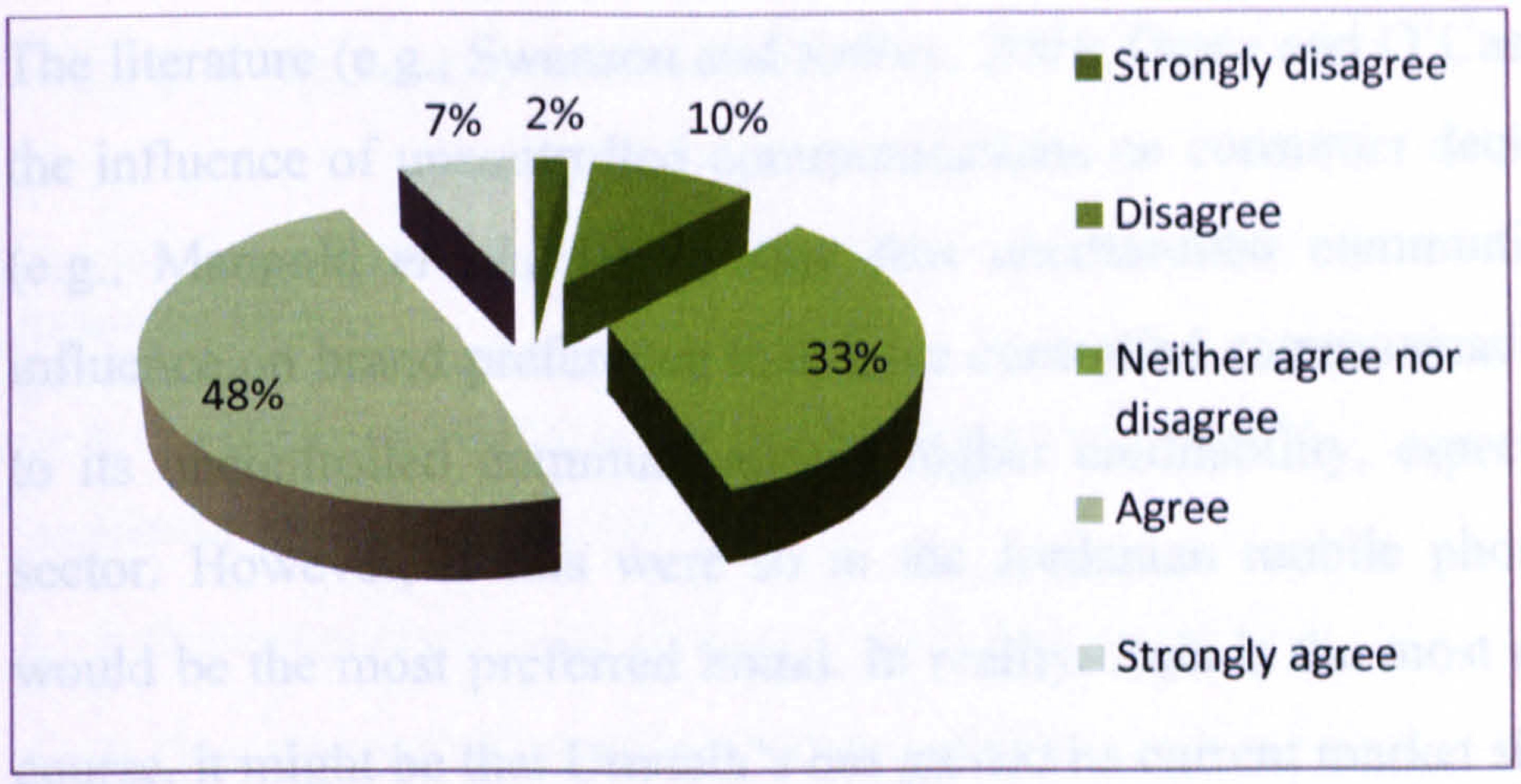

Figure 8. 25. Uncontrolled communication.

The figure shows that more than one-half (55%) of respondents look positively at uncontrolled communication of mobile phone service providers, and few (12%) respondents do not.

Figure 8.26 shows the breakdown by mobile phone service provider.

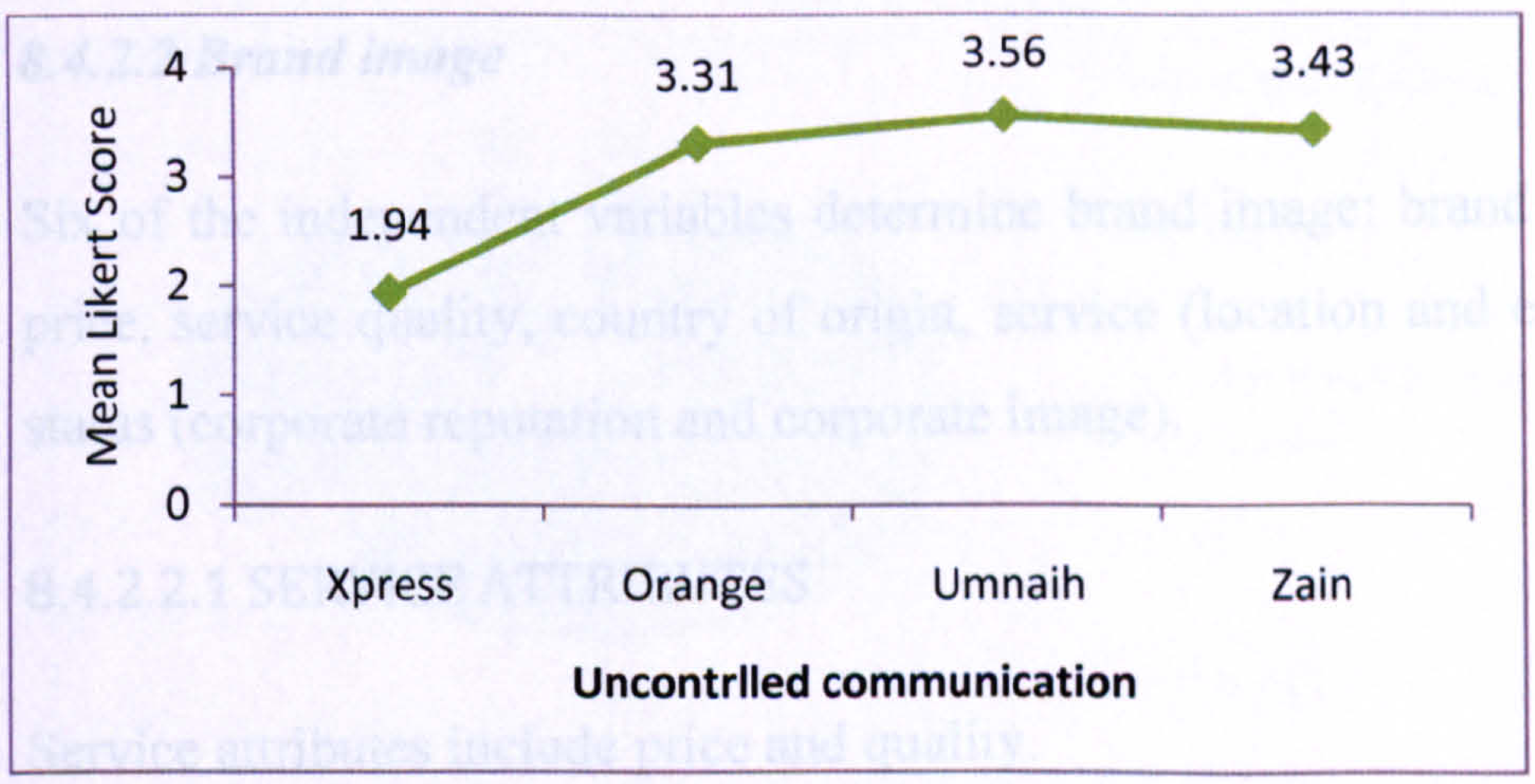

Figure 8. 26. Uncontrolled communication for the four service providers.

The figure reveals that, surprisingly, respondents' who used Umniah were the most influenced by uncontrolled communication—it might that communication strategy that Umniah used (see Chapter 7) caused this. Umnaih's respondents were closely followed by respondents who use Zain. Orange users seemed less unfluenced than Umniah's and Zain's by uncontrolled communication. Unsurprisingly, users of XPress were least influenced by uncontrolled communications.

The literature (e.g., Swanson and Kelley, 2001; Grace and O'Cass, 2005b) discusses the influence of uncontrolled communications on consumer decision. Some authors (e.g., Mangold *et al.*, 1999) state that uncontrolled communications have more influence on brand preference than have controlled communications, and this is due to its uncontrolled communication's higher creditability, especially in the service sector. However, if this were so in the Jordanian mobile phone market, Umnaih would be the most preferred brand. In reality, Zain is the most preferred brand. Of course, it might be that Umnaih's has gained its current market share largely because of its uncontrolled communication coupled with its relatively cheap prices Such would accord with what some literature (Ennew *et al.*, 2000) suggests. However, such literature also suggests that, in many cases, controlled communication is stronger than uncontrolled communications. Both Zain and Orange illustrate this.

The relative importance (and unimportance) of different means of communication is explored further in Chapter 9.

8.4.2.2 Brand image

Six of the independent variables determine brand image: brand personality, service price, service quality, country of origin, service (location and employee), corporate status (corporate reputation and corporate image).

8.4.2.2.1 SERVICE ATTRIBUTES

Service attributes include price and quality.

8.4.2.2.1.1. PRICE

Attitudes to service price were measured using 3 questions (indicators) to assess the respondents' perception of service price.

Table 8.5 presents the means for all price indicators.

Table 8. 5 Descending means: price

Items description	Mean	Std. Deviation
C1.8: I consider joining this company is good because the benefits I receive are more than the charges.	3.2037	1.00778
C1.6: This company prices are appropriate for the service provided.	3.1651	1.05001
C1.7: Considering what I would pay for this company's brand, I will get much more than my money's worth.	3.1157	.86519

As can be seen in the table, respondents had a positive perception to service price. The means ranged from 3.2037 (item C1.8) to 3.1157 (item C1.7), suggesting that mobile phone service providers offer suitable service tariffs for customers.

As before, the overall means mask a range of opinion. Figure 8.27 shows the percentage breakdown of the questionnaire Likert scores for service price.

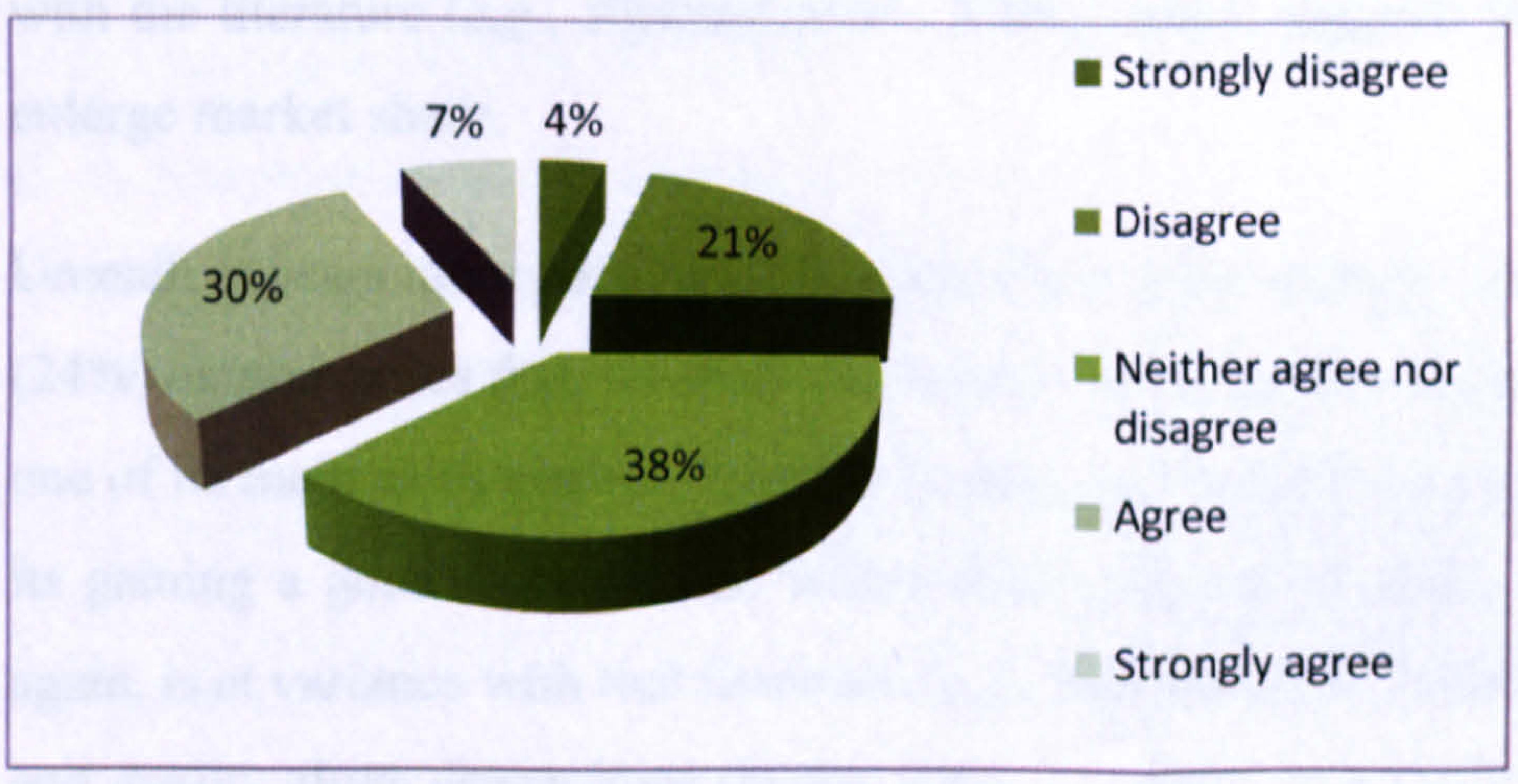

Figure 8. 27. Service price

A quarter (25%) of respondents did not agree that mobile phone service providers offer a good service price, and only about one-third (37%) of respondents thought that mobile phone service providers offered good prices. The largest proportion (38%) of respondents had no strong views on the subject.

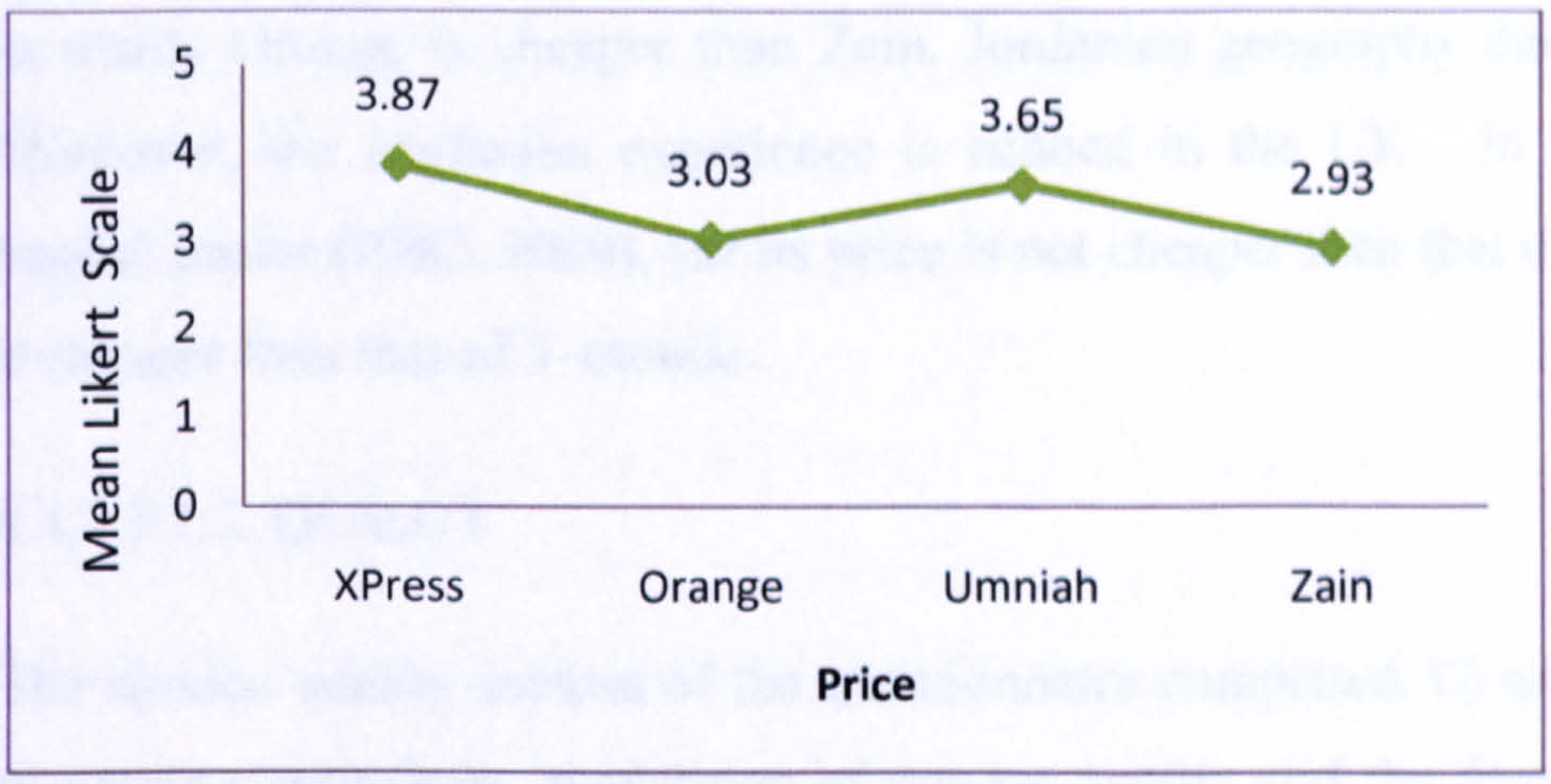

Figure 8. 28. Service price for the four service providers.

Figure 8.28 presents the breakdown by service provider. Users of XPress and Umniah had relatively positive views of their service providers' pricing, users of Orange relatively neutral ones, and users of Zain slightly negative ones. XPress's prices are the cheapest, and are regarded most positively, but this does not appear to have helped it to enlarge its market share (Chapter 7). This finding is at variance with the literature (e.g., Bijwaad *et al.*, 2008), which suggests that lower prices can enlarge market share.

Umnaih appears more successful in using a low price strategy. Its good market share (24%) demonstrates this. Umniah uses a price factor in its communication strategy as one of its main sales pitches. It might be that the Umniah's price strategy lay behind its gaining a good market share within three years of its entry to the market. This, again, is at variance with that literature (e.g., Bijwaad *et al.*, 2008) that suggests price and quality alone determinate market share, Umniah's price is low, but its quality is the worst in the market (see below).

Orange is more expensive than XPress and Umniah, yet it is still cheaper than Zain. Zain's service prices are the most expensive. These prices do not, as yet, seem to have damaged Orange or Zain, as measured by their market share.

Bijwaad *et al.* (2008), in an analysis of the European mobile phone service, state: "If all firms are equally efficient, the firm with the largest market share has the lowest average cost" (p. 249). If applied to Zain and Orange, they would appear equally efficient, and Zain—the market leader— should have the cheapest price. However, in reality Orange is cheaper than Zain. Jordanian geography does not explain this. Moreover, the Jordanian experience is echoed in the UK. In the UK, *O2* is the market leader (BBC, 2009), yet its price is not cheaper than that of Orange; neither is it cheaper than that of T-mobile.

8.4.2.2.1.2. QUALITY

The service quality section of the questionnaire comprised 12 questions (indicators) to assess respondents' perception of service quality and the degree of agreement or disagreement with the indicators. Two indicators were removed from the scale based on the PCA result (see Chapter 9).

Table 8.6 presents the means for all quality indicators.

Table 8. 6 Descending means: quality

Items description	Mean	Std. Deviation
C1.9: This company offers the best plan that meets a customer's needs.	3.3565	.93254
C1.10: This company eases the changing of service plans.	3.3395	1.08759
C1.11: Voice quality is excellent.	3.2840	1.07072
C1.12: Coverage area is excellent.	3.2562	.92657
C1.13: Messaging services provided by the company are good.	3.2438	.96578
C1.15: This company provides service form the internet—downloading music, ring tones, etc.	3.2052	1.03695
C1.17: This company provides accurate bills.	3.0617	1.20761
C1.18: This company eases paying bills resolving problems.	3.0556	.99458
C1.19: The call centre of this company provides consistent advice and instructions.	3.0355	.92550
C1.20: This company provides accurate representation of services and contracts.	3.3565	.93254
C1.15: This company provides service form the internet—downloading music, ring tones, etc.	3.3395	1.08759
C1.17: This company provides accurate bills.	3.2840	1.07072
C1.18: This company eases paying bills resolving problems.	3.2562	.92657

Item C1.19: The call centre of this company provides consistent advice and instructions.	3.2438	.96578
C1.20: This company provides accurate representation of services and contracts.	3.2052	1.03695

The table suggests respondents had a positive perception of service quality, as judged by each item in the questionnaire. The means range from 3.3565 (C1.9) to 3.0355 (C1.11), suggesting that mobile phone service providers produce good telecom services quality.

Again, opinions within respondents varied. See Figure 8.29.

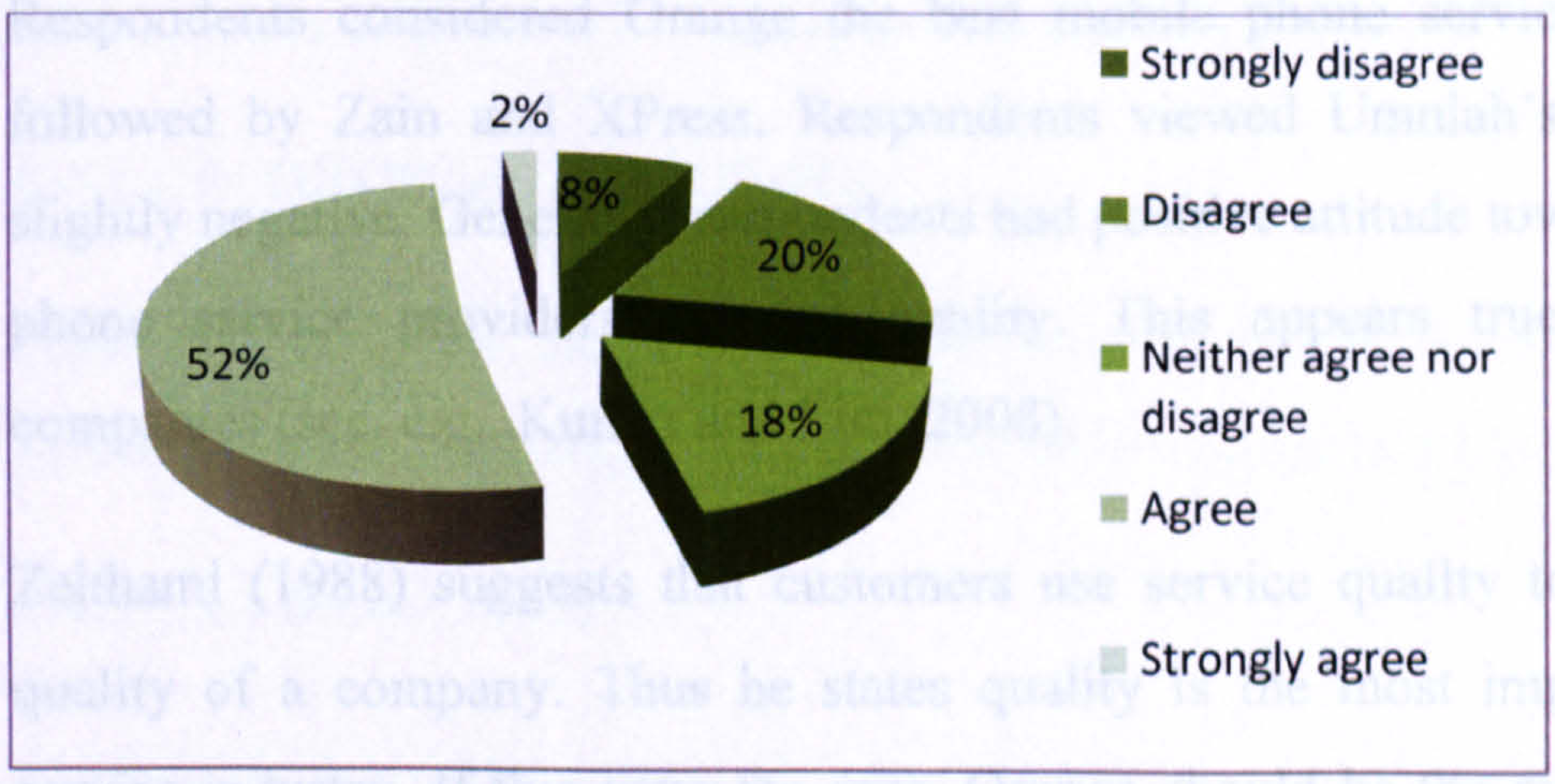

Figure 8. 29. Service quality.

The figure shows that more than one-half (54%) of respondents agreed that mobile phone service providers produce good telecom services; however, almost one-third (30%) of respondents did not think. A sizable proportion (18%) of respondents had no strong opinion on the issue.

Respondents' opinions varied in relation to the quality of four mobile service providers. See Figure 8.30.

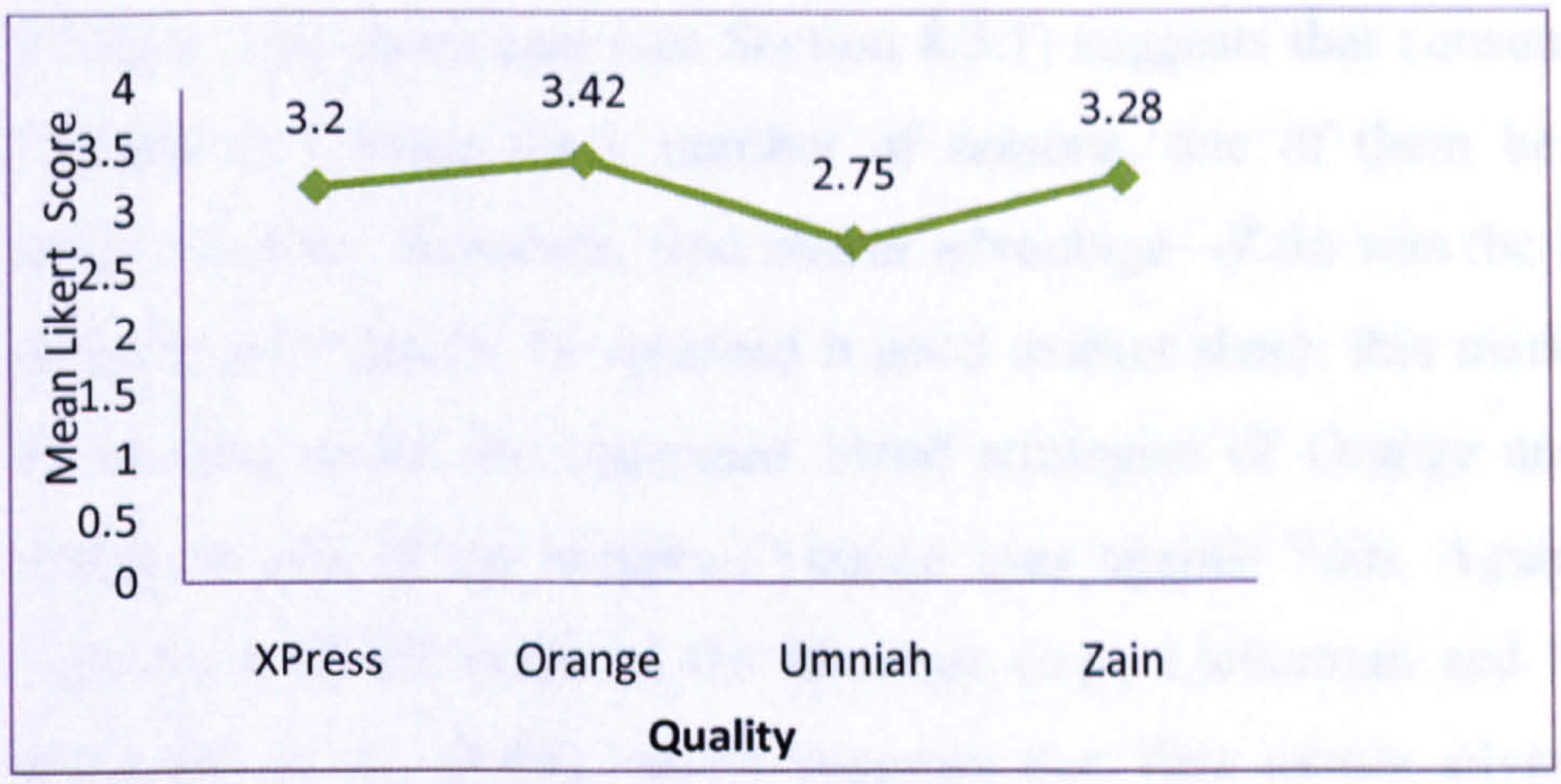

Figure 8. 30. Service quality for the four service providers.

Respondents considered Orange the best mobile phone service provider, closely followed by Zain and XPress. Respondents viewed Umniah's service quality as slightly negative. Generally, respondents had positive attitude toward the four mobile phone service providers' service quality. This appears true of all successful companies (see, e.g., Kumar and Lim, 2008).

Zeithaml (1988) suggests that customers use service quality to assess the overall quality of a company. Thus he states quality is the most important feature of a service industry. If this were the case, Orange should be the market leader—it has the best service quality (see below). However, it is not. Thus the results of the present study do not accord with the view of Zeithmal. In contrast, Venetis and Ghauri (2000) consider service quality to be only one of many factors that conspire to differentiate service providers in consumer minds and to enlarge market share. This view accords with the results of the present study. Similarly, Ayden and Ozer (2005)—in a study of the antecedents of brand loyalty in the Turkish telecommunication market—determined empirically that, although service quality is important for customers, it is not the most important factor. This issue is explored further in Chapter 9.

Zain presents its services as the best in terms of quality in the market (see Chapter 7). Respondents do not perceive this to be the case (see above). This suggests Zain's brand strategy is inconsistent with its image in the market. This might explain to some extent why the switching cost to Zain is higher than that of both Orange and

Umnaih. The churn rate (see Section 8.3.1) suggests that consumers leave Zain and Umnaih to Orange for a number of reasons, one of them being Orange's good service quality. However, first mover advantage—Zain was the first operator in the market (see Chapter 7)—granted it good market share; this market share appears to be eroding under the organised brand strategies of Orange and Umnaih. Service quality is one of the weapons Orange uses against Zain. Again, this finding is at variance with the some of the literature (e.g., Lieberman and Montgomery, 1988; Bijawaad *et al.*, 2008), which suggests that first mover advantage ensures good market share for companies. Other literature (e.g., Belen and Zulima, 2009) suggests a first mover can maintain good market share in a service industry if and only if its actions and reactions evolve in response to those of its competitors.

8.4.2.2.2 PROVIDER'S ATTRIBUTES

Provider's attributes include: brand personality, service (location and employee), country of origin, and corporate status (corporate image and reputation).

8.4.2.2.2.1 BRAND PERSONALITY

The brand personality section of the questionnaire comprised five questions (items). They assessed the respondents' views of mobile phone service providers as if they were persons. The statements represented five dimensions of personality: sincerity, excitement, competence, sophistication, and ruggedness.

Table 8.7 provides the descriptive statistics for all brand personality items.

Table 8. 7 Descending means: brand personality

Items description	Mean	Std. Deviation
C1.4: This is an upper class company.	3.4012	.81682
C1.2 : This company is up to date	3.3441	.67668
C1.3: This company is successful.	3.3426	.73334
C1.5: This is a tough company.	3.2102	.79220

C1.1: This company is honest.	3.2083	.77527

The table reveals that respondents had a positive image of the brand personality of their mobile phone service providers, as judged by their responses to the questionnaire items. The means ranged from 3.4012 (item C1.4) to 3.02083 (item C1.1), suggesting that mobile phone service providers in general succeeded in building significant brand personality.

As before, the overall means mask a range of opinion within respondents. Figure 8.31 shows a breakdown of the questionnaire Likert scores for brand personality.

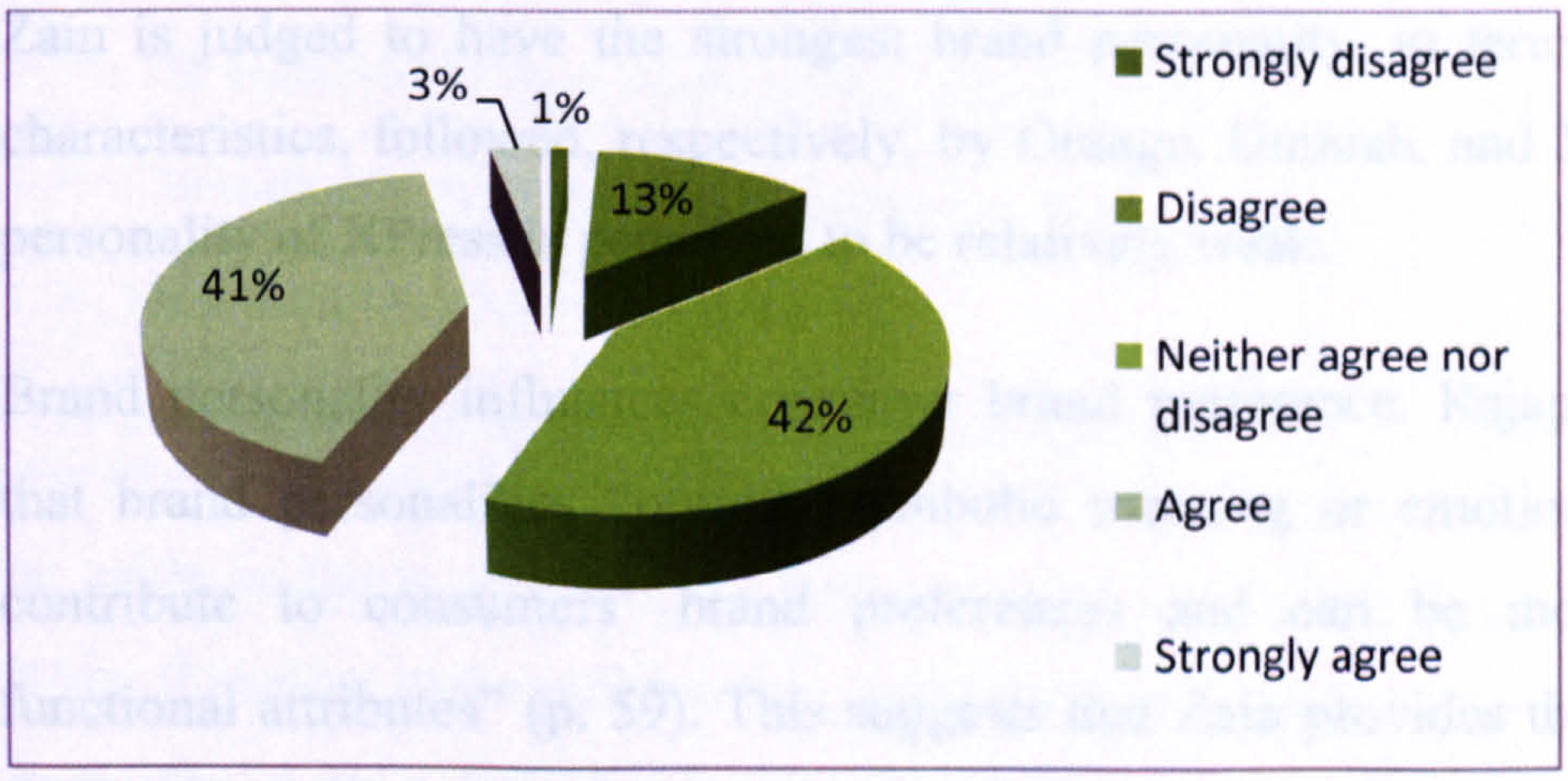

Figure 8. 31. Brand personality

The figure shows that about one-half of respondents (44%) were able to attribute personality characteristics to mobile phone service providers, a sizeable minority (14%) thought they did not, and the remainder (42%) were broadly neutral.

This breakdown masks differences between the mobile phone service providers. See Figure 8.32.

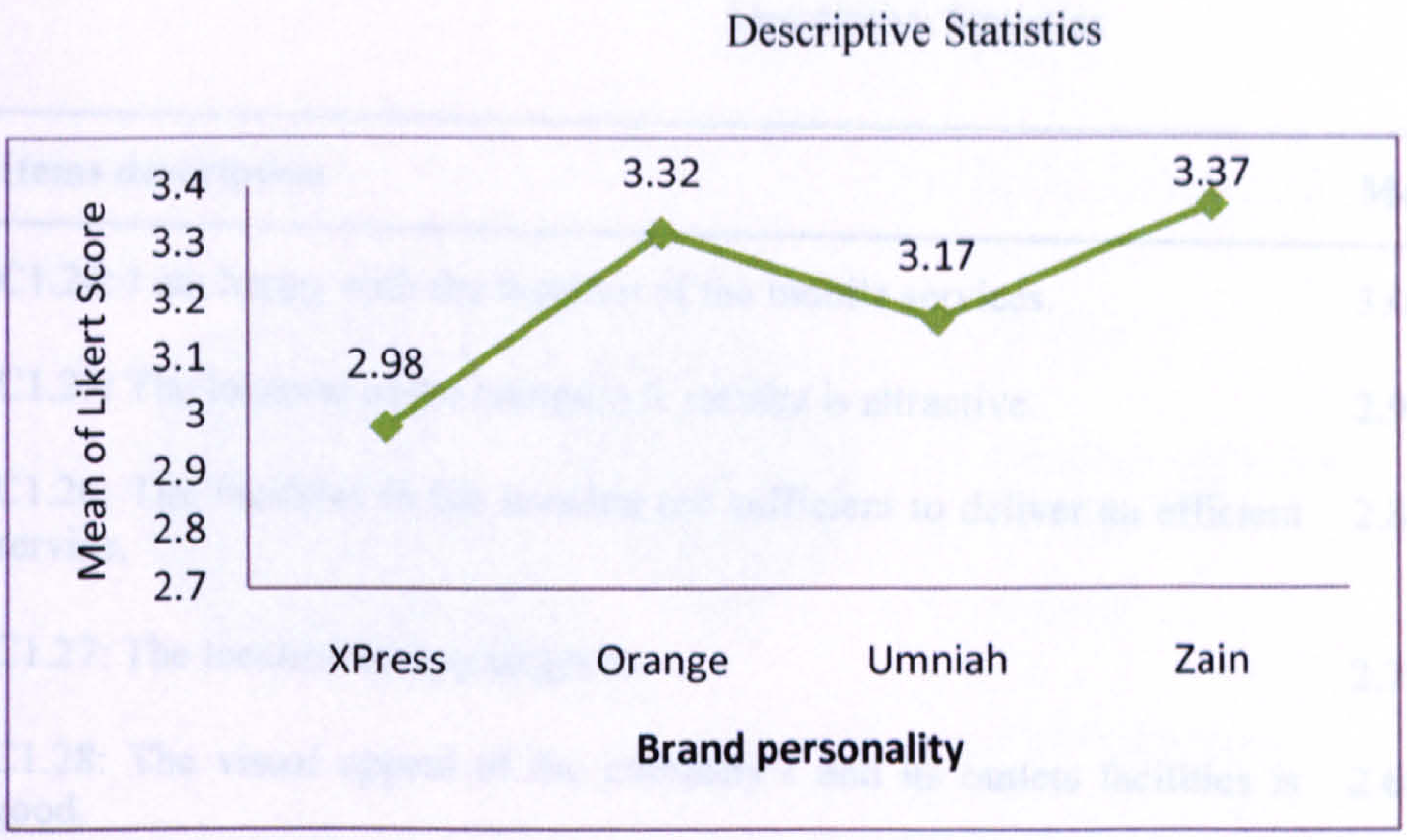

Figure 8. 32. Brand personality for the four service providers

Zain is judged to have the strongest brand personality, in terms of the identified characteristics, followed, respectively, by Orange, Umniah, and Xpress. The brand personality of XPress is perceived to be relatively weak.

Brand personality influences consumer brand preference. Rajagopal (2006) states that brand personalities "provide symbolic meaning or emotional value that can contribute to consumers' brand preferences and can be more enduring than functional attributes" (p. 59). This suggests that Zain provides the best symbolic or emotional connotation. In contrast, XPress appears to have the worst. XPress, it appears, fails to see the importance of brand personality in strengthening the brand preference of its customers.

8.4.2.2.2.2. Service (location and employee)

The service (location and employee) section of the questionnaire comprised 11 questions (indicators) to assess respondents' perception of *service (location and employee)* and the degree of agreement or disagreement with the indicators. This variable is a blend of two independent variables (i.e. service location and employee) identified by PCA. Three indicators were removed as a result of the PCA (see Chapter 9).

Table 8.8 reveals the descriptive statistics for service (location and employee)

Table 8. 8 Descending means: service (location and employee)

Descriptive Statistics

Items description	Mean	Std. Deviation
C1.24: I am happy with the location of the mobile services.	3.0100	.91695
C1.25: The location of the company's service is attractive.	2.9105	.97955
C1.26: The facilities in the location are sufficient to deliver an efficient service.	2.8457	.95539
C1.27: The location is easy to get to.	2.7994	.96132
C1.28: The visual appeal of the company's and its outlets facilities is good.	2.6883	.82375
C1.29: Employees' appearance is good.	2.6821	.83999
C1.30: Other material appeals (e.g., car park, company cars) are good.	2.6559	.90016
C1. 31: The employees of the company provide prompt service.	2.6512	.84793
C1.35: I feel safe in transactions with the employees of the company.	2.6296	.84969
C1.36: The employees of the company are polite.	2.5941	.86156
C1.37: The employees of the company give personal attention.\	2.5741	.91226

The table suggests respondents had a neutral to slightly negative perception of service (location and employee), as judged by each item in the questionnaire. The means ranged from 3.0010 (C1.43) to 2.5741 (C1.46), suggesting customers do not pay much intention to service (employee and location) of mobile phone companies. This might be due to the availability of basic mobile phone services—such as semi-cards or top up operation—in many shopping places. Also, informal observations by the researcher suggested customers in Jordan use pay-as-you go service more than contracts.

Once more, the overall means mask a range of opinion within respondents. Figure 8.33 shows a percentage breakdown to the questionnaire Likert scores for the service (location and employee) independent variable.

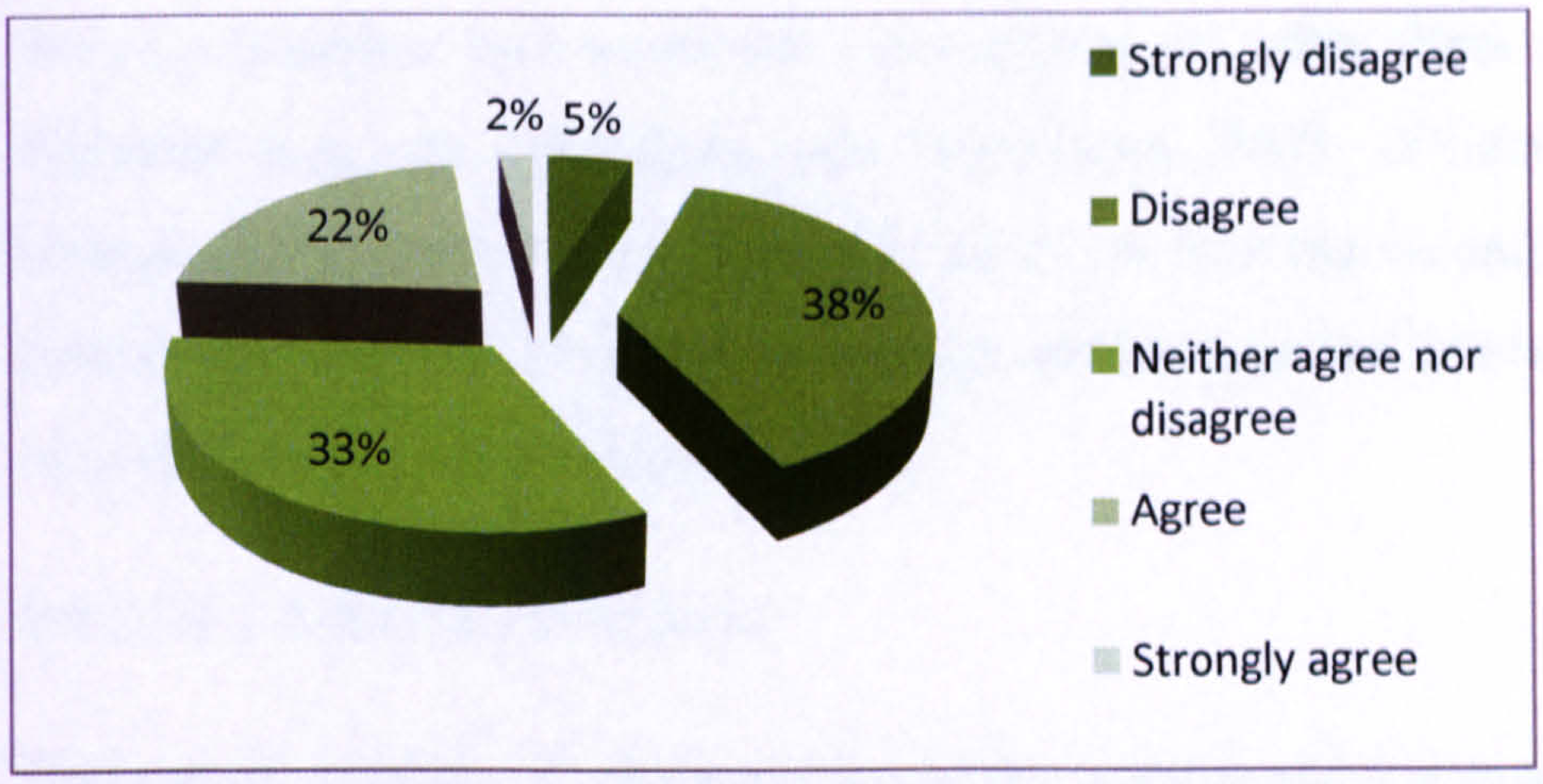

Figure 8. 33. Service (location and employee).

The figure shows that almost one-half (43%) of respondents did not agree that mobile phone service providers' service (location and employee) are important in determining their preference. In contrast, less than one-quarter (22%) of respondents thought service (location and employee) important. One-third (33%) of respondents had no strong opinion.

Figure 8.34 shows the breakdown by service provider.

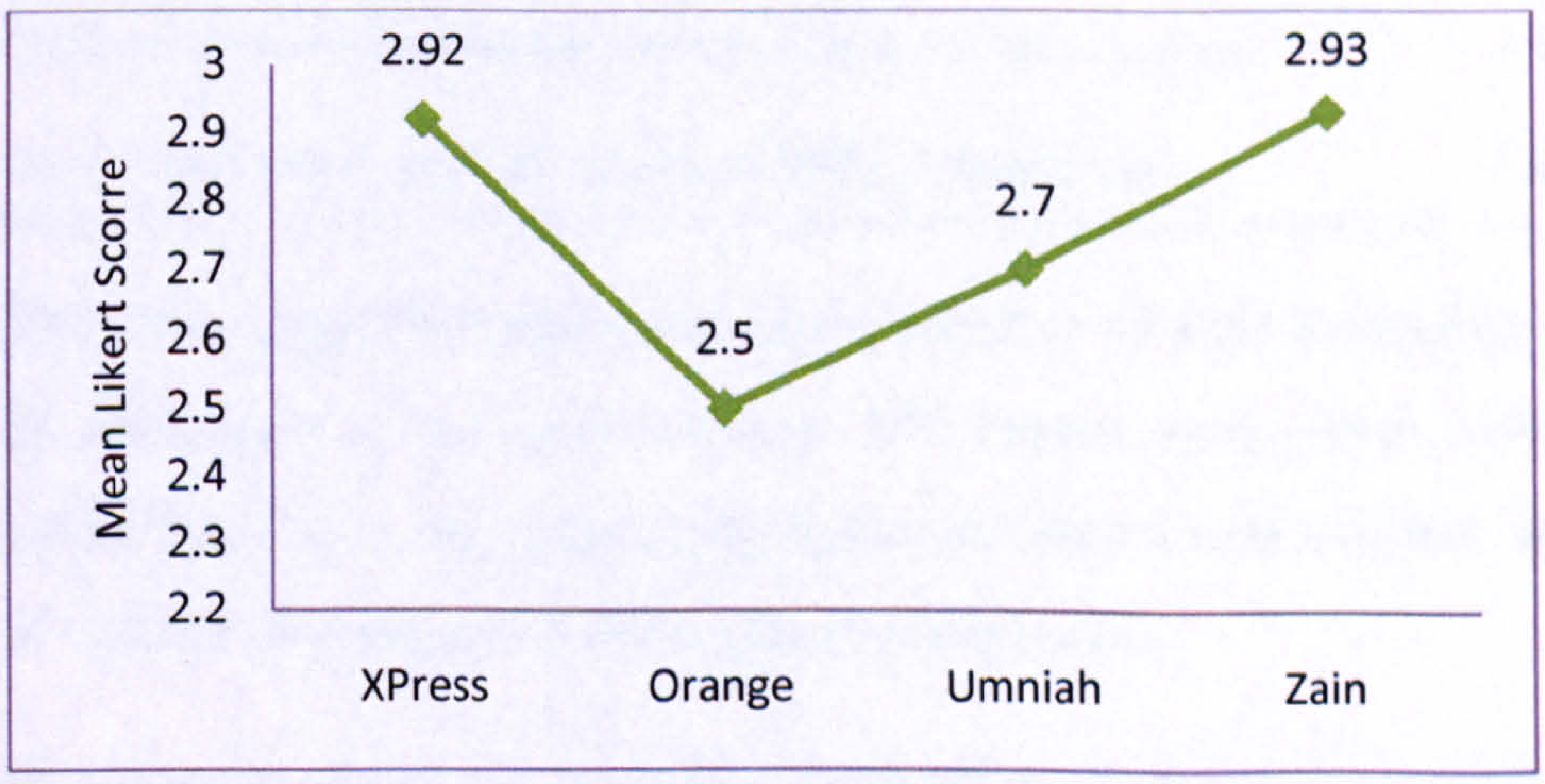

Figure 8.34. Service (location and employee) for the four service providers

The figure shows that Orange customers had the worst perception of service (location and employee). This might be attributed to Orange' employees, who inherited them from Jordan Telecom (see Chapter 7). However, the perception of Umniah customers was almost as bad. However even XPress and Zain customers had neutral to slightly negative perceptions.

Service (location and employee) perceptions of subscribers contradict with the literature (e.g., de Chernatony and Segal-Horn, 2003, O'Cass and Grace, 2004). Orange is the worst one on these this issue, yet it is the second preferred company. Conversely, XPress is better than Orange and Umnaih but this has not given it much overall advantage in brand preference.

8.4.2.2.2.3 COUNTRY OF ORIGIN

The service country of origin section of the questionnaire comprised three questions (indicators) to assess respondents' perception of country of origin and the degree of agreement or disagreement with the indicators.

Table 8.9 reveals descriptive statistics of country of origin.

Table 8. 9 Descending means: country of origin

Items description	**Mean**	**Std. Deviation**
C1.21: It is important I know the country of origin of this company.	3.4429	1.03560
C1.22: I use with knowing the country of origin of this company.	3.4275	.98724
C1.23: The country of origin of this company influences me.	3.4044	1.03292

The table suggests respondents had a positive attitude to country of origin, as judged by each item in the questionnaire. The means range from 3.4429 (item C1.32) to 3.4044 (item C1.30), suggesting that respondents were positive about the importance of country of origin of mobile phone companies.

Figure 8.35 shows the percentage breakdown of the questionnaire Likert scores for the country of origin independent variable.

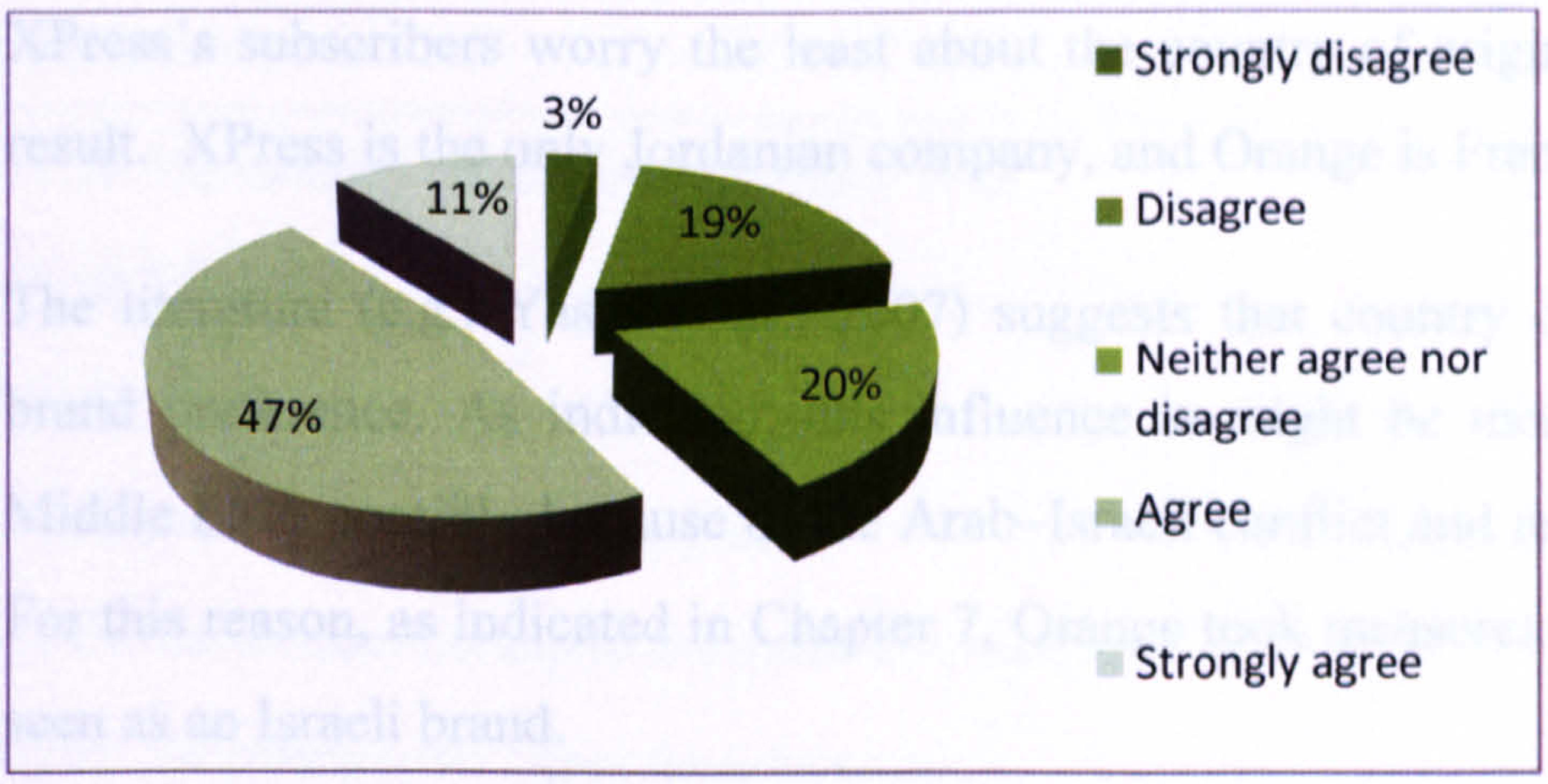

Figure 8. 35. Country of origin.

The figure shows that a large percentage of respondents agreed that country of origin is important to them; however, a large minority (22%) of respondents did not agree, and another large minority (20%) had no strong views. The importance of country of country of origin may, however, be peculiar to the Middle East. Middle Eastern countries such as Jordan are possibly more chauvinist, nationally and religiously, than are countries elsewhere.

Figure 8.36 shows the breakdown by company.

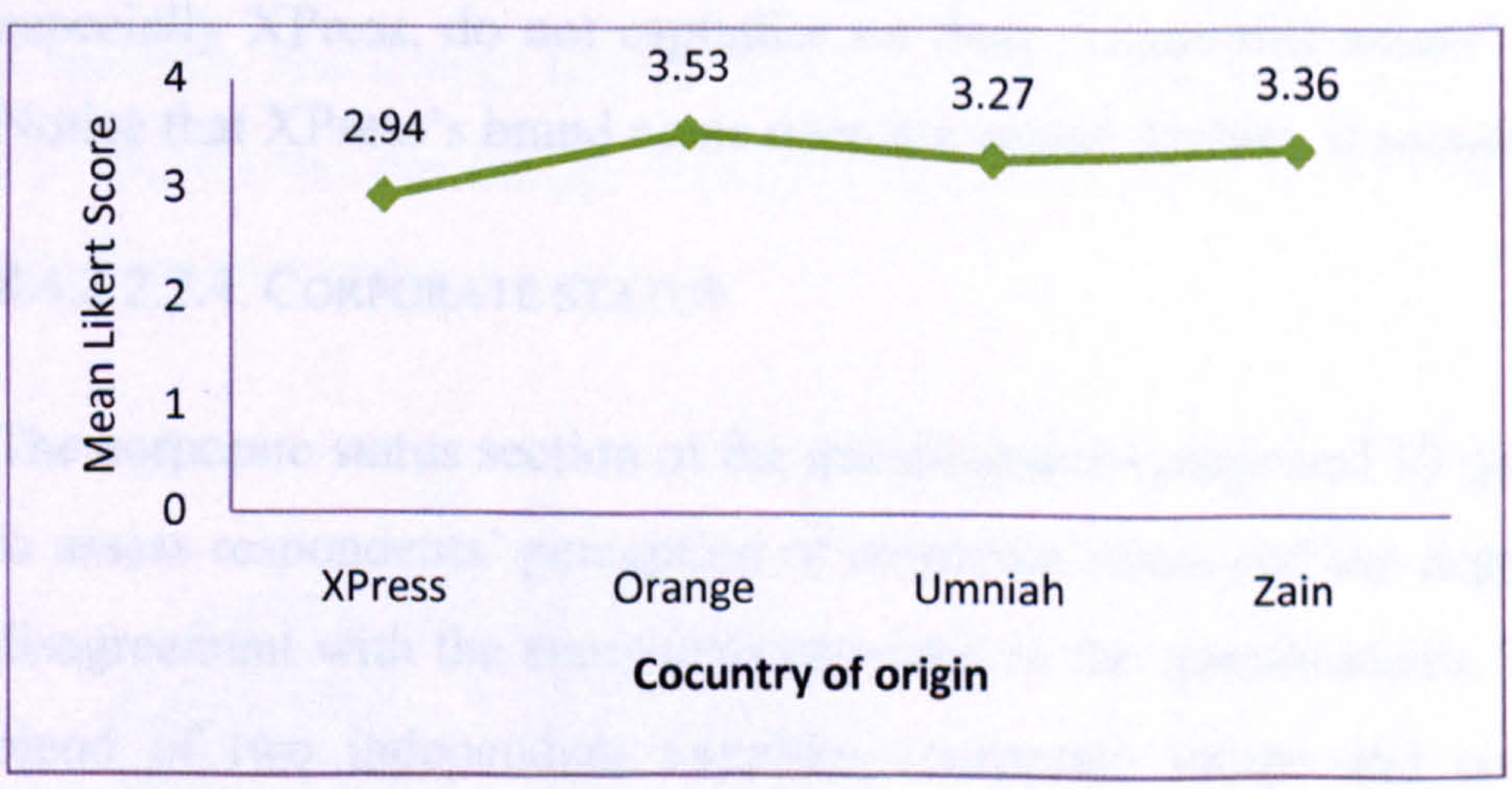

Figure 8. 36. Country of origin for the four service providers.

The figure shows that country of origin was important for all groups of respondents.

XPress's subscribers worry the least about the country of origin. This is a curious result. XPress is the only Jordanian company, and Orange is French.

The literature (e.g., Yasin *et al.*, 2007) suggests that country of origin influences brand preference. As indicated, this influence is might be more important in the Middle East, possibly because of the Arab–Israeli conflict and recent events in Iraq. For this reason, as indicated in Chapter 7, Orange took measures to prevent its being seen as an Israeli brand.

In Zain's case, it might be that, after the rebranding that took place in 2007, respondents were less concerned about who inherited their patriotic (previously known as Fastlink—see Chapter 7). However, the name itself sounds Arabic, which may calm Zain's customers fears. In line with this, Zain has conducted pro-Arab campaigns to ensure that it remains seen as an Arab brand (though no longer Jordanian).

The situation as regards Umniah and XPress is unclear. Both are Arab companies. However, it may be that national chauvinism is less important in the Middle East than Arab (or Islamic) chauvinism. Alternatively, it may be that the companies, especially XPress, do not capitalise on their "chauvinist assets" to optimum effect. Notice that XPress's brand name does not sound Arabic: it sounds English.

8.4.2.2.2.4. CORPORATE STATUS

The corporate status section of the questionnaire comprised 10 questions (indicators) to assess respondents' perception of corporate status and the degree of agreement or disagreement with the statements provided in the questionnaire. This variable was a blend of two independent variables (corporate image and corporate reputation) identified by PCA. Two indicators were removed because of the results of the PCA (see Chapter 9).

Table 8.10 shows the descriptive statistics of corporate status items.

Table 8. 10 Descending means: corporate status

Descriptive Statistics

Items description	Mean	Std. Deviation
C1.38: The company has an emotional appeal to me.	3.6235	.86502
C1.39: The company undertakes some social responsibilities.	3.4815	.85211
C1.40: The company is known for its high quality products and services.	3.3858	.78780
C1.41: The company is the industry leader.	3.3688	.85308
C1.42: The company has a good workplace environment.	3.3483	.75804
C1.43: The company has a good financial situation.	3.3241	.89300
C1.44: The company fulfils the promises that it makes to its customers Corporate Image.	3.2895	.86344
C1.45: The company is innovative.	3.2616	.78827
C1.46: The company is successful and self-confident.	3.2562	.82604
C1.49: The company is open and responsive to its customers.	3.2500	.78971

The table suggests respondents had a broadly positive perception of the corporate status of their service providers, as judged by each item in the questionnaire. The means ranged from 3.2500 (C1.55) to 3.6235 (C1.54), suggesting customers were positive about the corporate status of mobile phone companies.

Once more, the overall means cover a range of opinion within respondents. Figure 8.37 shows the percentage breakdown to the questionnaire Likert scores for the independent variable.

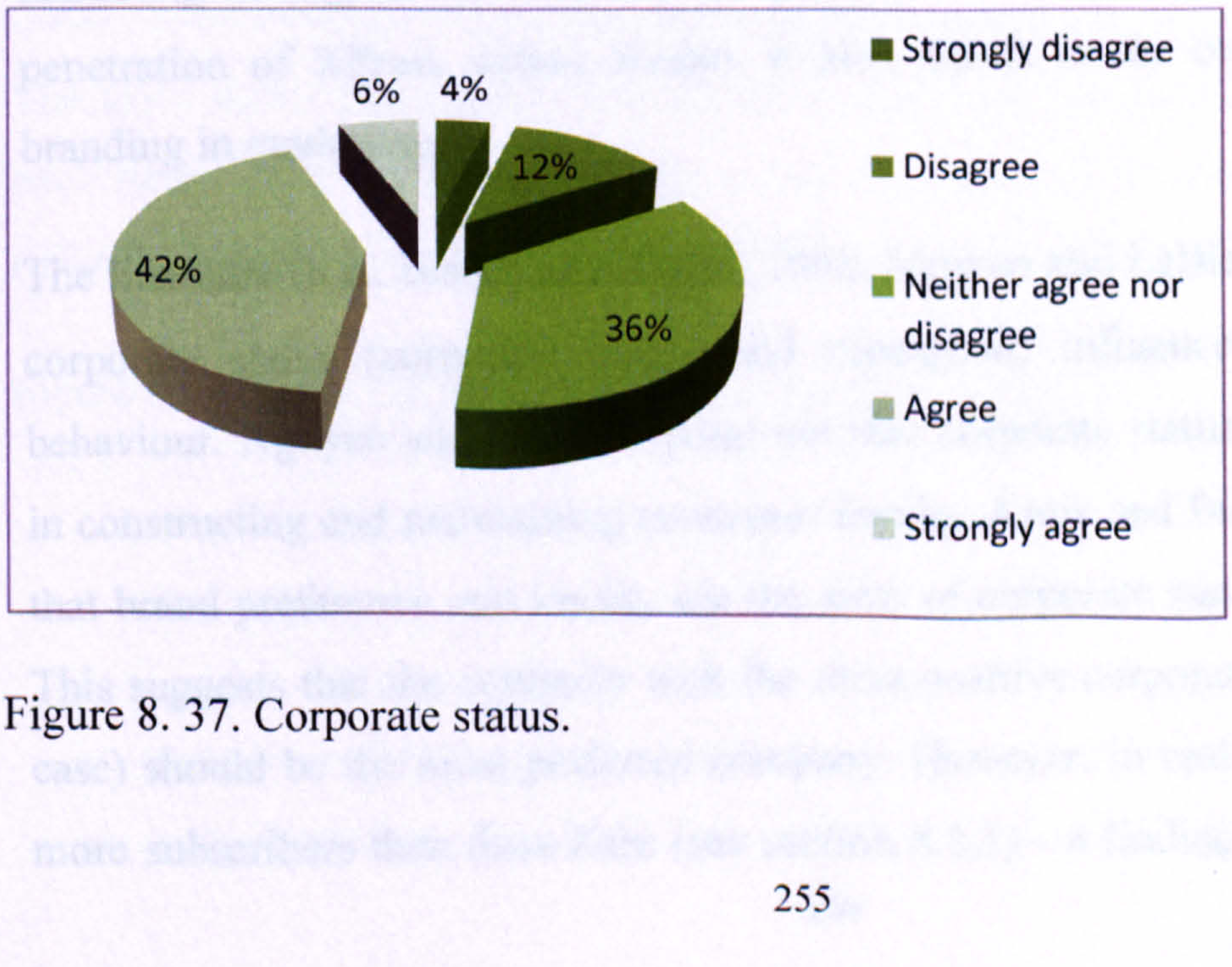

Figure 8. 37. Corporate status.

The figure shows that almost one-half (48%) of respondents agreed that the mobile phone service providers' status is important to them. Conversely, a minority (16%) of respondents does not agree. The remainder (36%) of respondents had no strong opinions on the subject.

Figure 8.38 shows the breakdown by service provider.

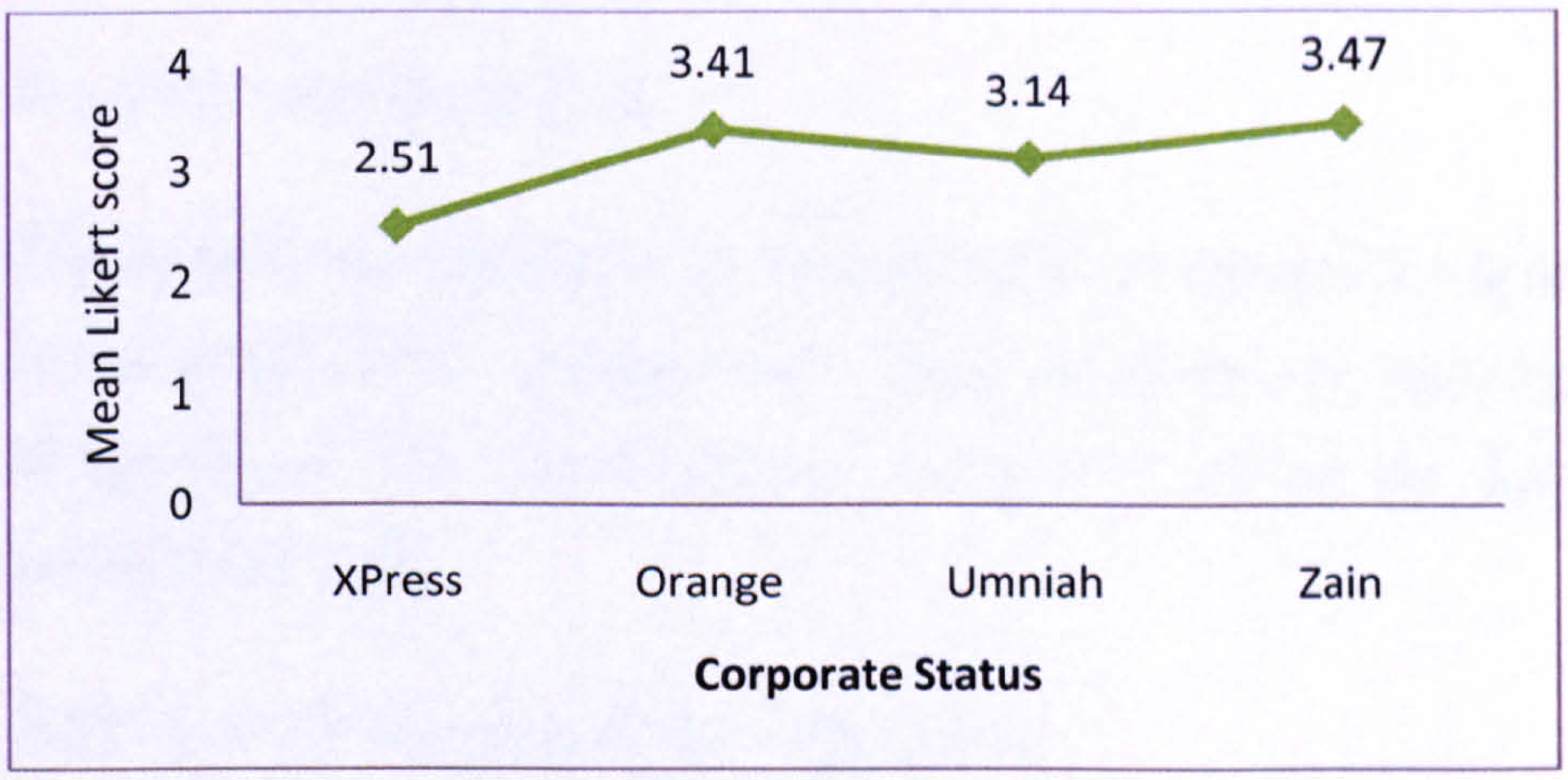

Figure 8. 38. Corporate status for the four service providers

The figure shows that Orange's and Zain's customers viewed their service providers' status more positively than did Umniah's and XPress's customers. The difference between Umniah and Orange and Zain, however, appears slight. In contrast, the difference between XPress and the other companies, with XPress customers having, overall, a negative perception of the company's status, may well reflect XPress's marketing strategy (or lack of it). In any event, it accords well with the low market penetration of XPress within Jordan. It also attests to the overall importance of branding in marketing.

The literature (e.g., Barich and Kotler, 1991; Nguyen and LeBlanc, 2001) states that corporate status (corporate image and reputation) influences consumer buying behaviour. Nguyen and LeBlanc point out that corporate status is mostly important in constructing and maintaining consumer loyalty. Knox and Bickerton (2003) argue that brand preference and loyalty are the aims of corporate status-through branding. This suggests that the company with the most positive corporate status (Zain in this case) should be the most preferred company. However, in reality Orange maintains more subscribers than does Zain (see section 8.3.1)—a finding at variance with the suggestion of Nguyen and LeBlanc (2001), who suggest corporate status maintains customer loyalty. This issue is explored further in chapter 9.

8.4.2.3. Consumer attributes

Three independent variables determinate consumer attribute: satisfaction, perceived risk, and reference group.

8.4.2.3.1. SATISFACTION

The satisfaction section of the questionnaire comprised five questions (indicators) to assess respondents' perception of corporate status and the degree of agreement or disagreement with the indicators. Table 8.11 shows the descriptive statistics of satisfaction items.

Table 8. 11 Descending means: satisfaction

Items description	Mean	Std. Deviation
C1.62: I am very satisfied with the service provided by this company.	3.3472	.99526
C1.63: This Company does a good job at satisfying my needs.	3.3117	.83863
C1.64: The service provided by this company is very satisfactory.	3.0772	1.02076
C1.65: I believe that using this company's service is usually a very satisfying experience.	3.0309	.82220
C1.66: I made the right decision when I decided to use this service.	3.3472	.99526

The table shows respondents had a positive perception of satisfaction, as judged by each item in the questionnaire. The means ranged from 3.1825 (C1.67) to 3.6373 (C1.68), suggesting customers were satisfied with their mobile service providers.

Figure 8.39 shows the percentage breakdown of respondents' views.

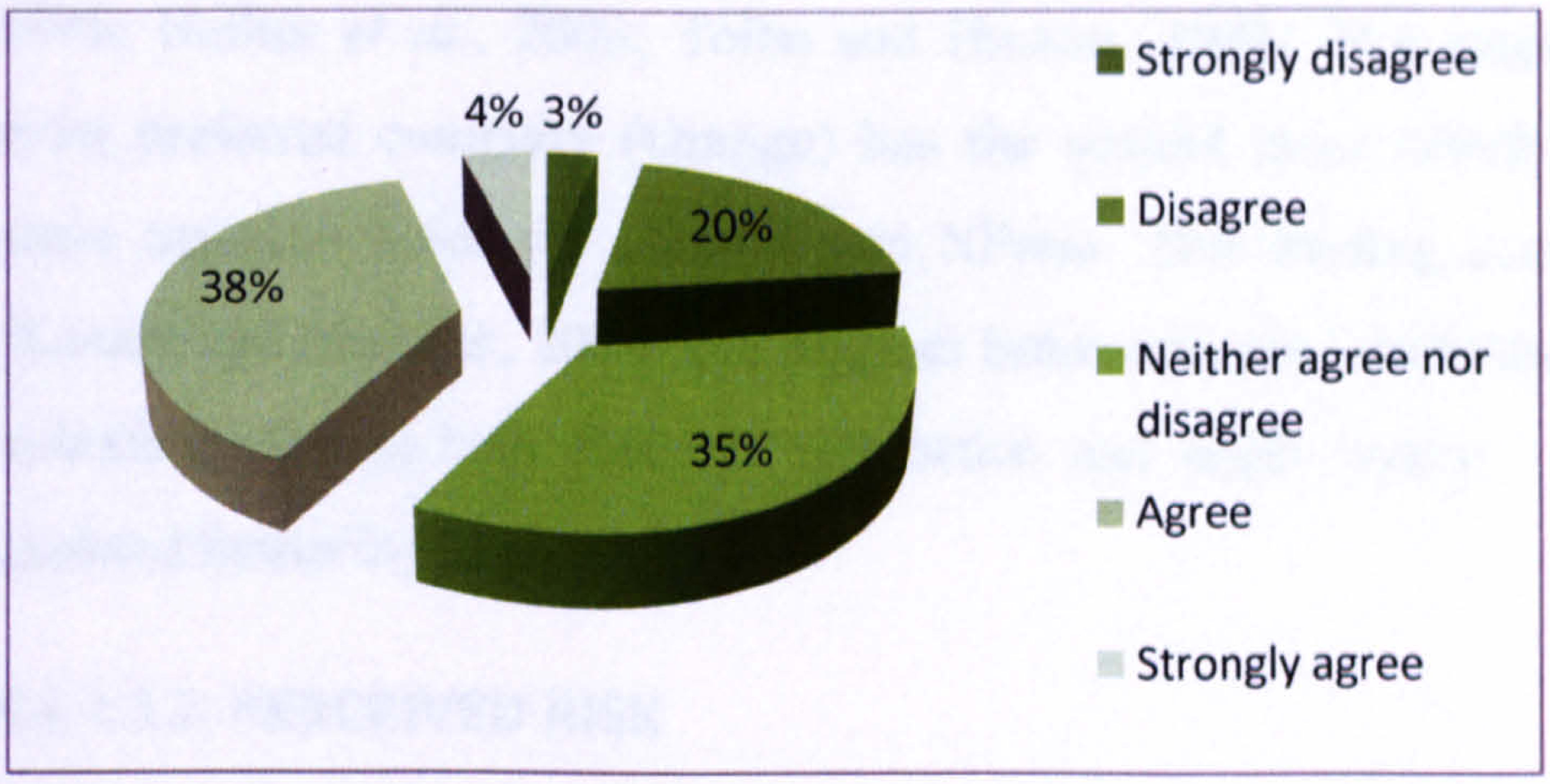

Figure 8. 39. Satisfaction

Again, the figure shows that over one-third (42%) of respondents were satisfied with their mobile phone service, and that more than one-third of (35%) of respondents had no strong feelings on the subject. A sizeable minority (23%), however, were dissatisfied.

Figure 8.40 shows the breakdown by service provider.

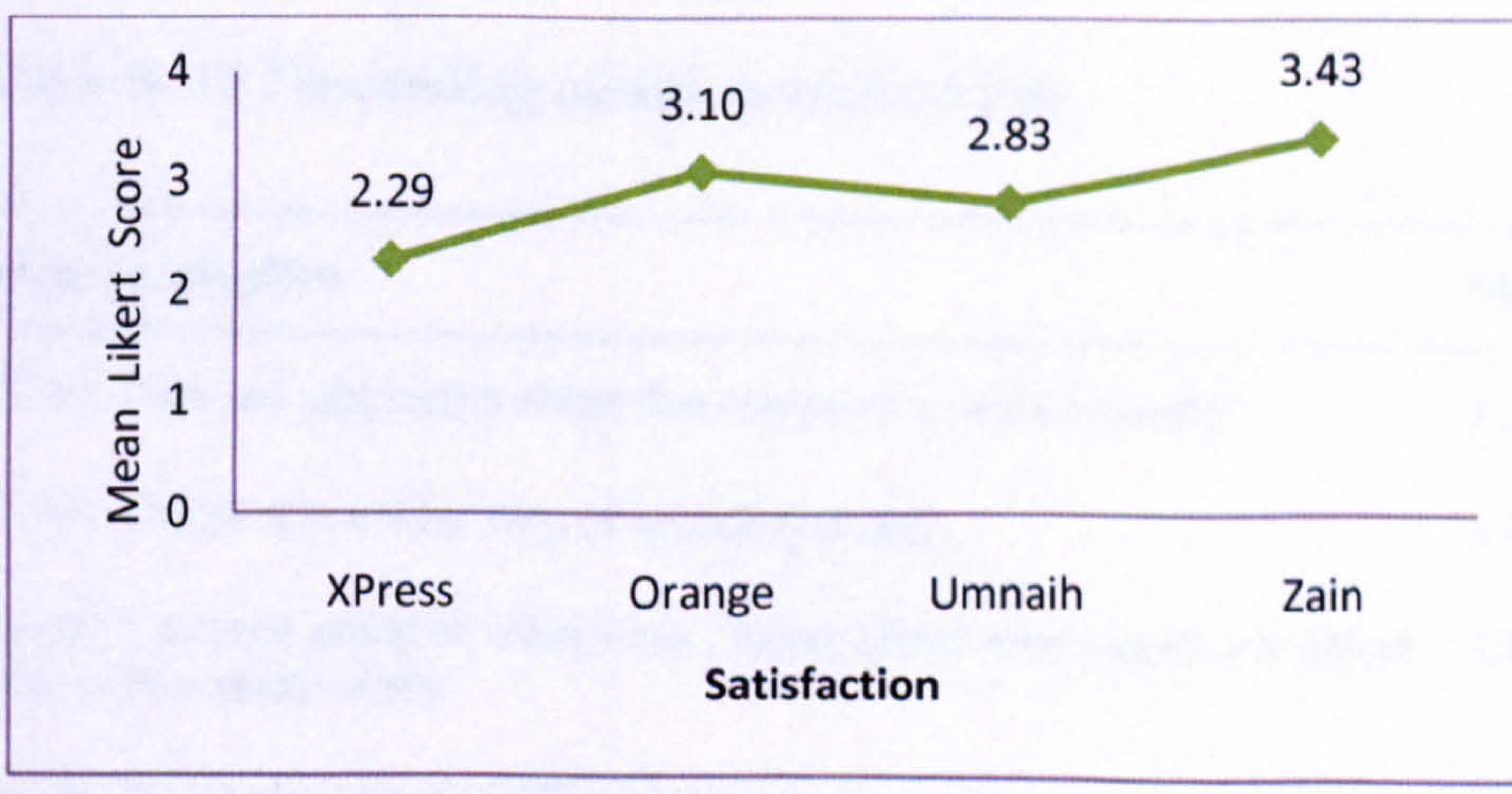

Figure 8. 40. Satisfaction for the four service providers.

The figure shows that Zain's users were most satisfied, and that, overall, Orange's users had broadly neutral feeling. Overall, Umniah's users were mildly dissatisfied and XPress's users more dissatisfied. Again, these figures broadly reflect the market shares of the service providers.

The most preferred company (i.e. Zain) has the most satisfied customers. This accords with the literature (e.g., Cobb-Walgren *et al.*, 1995; Vakratsas and Ambler, 1999; Hellier *et al.*, 2003; Tolba and Hassan, 2009). Not surprisingly the second most preferred company (Orange) has the second most satisfied customers. The same equation holds for Umniah and XPress. This finding accords with literature (Kassim and Abdullah, 2008) that suggests better consumer understanding of a brand and technology fosters both customer satisfaction and brand loyalty. Again, this issue is explored further in Chapter 9.

8.4.2.3.2. PERCEIVED RISK

The perceived risk section of the questionnaire comprised 5 questions (indicators) to assess respondents' perception of perceived risk and the degree of agreement or disagreement with the indicators.

Table 8.12 shows the descriptive statistics of the perceived risk items.

Table 8. 12 Descending means: perceived risk

Items description	Mean	Std. Deviation
C1.67: I am not suspicious about this company's service quality.	3.2006	.97251
C1.68: I think it is a wise way of spending money.	3.1775	1.0211
C1.69: I am not afraid of what I buy; being afraid may negatively affect what others think of me.	3.1235	.92377
C1.70: Buying this brand makes me happy.	3.1021	1.0738
C1.71: I am not afraid using the company's services may be waste of time.	3.0926	.87596

The table shows that, overall, respondents had a positive perception to perceived risk, as judged by each item in the questionnaire. The means ranged from 3.0926 (C1.80) to 3.2006 (C1.77), suggesting customers saw little risk in their choice of provider.

Figure 8. 41 shows the breakdown of the scores.

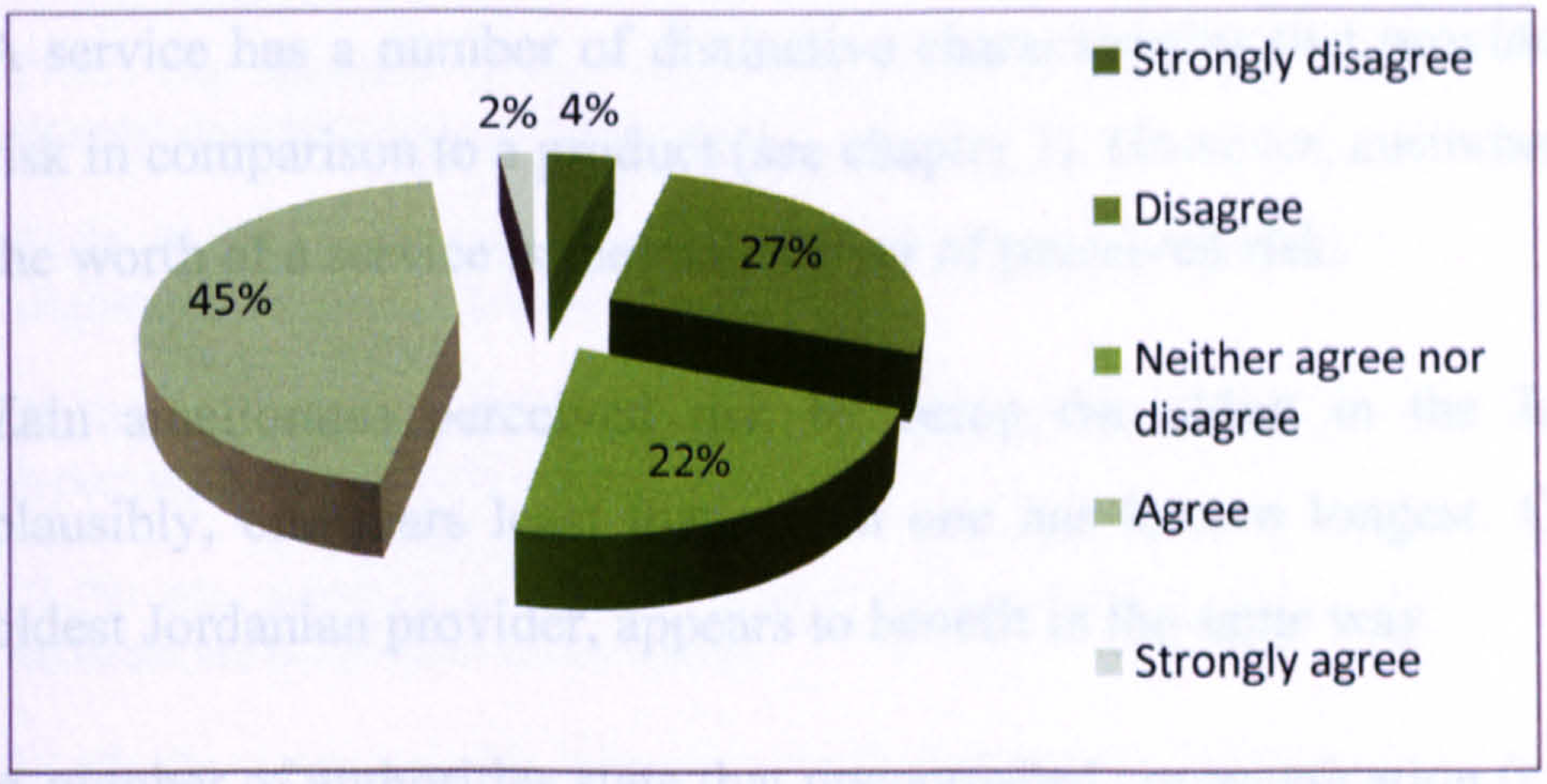

Figure 8. 41. Perceived risk.

The figure shows that almost one-half (47%) of respondents saw their mobile service providers as carrying little risk; however, almost one-third (one-third) of respondents saw them as carrying risk.

Figure 8.42 shows the breakdown by service provider.

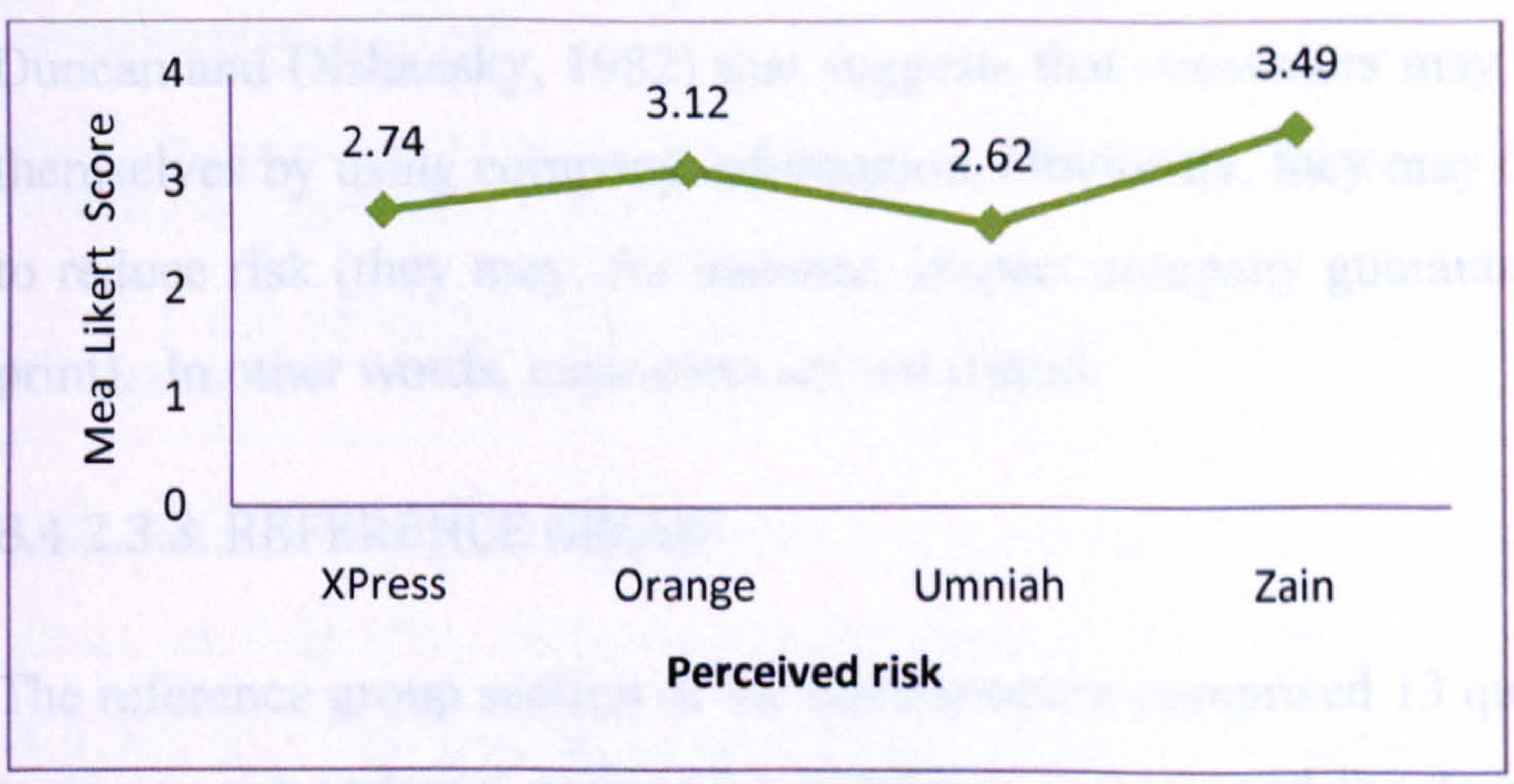

Figure 8. 42. Perceived risk for the four service providers.

The figure suggests that Zain most ameliorates the fears of customers, and that it is closely followed by followed by Orange. Conversely, Umniah and Xpress do little. Again, this reflects the companies' brand strategies. Umniah competes mainly on price (Chapter 7), and XPress has little brand strategy.

The literature (e.g., Dunn *et al.*, 1986; Mieres *et al.*, 2006) supports this result, namely that perceived risk affects brand preference. Chapter 9 explores this further.

A service has a number of distinctive characteristics that provide it high perceived risk in comparison to a product (see chapter 3). However, customer doubt concerning the worth of a service is the main driver of perceived risk.

Zain ameliorates perceived risk by being the oldest in the Jordanian market—plausibly, one fears least that which one has known longest. Orange, the second oldest Jordanian provider, appears to benefit in the same way.

A number of authorities state that uncontrolled communication (e.g., WOM) is more reliable in reducing perceived risk (e.g., Edgett and Parkinson, 1993, Murray, 1991). However, if this were so then Umniah—the provider that makes the most of uncontrolled communication—would, presumably, have a larger market share than it does in reality. Thus, again, results of the present study suggest that the degree of market penetration is a function of several—sometimes multi-faceted—factors, among which are time of existence in the market, advertising, uncontrolled communication, and service quality. This conclusion accords with literature (e.g., Duncan and Olshansky, 1982) that suggests that consumers may simplify things for themselves by using company information. Obviously, they may do so when seeking to reduce risk (they may, for instance, inspect company guarantees and other small print). In other words, customers are not stupid.

8.4.2.3.3. REFERENCE GROUP

The reference group section of the questionnaire comprised 13 questions (indicators) to assess respondents' perception of reference group and the degree of agreement or disagreement with the indicators. Following PCA, one indicator was removed.

Table 8.13 shows the descriptive statistics of reference group indicators.

Table 8. 13 Descending means: reference group

Items description	Mean	Std. Deviation
C1.75: My selection of this company's brand is influenced by a seal of approval from an independent testing agency (consumer protection society).	3.3349	.93888

C1.77: My selection of this company's brand is influenced by the expectations/preferences of Colleagues.	3.3287	.90762
C1.74: I seek brand related knowledge and experience from friends, neighbours, relatives, and/or work associates.	3.2870	.78294
C1.78: My selection of this company's brand is influenced by the expectations/ preferences of close Friends.	3.2515	.93861
C1.79: My selection of this company's brand is influenced by the expectations/preferences of my family.	3.2238	.71909
C1.82: Those who use this company's brand possess the characteristics I would like to have.	3.1543	.86004
C1.72: I seek information about various mobile provider brands from an association of professionals or independent group of experts.	3.1404	.97116
C1.84: People who use this company's brand are admired/respected by other.	3.1096	1.14026
C1.81: The use of this company's brand will enhance others' image of me.	3.1065	.82057
C1.76: My observations of what professionals do influence my choice of company brand (e.g., observing the type of mobile provider that marketing professors hold).	3.1003	.91736
C1.80: My selection of this company's brand is influenced by the desire to satisfy the expectations of others.	3.0818	.89189
C1.83: I seek information from those who work with the service as professionals.	2.9398	.92087

The table shows that respondents had a broadly positive perception to reference group, as judged by each item in the questionnaire. The means ranged from 2.9398 (C1.83) to 3.3349 (C1.85), suggesting that customers think positively of reference group.

Again, overall means varied within respondents. Figure 8.43 shows the percentage breakdown of the reference group Likert scores.

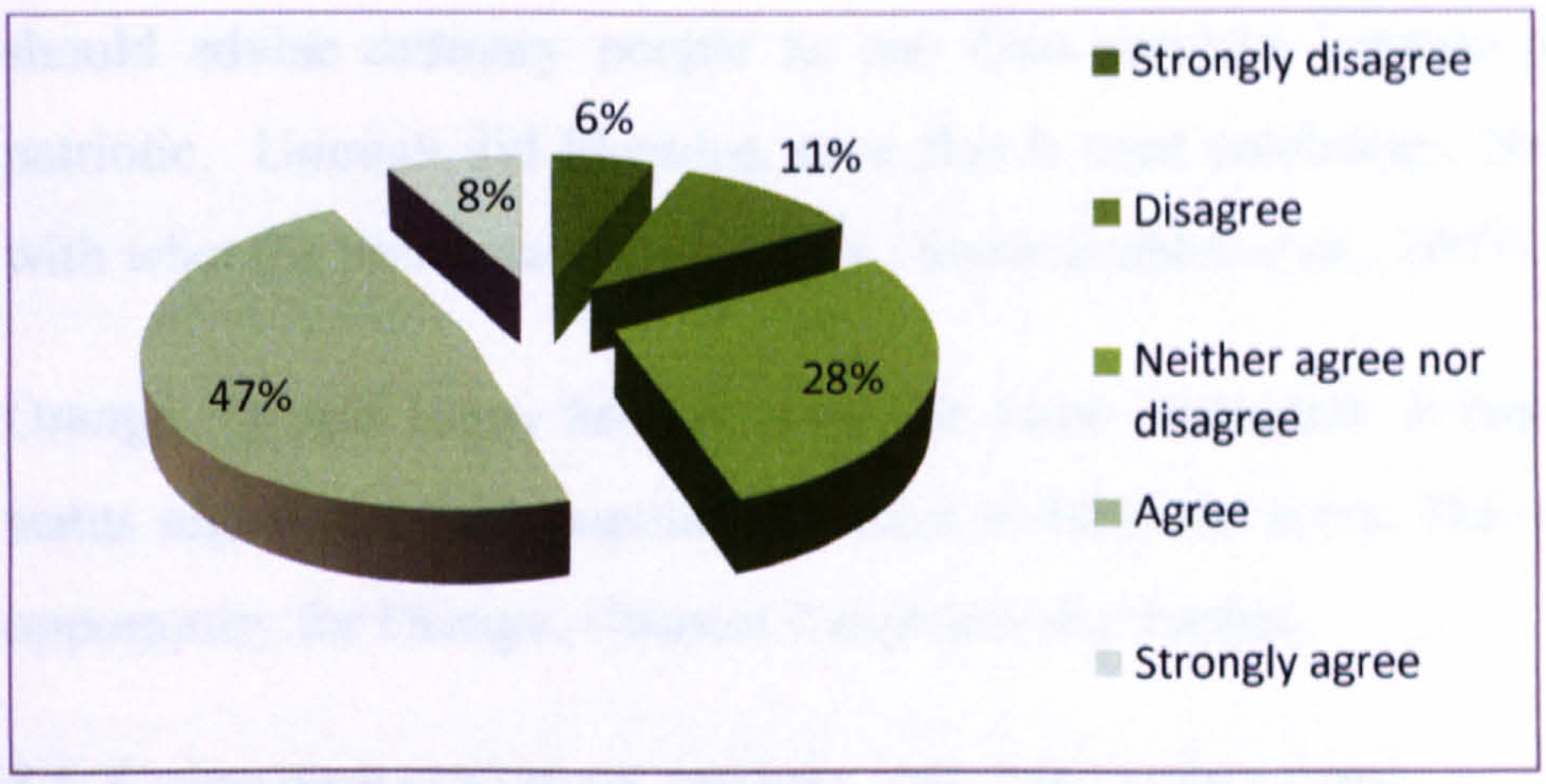

Figure 8. 43. Reference group.

The figure shows that more one-half (55%) of respondents agreed that reference group is important to them, and that only a small minority (17%) of respondents disagreed. (28%) were neutral.

Figure 8.44 shows the breakdown by service provider.

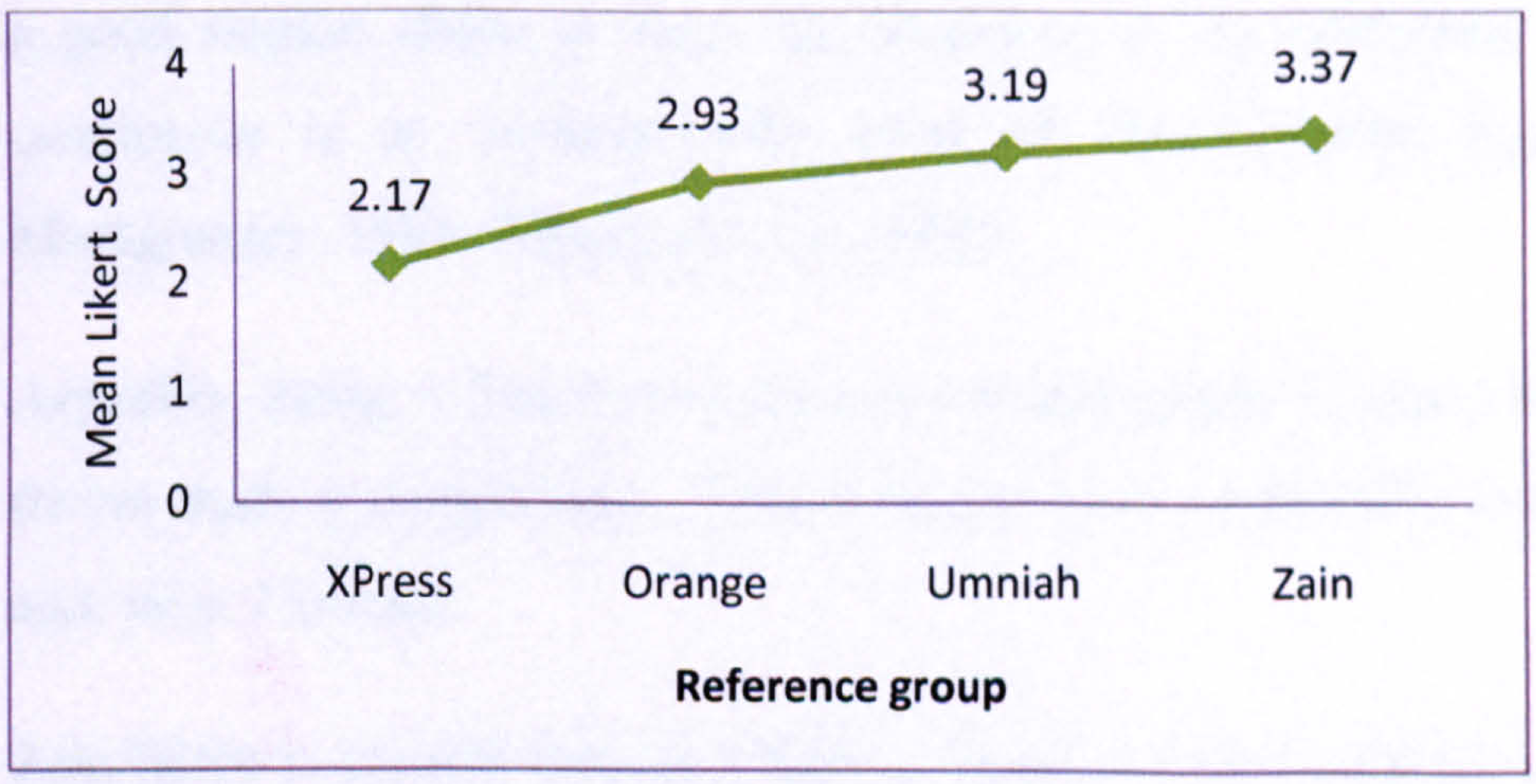

Figure 8.44. Reference group for the four service providers.

The figure suggests that respondents' who used Zain were most influenced by reference group, closely followed by respondents who used Umniah. Surprisingly, Orange users seemed little influence by reference group. Unsurprisingly, users of XPress were least influenced by reference group.

Zain (see Chapter 7) persuaded powerful groups to direct public opinion towards Zain services. Thus, for example, Zain used politicians to spread the feeling of patriotism in the Jordanian society—Zain told the politicians, in effect, that they should advise ordinary people to use Zain services because to do so would be patriotic. Umniah did likewise, save that it used celebrities. Such practices accord with what the literature suggests (e.g., Swaminathan *et al.*, 2007).

Orange, by and large, has not used the same stratagem. It has targeted only high status segments of the population—most notably the army. This may represent a lost opportunity for Orange. Chapter 9 explores this further.

8.5. CORROBORATIONS OF THEORY AND THE LITERATURE

The quantitative descriptive phase of the study corroborates what theory and the literature suggests in four ways. Every one of the following points emerges as a result to the practice of one or more of the companies.

8.5.1. First mover advantage does not always secure good market share

The example of Zain demonstrates that, while being a first mover may help maintain a good market share, it does not guarantee it. As discussed, this commonsense conclusion is at variance with some of the literature (e.g., Lieberman and Montgomery, 1988; Bijawaad *et al.*, 2008).

Arguably, being a first mover proved a disadvantage to Zain, because being a first mover made it complacent. Thus it did not react sufficiently to threats from Orange and, later, Umniah.

Zain failed to counter Orange's tactics. These included superior service quality, more attractive service price, and better advertising. Orange out-performed Zain in all of these. Orange was also successful in counterattacking anti-Orange propaganda, most notably propaganda to the effect that it was an Israeli company as being Israeli company. It counter-attacked by rebranding and by presenting itself as a *French high tech brand*, thereby implicitly implying that Jordanian (Arab? Middle-Eastern? . . .) companies like Zain were low-tech, or worse. Thus Orange used Zain attack on it as a weapon against Zain.

8.5.2. Timing of actions affects mobile phone service branding (proactiveness)

Orange illustrates that timing of tactics is important in the realisation of strategic aims. As indicated (Chapter 7) Orange rebranded itself just two months before Zain, and this appears to have been crucial to Orange's success. Orange's timing helped build good brand awareness. The tactics that Orange used in its communications strategy were deliberate, and shrewdly timed. Orange had (and continues to have) the best controlled communications in the market (e.g., advertising). Chapter 9 further explores the importance of controlled communication.

8.5.3. Long-term war needs a vision

There is a proverb in Arabic to the effect that water in a stream is better than water in a flood. One can control and use water in a stream—it is a benefit. One can not do the same with water in a flood—it is a disaster.

In this, Orange's advertising may be likened to a stream and Zain's to a flood. Zain unleashes barrages of advertising, but such advertising is mostly undirected. Orange, by contrast, unleashes strategic advertising. Thus Orange's advertising, though plausibly less in quantity, produces more impact.

Here, the important point is that Orange and Zain are engaged in a mutual long-term struggle for existence. In engaging in this struggle, each company needs a vision of where it is going—its long-term aims, and how to achieve them. This, Orange appears to be doing better than Zain.

The literature supports the notion of the necessity of having a vision and knowing how to achieve it (see Aaker, 1996; Kapferer, 2008; Keller, 2008).

8.5.4. Being technically good in your industry is not enough

XPress is not a bad company: it has good service quality, the best service price, and good service (location and employee) in the market. Its high levels of customer loyalty (its churn rate is practically zero) testify to the quality of its services and the reasonableness of its prices. The problem appears to be that XPress has a bad communication strategy, and this makes consumers suspicious about it (perceived risk is high for Xpress). XPress's experience contrasts sharply with that of Umniah. Umniah, objectively, is a "bad" company. Its service quality is poor. However, its communications strategy is outstanding. In this, Umniah, if not exactly making a virtue of its poor service quality, comes close. It is a "fun" company; it is "youthful", "trendy", "fashionable"—its services are, like other fashion accessories, *disposable*. So who cares if they are low-cost and shoddy?

Again, this accords with the literature. The literature suggests that, not only should one advertise, but the advertising, in style, manner, and content, must reflect customer requirements and product/service characteristics (Duncan, 2002).

XPress might use the advantages—price, service (location and employee), and its good service quality (see above)—better. XPress might, for example, consider changing its brand identity (rebranding)—Orange could be a good model for Xpress (see Chapter 7). XPress might have two brand names (house of brand), one that targets rich people, and the other that targets ordinary people. Each one might have a different pricing strategy.

8.6 Conclusion

The questionnaire data broadly accord with expectations. Companies that expend the most energy on brand strategy (Zain and Orange—see Chapter 7) have, overall, the most positive images among their users.

Zain users were most impressed by the company's brand personality, company's service (location and employee), and company's status. They were also the most satisfied, the least fearful, and the most influenced by reference group. Conversely, Zain customers were the least influenced by service price. Zain appears to sell its products, in other words, on image. Zain's success in the market (Chapter 7) can be—indeed, has to be—put down to this. Ultimately, this made Zain the most preferred company in the market.

Figure 8.45 summarizes brand preference and its indicators brand awareness, brand image, and consumer attributes for mobile phone service providers in Jordan.

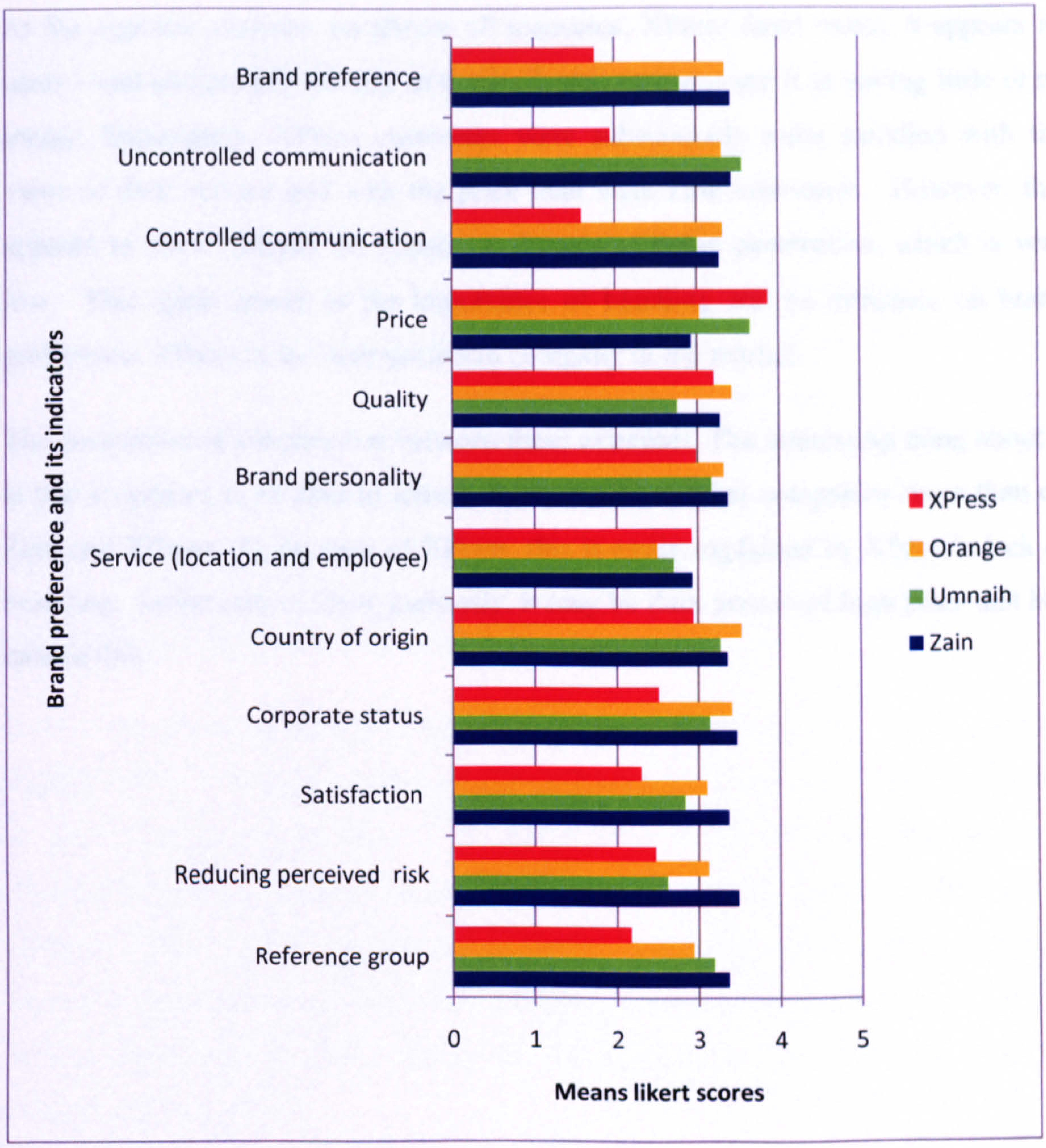

Figure 8.45. Brand preference and its indicators (brand awareness, brand image and consumer attributes) for mobile phone service providers

Orange users were most impressed by the company's advertising, service quality and country of origin. Orange is second only to Zain on almost measures. Orange is trying to dominate the market. These efforts, in this sense, seem fruitful. Orange is successful in attracting customers from other companies, including Zain. Orange's progress toward the first position in the market can be put down to its rebranding (Chapter 7). The company that has a flexible strategy that might dominate the market.

At the opposite extreme, on almost all measures, XPress fared worst. It appears its users—and presumably the rest of the Jordanian market—see it as having little or no image. Importantly, XPress customers were substantially more satisfied with the value of their service and with the price than were Zain customers. However, this appears to have virtually no impact on XPress's market penetration, which is very low. This again attests to the importance of branding and its influence on brand preference. XPress is the least preferred company in the market.

The perception of Umniah lies between these extremes. The interesting thing about it is that it appears to be able to attract customers from other companies more than do Zain and XPress. In the case of XPress, this is easily explained by XPress's lack of branding. In the case of Zain, curiously, it may be Zain perceived high price that has caused this.

CHAPTER 9: INFERENTIAL STATISTICS

9.1. INTRODUCTION

The present chapter first provides the results of the inferential statistics relating to the third objective of this research, namely to determine the factors that influence consumer brand preference in telecommunication market. It next provides the results of the PCA. It then provides a summary of descriptive statistics for research variables. It then discusses potential problems with the research as regards missing data and the validity of multiple regression analysis in relation to the research hypotheses. The chapter concludes with corroborations of theory and the literature.

9.2. PRINCIPAL COMPONENT ANALYSIS

PCA is also sometimes termed *exploratory factor analysis* or simply *factor analysis* (Pallant 2007). It may be contrasted with *confirmatory factor analysis* (CFA), which is used for testing hypotheses. PCA, unlike CFA, is used only, as indicated, as a descriptive statistic. It is used to reduce data into manageable forms. As indicated in Chapter 6, PCA defines possible relationships in the most general form, and then allows for multivariate techniques to estimate the relationships (Hair *et al.*, 1998; Lawley and Maxwell, 2008). Hair *et al.*, (1998) state that the objectives of factor analysis are as follows:

- To identify the structure of relationships among either variables or respondents by examining either the correlations between the variables or the correlations between the respondents.
- To identify representative variables from a much larger set of variables for use in subsequent multivariate analysis or to create an entirely new set of variables, much smaller in number, to partially or completely replace the original set of variables for inclusion in subsequent techniques; the purpose is to retain the nature and character of the original variables, but to reduce their number to simplify subsequent multivariate analysis.

Pallant (2007) identifies three main steps in conducting factor analysis: (a) assessment of the suitability of the data, (b) factor extraction, and (c) factor rotation and interpretation.

9.2.1. Assessment of the suitability of the data

There are two issues in determining whether data are suitable for EFA: the sample size and the strength of the relationship between the measures (items)—that is, their reliability.

9.2.1.1. Sample size

There is little agreement concerning how large a sample should be, though in general authorities state that the larger the sample, the better. Stevens (1996) states that sample size requirements advocated by researchers have been reducing over the years (Tabachnick and Fidell, 2007). Kline (1994) states that a sample of more than 200 should be considered large. The present study uses a sample size of 648.

9.2.1.2. Reliability analysis

The reliability of a scale indicates how free it is from random error. A frequently used indicator of reliability is internal consistency (Pallant, 2007). This method assesses the degree to which the items that make up the scale are all measuring the same underlying attribute.

There are three main measures of reliability: (a) Cronbach's alpha, (b) Bartlett's test of sphericity, and (c) the Kaiser–Meyer–Olkin (KMO) index. Of these, the most frequently used is Cronbach's alpha.

9.2.1.2.1. CRONBACH'S ALPHA

Cronnbach's alpha provides an estimate of the proportion of the total variance that is not due to error; thus this represents the reliability of the scale (Oppenheim, 1992). The recommended minimum level of reliability an alpha value of 0.7 (DeVellis, 2003). Table 9.1 shows cronnbach's alpha for the measures used in this research.

Table 9. 1. Internal reliability scores (Cronbach's alpha) for research variables

Factor name	Cronbach's alpha
Brand preference	.87
Controlled communications (advertising)	.89
Uncontrolled communications (publicity and WOM)	.90
Price	.87
Quality	.94
Service (location and employee)	.88
Corporate status	.94
Country of origin	.96
Brand personality	.77
Satisfaction	.85
Perceived risk	.91
Reference group	.95

9.2.1.2.2. THE KMO INDEX

The KMO index provides correlations between indicators. Indicators must be highly correlated if they are to be used in factor analysis (Hair *et al.*, 1998). The KMO index ranges from 0 to 1, with 0.5 suggested as the minimum for a good factor analysis (Hair *et al.*, 1998). A value of 0 indicates that the sum of partial correlations is large relative to the sum of correlations, indicating diffusion in the pattern of correlations, hence factor analysis is likely to be inappropriate. A value close to 1 indicates that patterns of correlations are relatively compact and so factor analysis should yield distinct reliable factors. Hair *et al.*, (1998) recommends accepting values greater than 0.5 as acceptable, values between 0.5 and 0.7 as average, values between 0.7 and 0.8 as good, and values between 0.8 and 0.9 as highly satisfactory. Table 9.2 shows the KMO index for the measures used in the present study.

Table 9. 2. KMO index for the variables in the present study.

Variable	KMO
Brand Preference	.80
Entire factor analysis for independent variables	.57
Factor analysis for independent variables groups	--
Brand awareness group	.86
Brand image: service attributes group	.82
Brand image: provider's attributes group	.85
Consumer attributes group	.79

9.2.1.2.3. BARTLETT'S TEST

Bartlett's test tests the null hypothesis that the original correlation matrix is an identity matrix. It is a test of sphericity. It should be a significant ($p < .5$) for the factor analysis to be appropriate. For factor analysis to be valid there must be relationships between measures. If the correlation matrix were an identity matrix then all correlation coefficients would be zero. A significant result thus tells one that the correlation matrix is not an identity matrix; therefore measures are related.

9.2.2. Factor extraction

This phase involves determining the smallest number of factors to best represent the inter-relationships among the set of variables. Using principal component analysis, Pallant (2007) identifies three techniques to decide upon the number of factors to retain: Kaiser's criterion, the scree test, and parallel analysis.

9.2.2.1. Kaiser's criterion

Kaiser's criterion is a common technique used in EFA. It retains factors that only have eginvalues of 1.0 or more. An eigenvalue is a measure of the total variance explained by any factor. Usually the literature criticises Kasier's criterion for retaining too many factors (Pallant, 2007).

9.2.2.2. Scree plot

The scree test plots the *eigenvalue* of each component. Thus the component with the largest eigenvalue explains the most of the variance, that with the next largest eigenvalue is the next most important, and so on. The point of interest is where the curve connecting the points together begins to flatten out. As soon as it flattens out, the components can be regarded as unimportant.

9.2.2.3. Parallel analysis

Parallel analysis is an additional technique used to determine factors numbers. "It involves comparing the size of the eigenvlaues with those obtained from a randomly generated data set of the same size. Only those eigenvalues that exceed the corresponding values from the random data set are retained" (Pallant, 2007, p.183). Pallant (2007) suggests that this technique gives a greater degree of accuracy, and prevents over-rating the number of retained factors.

9.2.3. Factor rotation

There are two main approaches to rotation: orthogonal (uncorrelated) or oblique (correlated) factor solutions. Within the two broad categories of rotational approaches there are different orthogonal rotations (varimax, quartimax, equamax) and different oblique rotations (direct, oblimin, promax). The present study uses varimax rotation; it is a good general approach and simplifies the interpretations of factors; also, it is easy to use (Pallant, 2007).

9.2.4. Factor interpretation

The goal of factor analysis is to identify constructs that summarise a set of variables. Having identified such constructs, one then has to interpret them. Note here that it is possible for factor analysis to identify constructs that have no physical reality. Gould (1997), for example, points out that factor analysis—much used in IQ test construction—regularly identifies mental factors (most notably *g*, or general intelligence) that are at best controversial and at worst meaningless. Thus, once important factors have been determined, one needs to know what, if anything, they mean (Pallant, 2001). Here note that factor analysis, in itself, cannot determine whether identified factors are "meaningful", much less what exactly each "means"; instead, interpretation must lie in considerations other than factor analysis itself (Gould, 1997). Thus Gould states:

> For nonsensical systems of correlation have principal components as well, and they may resolve more information than meaningful components in other systems. A factor analysis for a five-by-five correlation matrix of my age, the population of Mexico, the price of Swiss cheese, my pet turtle's weight, and the average distance between the galaxies will yield a strong first principle component. . . . . *It will also have no enlightening physical meaning whatsoever.* (1997, p. 280; emphasis added)

Related to this Hair *et al.* state:

> One of the most important concepts a researcher must [understand] about multivariate techniques is that there is no single 'correct' way to apply them. Instead, the researcher must formulate the objectives of the research and apply the appropriate technique in the most suitable manner to achieve the desired objectives. (1998, p.590)

And:

> The use of factor analysis as a data summarization technique does not exclude the need for a conceptual basis for any variables analyzed. Even if used solely for data reduction, factor analysis is most efficient when conceptually defined dimensions can be represented by derived factors. (1998, p.97)

Thus factor analysis has a subjective element. Researchers must determine the number of factors they consider best in explaining relationships between variables, and how they operate (Pallant, 2007).

9.3. FACTOR ANALYSIS FOR RESEARCH VARIABLES

Four factor analyses were conducted in this study. The first for the dependent variable: brand preference; the second for the entire independent variables: determinants of brand preference; the third dealt with the independent variables as three groups: brand awareness, brand image, and consumer attributes, and the fourth one dealt with the two dimensions of brand image: service attributes, and provider's attributes.

9.3.1. Factor analysis for brand preference

The factor analysis for brand preference showed a one-factor solution. The factor analysis showed clear discriminate validity given that all items are loaded on one factor. Pallant (2007) suggests five steps to interpret the output of factor analysis. The brand preference factor analysis followed Pallant's five stages, thus:

Stage 1. Check Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and perform Bartlett's test. In this case, the KMO value was .803, and Bartlett's test was significant ($p < .0005$).

Stage 2. Inspect the correlation matrix. Table 9.3 shows the correlation matrix for brand preference.

Table 9. 3 correlation matrix: brand preference

		Item 1	**Item 2**	**Item 3**	**Item 4**	**Item 5**	**Item 6**
Correlation	Item 1	1.000	.416	.471	.495	.636	.576
	Item 2	.416	1.000	.776	.465	.548	.339
	Item 3	.471	.776	1.000	.493	.555	.517
	Item 4	.495	.465	.493	1.000	.585	.543
	Item 5	.636	.548	.555	.585	1.000	.530
	Item 6	.576	.339	.517	.543	.530	1.000

The table shows that all of correlation coefficients were more than .3, which suggests that the result is valid. The correlation coefficient shows the strength of the relationship among the items. It should be more than .3 for the majority of the correlations, to apply factor analysis with confidence (Tabachnick and Fidell, 2007).

Stage 3. Determine the main factors. Kaiser's criterion showed that only one factor was extracted. The eigenvalue for this factor was more than 1. This factor explains 60.88% of the variance. See Table 9.4.

Table 9. 4 Total variance explained: brand preference

Component	**Initial Eigenvalues**			**Extraction Sums of Squared Loadings**		
	Total	Percentage of Variance	Cumulative percentage	Total	Percentage of Variance	Cumulative percentage
1	3.653	60.886	60.886	3.653	60.886	60.886
2	.842	14.032	74.919			
3	.508	8.465	83.384			
4	.486	8.104	91.488			
5	.322	5.371	96.859			
6	.188	3.141	100.000			

Stage 4. Inspect the scree plot. The scree plot provided by SPSS corroborates the decision of extracting one component. See Figure 9.1.

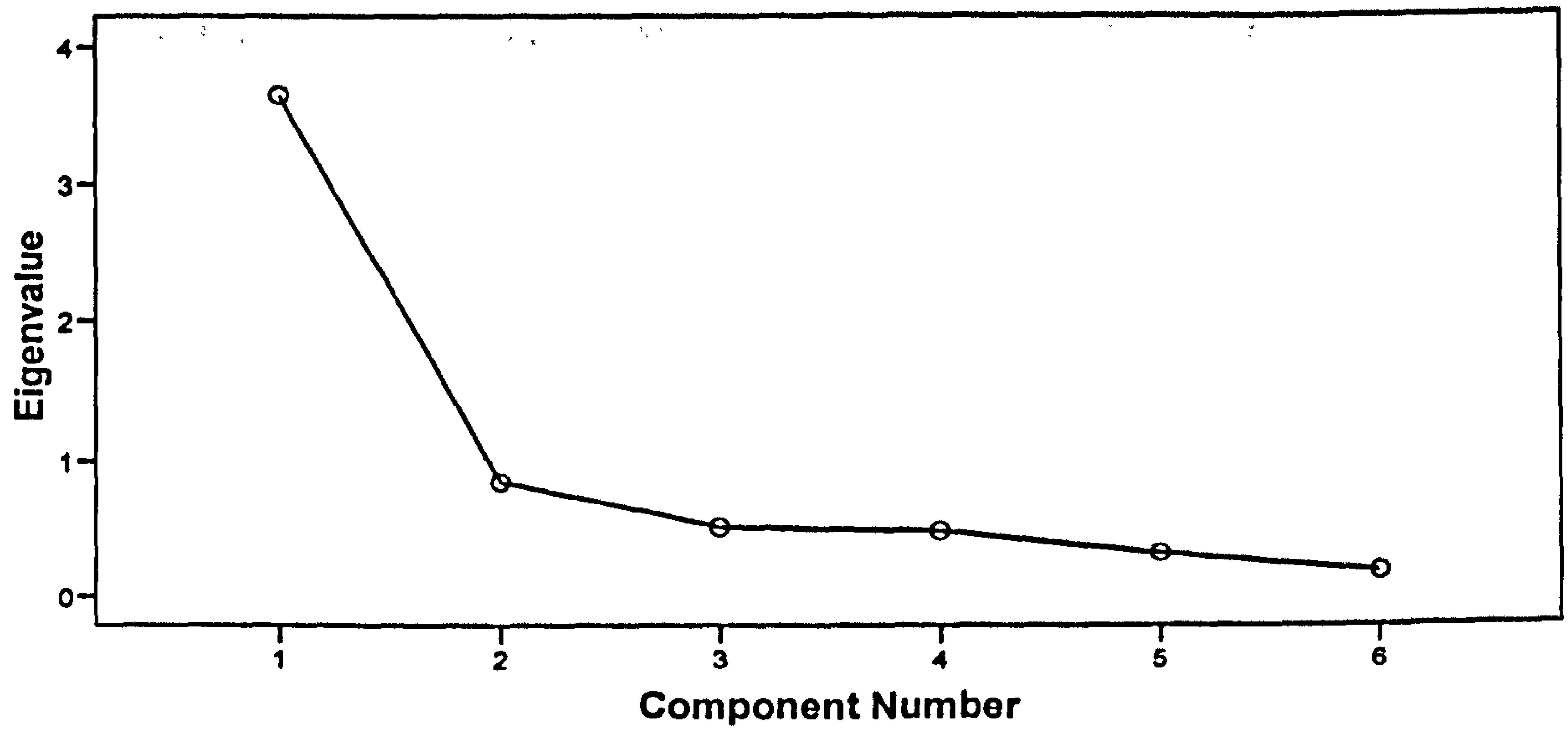

Figure 9. 1. Scree plot: brand preference

As the figure shows, only one factor above the curve point is retained.

Stage 5. Perform parallel analysis. Parallel analysis is used to further corroborate the result of the scree plot. Table 9.5 shows the results of parallel analysis for brand preference.

Table 9. 5 Monte Carlo PCA for parallel analysis: brand preference

Number of replications: 100

Eigenvalue	Random Eigenvalue	Standard Dev
1	1.1312	.0286
2	1.0691	.0217
3	1.0229	.0168
4	0.9772	.0180
5	0.9281	.0211
6	0.8715	.0241

Monte Carlo PCA for Parallel Analysis

Parallel analysis showed only one factor with eigenvalue exceeding the corresponding criterion values for a randomly generated data matrix of the same size (6 indicators × 648 respondents). Table 9.6 shows the comparison of eigenvalues from EFA and criterion from parallel analysis.

Table 9. 6 Comparison of eigenvalues from PCA and criterion from PCA and criterion from parallel analysis: brand preference

Component number	Actual eignvalue from EFA	Criterion value from parallel analysis	Decision
1	3.653	1.1312	Accepted
2	.842	1.0691	Rejected
3	.508	1.0229	Rejected
4	.486	0.9772	Rejected
5	.322	0.9281	Rejected
6	.188	0.8715	Rejected

To support in the interpretation of this factor, varimax rotation was used. The factor extracted showed only one factor was extracted and it had strong loading. The interpretation of one factor was consisted with previous research on brand preference scale (e.g., Hellier *et al.*, 2003; Jamal and Almarri, 2007).

Table 9.7 shows the component matrix for brand preference.

Table 9. 7 Component matrix: brand preference.

Items	Factor loading
B5: I do not intend in the near future to replace this brand of mobile phone service provider with another one.	828
B3: I would use this brand more than I would use any other brand of other company of a mobile phone service provider.	.818
B1: I like this brand better than any other brand of a mobile phone service provider.	.766
B4: I am not interested in trying a mobile phone service from another mobile phone service provider.	.763

B2: This company meets my mobile phone service requirement better than other companies.	.759
B6: This brand of this mobile service provider is my preferred brand over any other brand of mobile phone service providers	.744

Extraction Method (Varimax): Principal Component Analysis.

a 1 component extracted.

9.3.2. Factor analysis for the independent variables

Two scenarios were explored for the independent variables. First, factor analysis was conducted using all the independent variables together. This was to provide an overall picture of the underlying dimensions of the original variables. Second, the factor analysis was conducted using a strategy recommended by the literature (e.g., Hair *et al.*, 1998; Pallant, 2007; Tabachnick and Fidell, 2007). This strategy is based on organising the variables into different groups—based on a theoretical background (research model)—and conducting separate factor analysis to each group. Then, the results are compared together. In the present study, the results of both scenarios were alike. The following subsections show the results for both scenarios. All factors loadings were inspected carefully, considering the sample size. Alpha was set at $p =$ .05 was used as cut-off point (Hair *et a.l.*, 1998).

9.3.2.1 The entire factor analysis

The factor analysis takes all determinants of brand preference together to find out whether they have small numbers of variables. The EFA identified 11 factors that explained 67.3%% of variability of determinates of brand preference. All had eigenvalues greater than one. These factors were labelled as "controlled communication" (CO), "uncontrolled communication" (UN), "price" (PRI), quality (QU), brand personality (PER), country of origin (COO), service (location and employee) (SR), corporate status (CR), satisfaction (SAT), perceived risk (PR), and reference group (RG). All loadings[11] were greater than .40, and ranged from 0.54 to 0.96. The Bartlett's test of sphericity (348, $p < .0005$); the KMO measure of sampling adequacy 0.57 and the determinant of the correlation matrix indicated that the EFA was appropriate and within the acceptable levels (Pallant, 2007).

Figure 9.2 shows the scree plot for the eleven components that emerged from the entire factor analysis.

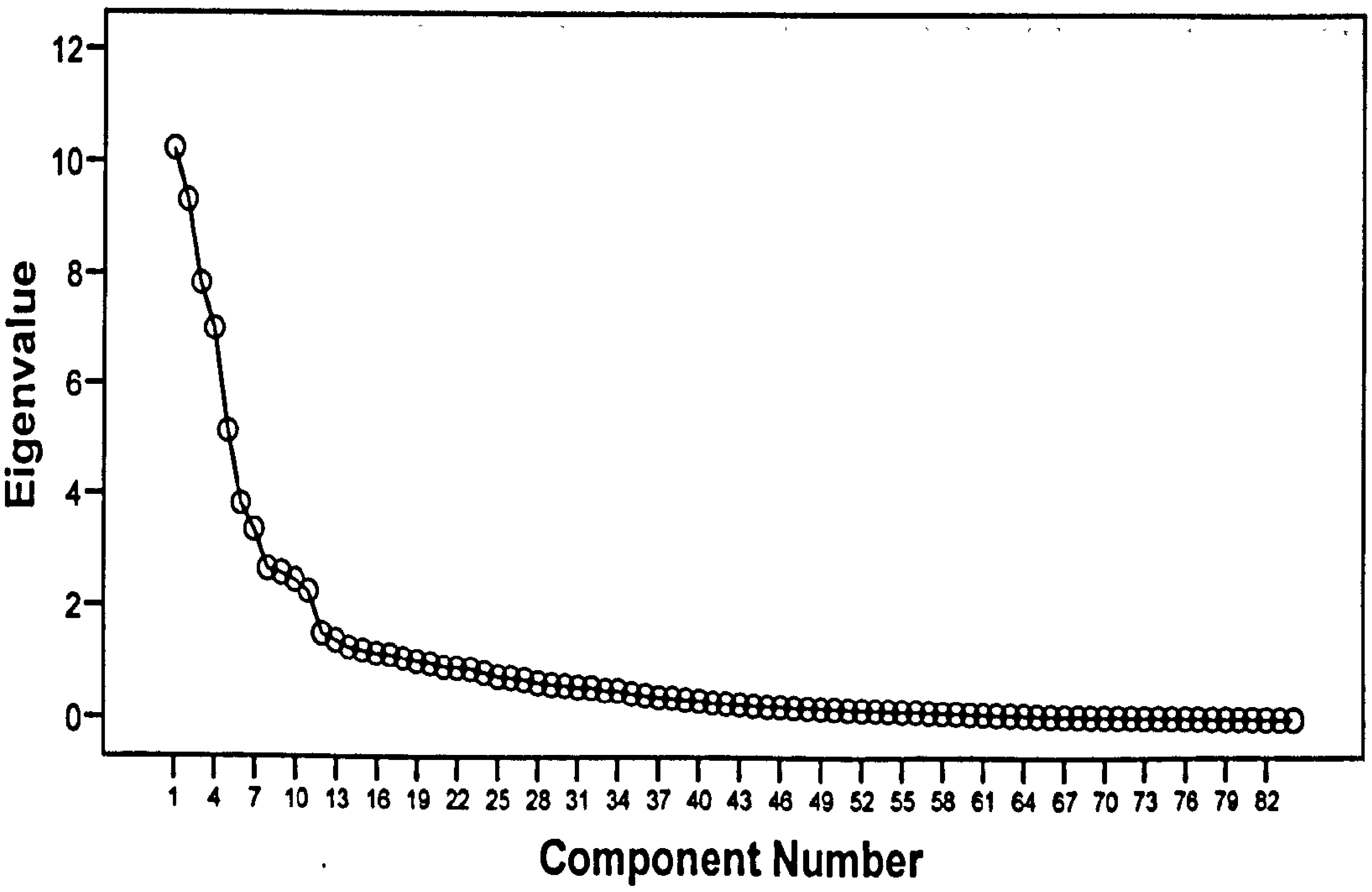

Figure 9. 2. Scree plot for the entire independent variables

As can be noticed from the figure, there is a clear break after the eleventh component.

9.3.2.2. Factor analysis for the independent variables groups

Three groups were identified: brand awareness, brand image, and consumer attributes.

[11] Factor loadings are the correlations of the variables with the factor, the weighted combination of variables which best explains the variance (Kline, 1994, p. 36). Higher values (e.g. more than 0.4) making the variable representative of the factor (Hair *et al.*, 1998, p. 106).

9.3.2.2.1. BRAND AWARENESS

Chapter 5 identified three variables that determinants brand awareness: advertising, publicity, and word of mouth.

Factor analysis revealed the presence of three components with eigenvalues exceeding 1, explaining 41%, 20%, and 9% of the variance in brand awareness respectively. An inspection of the scree plot revealed a clear break after the second component. Using the scree plot, it was decided to retain two components for further investigation. Figure 9.3 shows the scree plot.

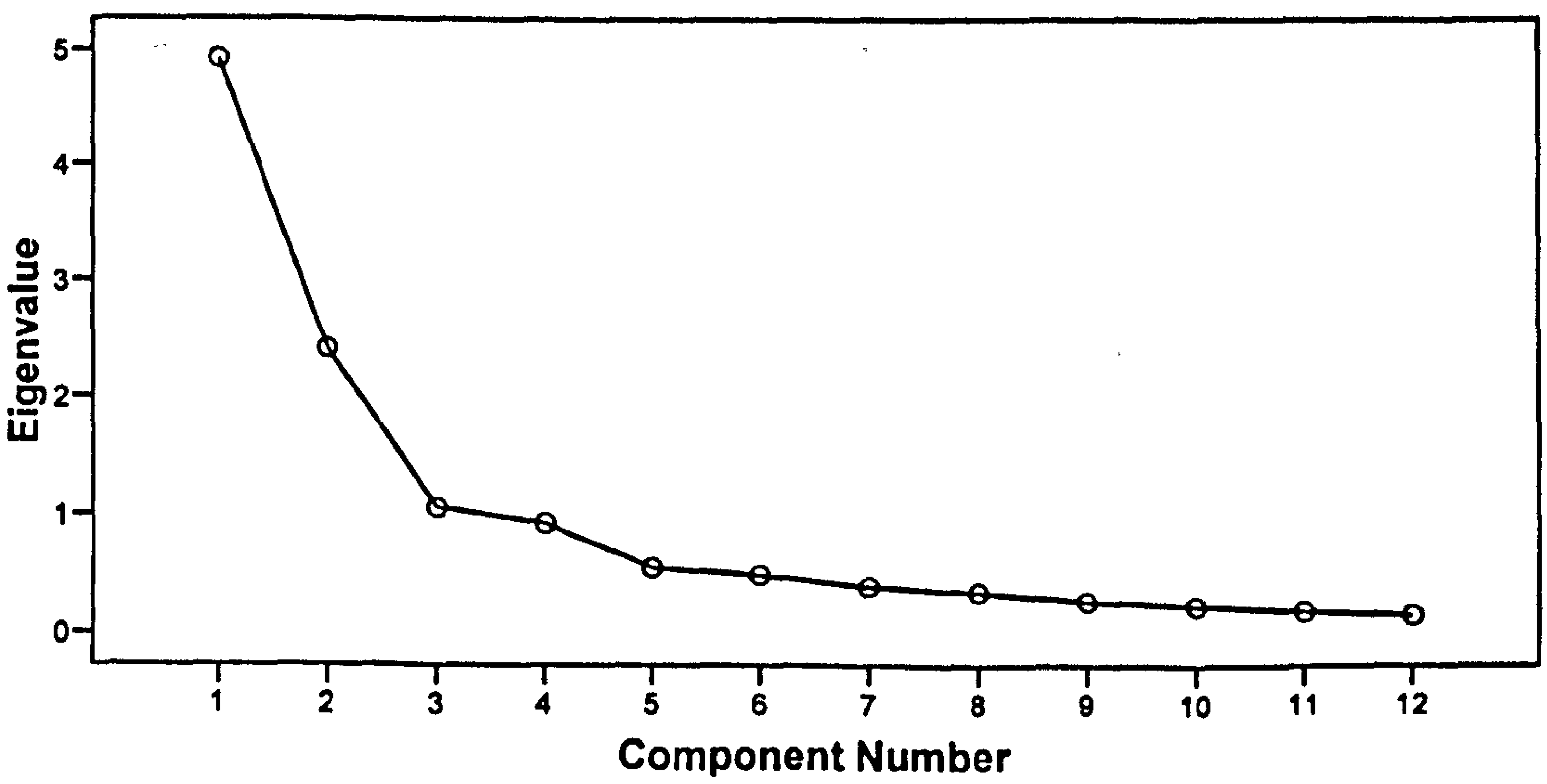

Figure 9. 3. Scree plot: brand awareness

This was corroborated by parallel analysis. This showed only two components with eigenvalues exceeding the corresponding criterion values for a randomly generated data matrix of the same size (12 indicators × 648 respondents). Table 9.8 shows the results of parallel analysis for the first 10 eigenvalues (the rest are omitted for reasons of space).

Table 9. 8. Eigenvalues of first three components: brand awareness

Eigenvalue	Random Eigenvalue		StandardDev
1	1.2278		.0283
2	1.1710		.0250
3	1.1206		.0200
Component number	Actual eigenvalue from EFA	Criterion value from parallel analysis	Decision
1	4.922	1.2278	Accepted
2	2.416	1.1710	Accepted
3	1.068	1.1206	Rejected

Number of replications = 100.

The two components solution explained 61% of the variance, with component one contributing 41%, and component two 20%. The (varimax) rotated solution revealed the presence of simple structure, with each component showing a number of strong loading. Table 9.9 shows the rotated component matrix.

Table 9. 9. Rotated component matrix: brand awareness

Component	1	2	3
	Factor loading	Factor loading	Factor loading
C1.55	.860		
C1.58	.853		
C1.59	.846		
C1.57	.803		
C1.54	.794		
C1.61	.753		
C1.50		.919	
C1.51		.868	

C1.53	.845	
C1.52	.827	
C1.56		.744
C1.60		.713

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 4 iterations.

Thus the factor analysis revealed two variables that determines brand awareness: controlled communication and uncontrolled communication. The literature, as reviewed in Chapter 3, suggests that the former pertains to advertising and the latter pertains to publicity other than advertising (e.g., media reports and word of mouth).

Table 9.10 shows the factor loadings of items that measured controlled communication (advertising).

Table 9. 10. Factor loadings of items that measured controlled communication.

Item	Factor loading
C1.50: I like the advertising of this company.	.919
C1.51: I react favourably to the advertising of this company.	.868
C1.53: I am happy with the advertising and promotions of this company.	.845
C1.52: The advertising of this mobile phone service provider is good.	.827

Table 9.11 shows the factor loadings of items that represent uncontrolled communication (publicity and word of mouth). Two items were removed because they did not clump with the rest of the items.

Table 9. 11. Factor loadings of items that measured uncontrolled communication.

Item	Factor loading
C1.55: Publicity revealed some things I had not considered about this company.	.860
C1.58: Word of mouth has been significant in affecting my views about this company	.853

C1.59: Word of mouth revealed some things I had not considered about this company.	.846
C1.57: Publicity influenced my preference towards this company.	.803
C1.54: Publicity has been significant in affecting my views about this company.	.794

9.3.2.2.2. BRAND IMAGE

Two general sets of variables determine brand image in the service sector: service attributes and provider's attributes. Service attributes include: service price; and service quality. Provider's attributes include: brand personality; country of origin; corporate image; corporate reputation; employee; and location. Guided by this (see Chapter 5), factor analysis was run for these two set of variables as a way to produce a smaller number of variables.

9.3.2.2.2.1 BRAND IMAGE/SERVICE ATTRIBUTES

Chapter 5 identified two variables that determinate brand image (service attribuites): service price and service quality.

Factor analysis revealed the presence of three components with eigenvalues exceeding 1, explaining 52.5%, 16.3%, and 7.1%. An inspection of the scree plot revealed a clear break after the second component. Using the scree plot, it was decided to retain two components for further investigation. Figure (9.4) shows the scree plot.

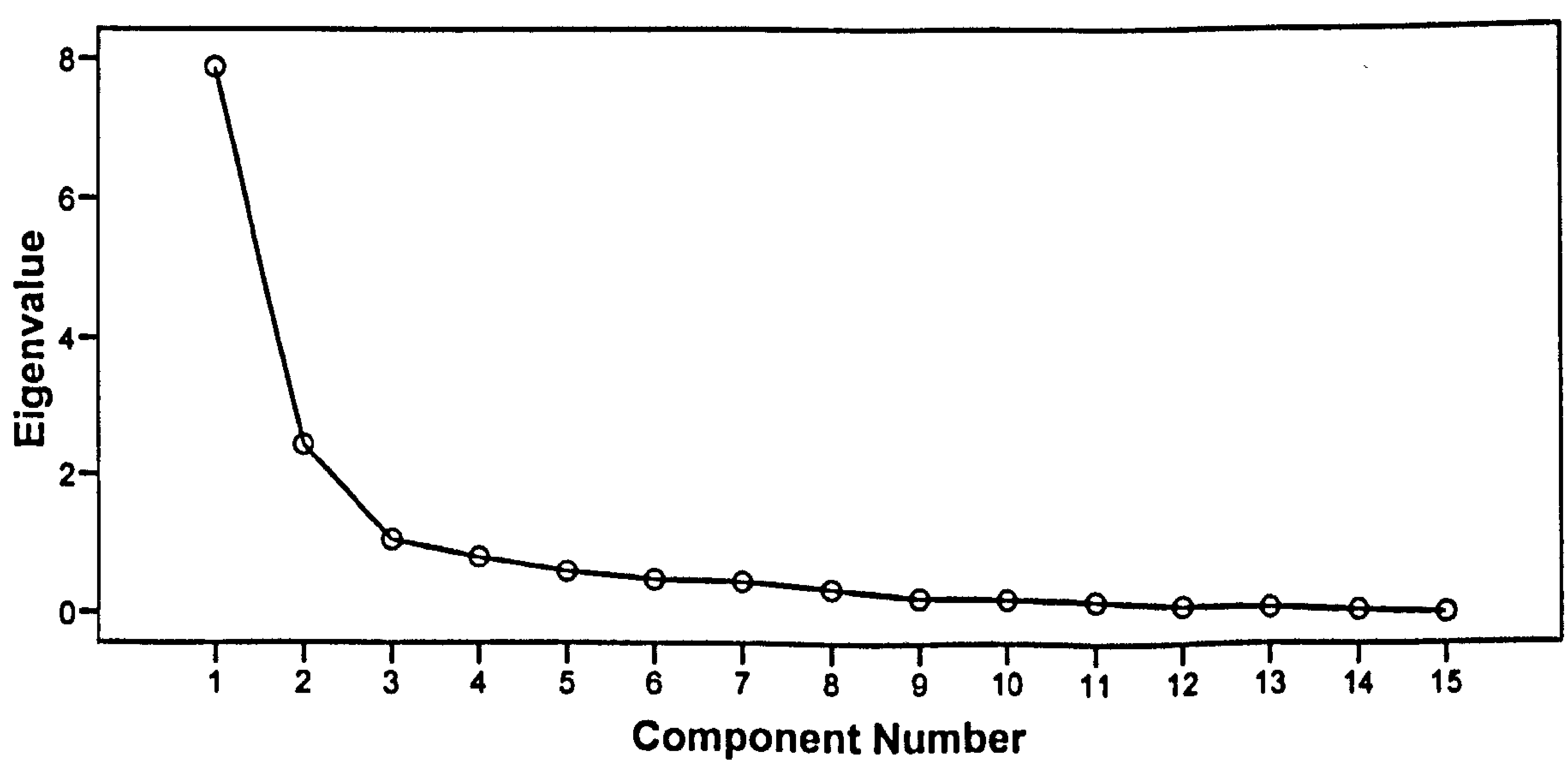

Figure 9. 4. Scree plot: brand image: service attributes

This was corroborated by parallel analysis. This showed only two components with eigenvalues exceeding the corresponding criterion values for a randomly generated data matrix of the same size (15 indicators × 648 respondents). Table 9.12 shows the results of parallel analysis for the first 3 eigenvalues (the rest are omitted for reasons of space).

Table 9. 12. Eigenvalues of first three components: brand image: service attributes.

Eigenvalue	**Random Eigenvalue**		**StandardDev**	
1	1.2558		.0289	
2	1.2056		.0212	
3	1.1635		.0190	
Component number	Actual eigenvalue from EFA	Criterion value from parallel analysis		Decision
1	7.881	1.2558		Accepted
2	2.448	1.2056		Accepted
3	1.065	1.1635		Rejected

Number of replications = 100.

The two components solution explained 68.8% of the variance, with component one contributing 52.5 %, and component two 16.3%. The (varimax) rotated solution revealed the presence of simple structure, with each component showing a strong loading. Table 9.13 shows the rotated component matrix.

Table 9. 13. Rotated component matrix: brand image: service attributes

	Component		
	1	2	3
C1.9	.955		
C1.20	.938		

C1.15	.921		
C1.10	.896		
C1.11	.880		
C1.13	.826		
C1.17	.822		
C1.12	.815		
C1.19	.812		
C1.18	.801		
C1.8		.857	
C1.6		.864	
C1.7		.856	
C1.14			.686
C1.16			-.656

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 4 iterations.

Thus the factor analysis revealed two variables that determinate brand image/service attributes: service price and service quality.

Table 9.14 shows the factor loadings of items that measured service price.

Table 9. 14. Factor loading of items that measured service price

Items	Factor loading
C1.7: Considering what I would pay for this company's brand, I will get much more than my money's worth	.857
C1.6: This company prices are appropriate for the service provided.	.864
C1.8: I consider joining this company is good because the benefits I receive are more than the charges.	.856

Principal Component Extraction and Varimax Rotation with Kaiser Normalisation

Table 9.15 shows the factor loadings of items that represent service quality (publicity and word of mouth). Two items were removed because they did not clump with the rest of the items.

Table 9. 15. Factor loading of items that measured service quality

Items	Factor loading
C1.9: This company offers the best plan that meets a customer's needs.	.898
C1.20: This company provides accurate representation of services and contracts.	.892
C1.15: This company provides service form the internet—downloading music, ring tones, etc.	.859
C1.10: This company eases the changing of service plans.	.797
C1.11: Voice quality is excellent.	.795
C1.13: Messaging services provided by the company are good.	.758
C1.17: This company provides accurate bills.	.727
C1.12: Coverage area is excellent.	.898
C1.19: The call centre of this company provides consistent advice and instructions.	.892
C1.18: This company eases paying bills resolving problems.	.859

Principal Component Extraction and Varimax Rotation with Kaiser Normalisation

9.3.2.2.2.2. BRAND IMAGE/PROVIDER'S ATTRIBUTES

Chapter 5 identified two variables that determinate brand image (service provider's attributes): service price and service quality.

Factor analysis revealed the presence of eight components with eigenvalues exceeding 1, explaining 22.4%, 20.2%, 8.9%, 7.7%, 3.7%, 3.3%, 3.2%, and 3.1% of the variance in brand image: providers' attributes respectively. An inspection of the scree plot revealed a clear break after the fourth component. Using the scree plot, it was decided to retain four components for further investigation. Figure 9.5 shows the scree plot.

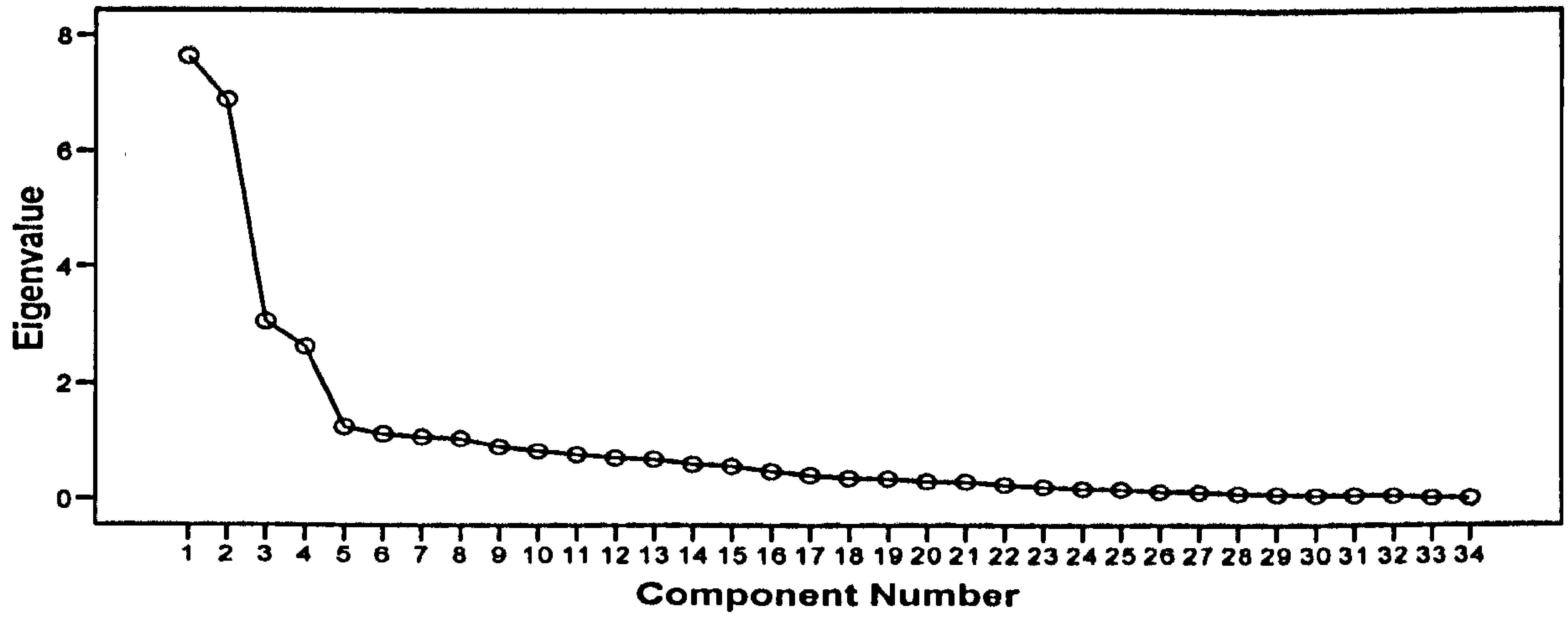

Figure 9. 5. Scree plot: brand image: provider's attributes

This was corroborated by parallel analysis. This showed only four components with eigenvalues exceeding the corresponding criterion values for a randomly generated data matrix of the same size (34 indicators × 648 respondents). Table 9.15 shows the results of parallel analysis for the first 5 eigenvalues (the rest are omitted for reasons of space).

Table 9. 16. Eigenvalues of four components: brand image: provider's attributes

Eigenvalue	**Random Eigenvalue**		**StandardDev**
1	1.4518		.0295
2	1.3965		.0252
3	1.3543		.0201
4	1.3173		.0178
5	1.2856		.0181
Component number	Actual eigenvalue from EFA	Criterion value from parallel analysis	Decision
1	7.643	1.4518	Accepted
2	6.886	1.3965	Accepted
3	3.051	1.3543	Accepted
4	2.623	1.3173	Accepted
5	1.269	1.2856	Rejected

The four components solution explained a total 59.4% of the variance, with component one contributing 22.47%, component two contributing 20.25%, component three contributing 9%, and component four 7.71%. The (varimax) rotated solution revealed the presence of simple structure, with each component showing a number of strong loadings. Table 9.17 shows the rotated component matrix.

Table 9. 17. Rotated component matrix: brand image: provider's attributes

Items	Component						
	1	2	3	4	5	6	7	8
C1.36	.936							
C1.37	.915							
C1.28	.913							
C1.29	.909							
C1.24	.877							
C1.30	.875							
C1.31	.769				.470			
C1.35	.715				.485			
C1.33	.683							
C1.34	.619							
C1.32	.583							
C1.46		.896						
C1.49		.891						
C1.42		.888						
C1.39		.855						
C1.40		.820						
C1.41		.817						
C1.44		.792						

C1.38	.784						
C1.43	.717						
C1.45	.657						
C1.21		.971					
C1.23		.967					
C1.22		.964					
C1.3			.800				
C1.5			.751				
C1.2			.691				
C1.4			.676				
C1.1			.670				
C1.26				.820			
C1.25					.791		
C1.47					-.564		
C1.27						.697	
C1.48							.777

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 7 iterations.

Thus the factor analysis revealed four variables that determine brand image/provider's attributes: service (location and employee), corporate status, country of origin, and brand personality.

Table 9.18 shows the factor loadings of items that measured service (location and employee). Three items were removed because they did not clump with the rest of the items.

Table 9. 18. Factor loading of the items that measured service (location and employee)

Items	Factor loading
C1.36: The employees of the company are polite.	.936
C1.37: The employees of the company give personal attention.	.915
C1.28: The visual appeal of the company's and its outlets facilities is good.	.913
C1.29: Employees' appearance is good.	.909
C1.24: I am happy with the location of the mobile services.	.877
C1.30: Other material appeals (e.g., car park, company cars) are good.	.875
C1.31: The employees of the company provide prompt service.	.769
C1.35: I feel safe in transactions with the employees of the company.	.715
C1.33: The employees of the company are never too busy for me.	.683
C1.34: I can trust the employees of the company.	.619
C1.32: The employees of the company are willing to help.	.583

Table 9.19 shows the factor of items that measured corporate status (corporate image and corporate reputation). Three items were removed because they did not clump with the rest of the items. This result is logical as both variables measure respondents' perception of a corporation—their perception of *France telecom* (Orange), for example. The literature supports this, thus: "corporate image and corporate reputation are generally considered as two distinct constructs which may be strongly related" (Nguyen and LeBlanc, 2001, p.227).

Table 9. 19. Factor loading of the items that measured corporate status

Items	Factor loading
C1.46: The company is successful and self-confident.	.896
C1.49: The company is open and responsive to its customers.	.891
C1.42: The company has a good workplace environment.	.888

C1.39: The company undertakes some social responsibilities.	.855
C1.40: The company is known for its high quality products and services.	.820
C1.41: The company is the industry leader.	.817
C1.44: The company fulfils the promises that it makes to its customers.	.792
C1.38: The company has an emotional appeal to me.	.784
C1.43: The company has a good financial situation.	.717
C1.45: The company is innovative	.657

Table 9.20 shows the factor loadings of items that measured country of origin

Table 9. 20. Factor loading of the items that measured country of origin

Items	Factor loading
C1.21: It is important I know the country of origin of this company.	.971
C1.23: The country of origin of this company influences me.	.967
C1.22: I use with knowing the country of origin of this company.	.964

Table 9.21 shows the factor loadings of items that measured country of origin

Table 9. 21. Factor loading of the items that measured brand personality

Items	Factor loading
C1.3: This company is successful.	.800
C1.5: This is a tough company.	.751
C1.2 : This company is up to date	.691
C1.4: This is an upper class company.	.676
C1.1: This company is honest.	.670

The questionnaire data were subjected to reliability analysis.

9.3.4. Consumer attributes

Chapter 5 identified three variables that determine consumer attribuites: satisfaction, percived risk, and reference group.

Factor analysis revealed the presence of four components with eigenvalues exceeding 1, explaining 35.8%, 19.8%, 10.3%, and 5% of the variance in consumer attributes respectively. An inspection of the scree plot revealed a clear break after the third component. Using the scree plot, it was decided to retain three components for further investigation. Figure 9.6 shows the scree plot.

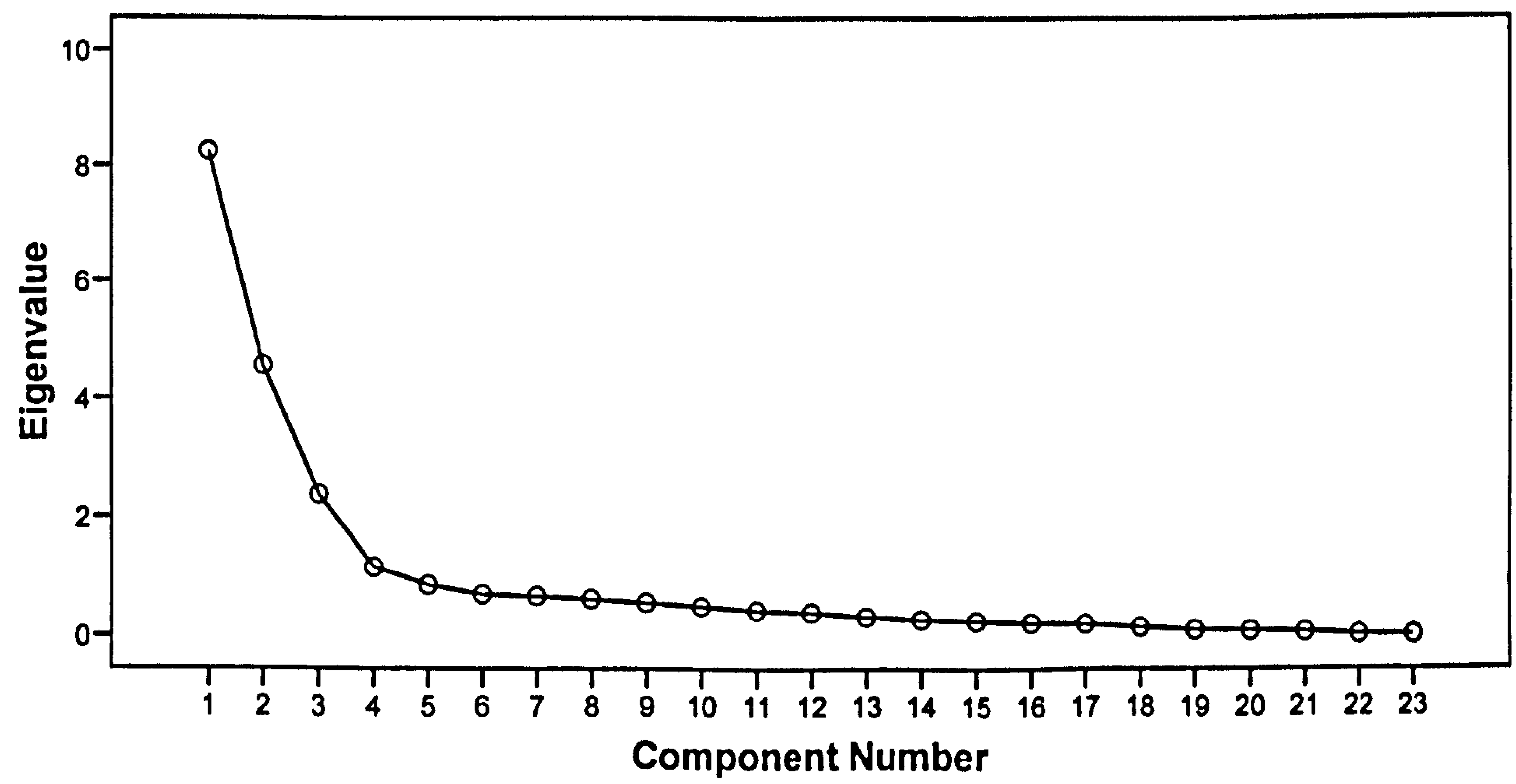

Figure 9. 6. Scree plot: consumer attributes

This was corroborated by parallel analysis. This showed only three components with eigenvalues exceeding the corresponding criterion values for a randomly generated data matrix of the same size (23 indicators × 648 respondents). Table 9.22 shows the results of parallel analysis for the first 4 eigenvalues (the rest are omitted for reasons of space).

Table 9. 22. Eigenvalues of first four components: consumer attributes

Eigenvalue	Random Eigenvalue	StandardDev

1	1.3607		.0300
2	1.3046		.0233
3	1.2658		.0214
4	1.2280		.0188
Component number	Actual eigenvalue from EFA	Criterion value from parallel analysis	Decision
1	8.249	1.3607	Accepted
2	4.573	1.3046	Accepted
3	2.384	1.2658	Accepted
4	1.171	1.2280	Rejected

Number of replications = 100.

The three components solution explained 66% of the variance, with component one contributing 35.8%, component two 19.8%, and component three 10.4%. The (varimax) rotated solution revealed the presence of simple structure, with each component showing a strong loading. Table 9.23 shows the rotated component matrix.

Table 9. 23. Rotated component matrix: consumer attributes

	Component			
	1	2	3	4
C1.78	.938			
C1.73	.892			
C1.84	.884			
C1.72	.878			
C1.80	.863			
C1.77	.790			
C1.81	.789			
C1.82	.780			

C1.75	.749			
C1.76	.729			
C1.79	.714			
C1.74	.709			
C1.69		.897		
C1.70		.850		
C1.68		.841		
C1.67		.829		
C1.71		.790		
C1.62			.804	
C1.63			.804	
C1.66			.771	
C1.65			.761	
C1.64			.725	
C1.83				.858

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a Rotation converged in 4 iterations.

Thus the EFA failed to reduce the number of variables suggested by the literature. variables.

Table 9.24 shows the factor loadings of items that measured satisfaction.

Table 9. 24. Factor loading of the items that measured satisfaction

Items	Factor loading
C1.62: I am very satisfied with the service provided by this company.	.804
C1.63: This Company does a good job at satisfying my needs.	.804
C1.66: I made the right decision when I decided to use this service.	.771
C1.65: I believe that using this company's service is usually a very satisfying experience.	.761

C1.64: The service provided by this company is very satisfactory.	.725

Table 9.25 shows the factor loadings of items that measured perceived risk.

Table 9. 25. Factor loading of the items that measured perceived risk

Items	Factor loading
C1.69: I am not afraid of what I buy; being afraid may negatively affect what others think of me.	.897
C1.70: Buying this brand makes me happy.	.850
C1.68: I think it is a wise way of spending money.	.841
C1.67: I am not suspicious about this company's service quality.	.829
C1.71: I am not afraid using the company's services may be waste of time.	.790

Table 9.26 shows the factor loadings of items that measured reference group. One item was removed because it did not clump with the rest of items.

Table 9. 26. Factor loading of the items that measured reference group

Items	Factor loading
C1.78: My selection of this company's brand is influenced by the expectations/ preferences of close Friends.	.938
C1.73: I seek information from those who work with the service as professionals.	.892
C1.84: People who use this company's brand are admired/ respected by other.	.884
C1.72: I seek information about various mobile provider brands from an association of professionals or independent group of experts.	.878
C1.80: My selection of this company's brand is influenced by the desire to satisfy the expectations of others.	.863
C1.77: My selection of this company's brand is influenced by the expectations/preferences of Colleagues.	.790
C1.81: The use of this company's brand will enhance others' image of me.	.789
C1.82: Those who use this company's brand possess the characteristics I	.780

would like to have.	
C1. 75: My selection of this company's brand is influenced by a seal of approval from an independent testing agency (consumer protection society).	.749
C1.76: My observations of what professionals do influence my choice of company brand (e.g., observing the type of mobile provider that marketing professors hold).	.729
C1.79: My selection of this company's brand is influenced by the expectations/preferences of my family.	.714
C1.74: I seek brand related knowledge and experience from friends, neighbours, relatives, and/or work associates.	.709

9.4. Main finding of factor analysis

The result of factor analysis demonstrated that there are 11 independent variables that determine brand preference in this study. They form three groups: brand image, brand awareness, and consumer attributes.

Table 9.27 shows the determinants that result from the factor analysis, and links them to the dimensions and determinants that were presented in the proposed conceptual model of the research.

Table 9. 27. The determinants of brand preference

Expected Determinants of Brand Preference	Determinants of Brand Preference That Emerged From Factor Analysis
A: Awareness Dimensions	
Advertising	Controlled Communication (Advertising)
Publicity	Uncontrolled Communication (Publicity + Word of Mouth)
Word of mouth	
B: Image Dimensions	
B1: Service Attributes	*B1: Service attributes*
Price	Price
Quality	Quality
B2: Provider's Attributes	*B2:Provider's attributes*

Brand personality	Brand personality
Country of origin	Country of origin
Employee	Service (location + employee)
Location	
Corporate image	Corporate status (corporate image+ corporate reputation)
Corporate reputation	
C: Consumer Attributes	
Satisfaction	Satisfaction
Perceived risk	Perceived risk
Reference group	Reference group

The table, in its summary of the PCA, shows the original 14 putative predictor variables in the regression model (Chapter 6) can be simplified to a more manageable 11.

9.5. DESCRIPTIVE STATISTICS FOR RESEARCH VARIABLES

The result of EFA suggests that there are 11 independent variables of this research for the one dependent variable (i.e. brand preference). Table 9.28 presents the descriptive statistics for each of the variables, including measures of skewness[12] and kurtosis[13] to check for the normality[14] of each variable. See Chapter 8 for more detailed descriptive statistics.

[12] Skewness is a measure of symmetry of a distribution. A positively skewed distribution has relatively few large values and tails off to the right, and a negatively skewed distribution has relatively few small values and tails off to the left (Hair *et al.* 1998, p. 38).

[13] Kurtosis is a measure of the peakedness or flatness of a distribution when compared with a normal distribution. A positive value indicates a relatively peaked distribution, and a negative value indicates a relatively flat distribution (Hair *et al.* 1998, p. 37).

Hair *et al.* (1998) state that skewness values within the range of −1 to +1 and kurtosis values within −3 to +3 indicate an acceptable range for normality, whereas values falling outside the range of skewness and kurtosis indicate a substantial departure from a normal distribution. Thus, table 9.28 shows that skewness and kurtosis values for all variables fall within the acceptable range.

Table 9. 28.Descriptive statistics of the research variables

Research Variables	Mean	Std. Deviation	Min	Max	Skewness	Kurtosis
Brand Preference	3.2933	.57700	1.50	4.33	-.909	.799
Uncontrolled communication	3.3909	.64128	1.50	4.50	-.816	.106
Controlled communication	3.1870	.75225	1.25	4.75	-.731	-.027
Brand personality	3.3014	.54762	1.60	4.20	-.537	.059
Price	3.1615	.87398	1.33	5.00	-.154	-.542
Quality	3.1968	.90435	1.40	4.40	-.673	-1.216
Corporate Status	3.3588	.67471	1.60	5.00	.000	.054
Service (location and employee)	2.7301	.72210	1.36	4.45	.506	-1.065
Country of Origin	3.3913	.93311	1.00	5.00	-.533	-.274
Satisfaction	3.1537	.71258	1.60	4.20	-.554	-.613
Perceived risk	3.1435	.83588	1.40	4.40	-.260	-1.417
Reference group	3.1493	.74249	1.15	4.00	-.690	-.456

Descriptive statistics for research variables (N =648)

The histogram should look like a normal distribution (a bell-shaped curve). SPSS draws a curve on the histogram to show the shape of this distribution. The histogram in Figure 9.7 shows that the distribution is reasonably normal.

[14] Normality refers to the degree to which the distribution of the sample data corresponds to a normal distribution. Where normal distribution is a theoretical probability distribution in which the horizontal axis represents possible values of a variable and the vertical axis represents the probability of those values occurring. The scores on the variable are clustered around the mean in a symmetrical, unimodal pattern known as the bell-shaped or normal curve (Hair *et al.* 1998, p. 38).

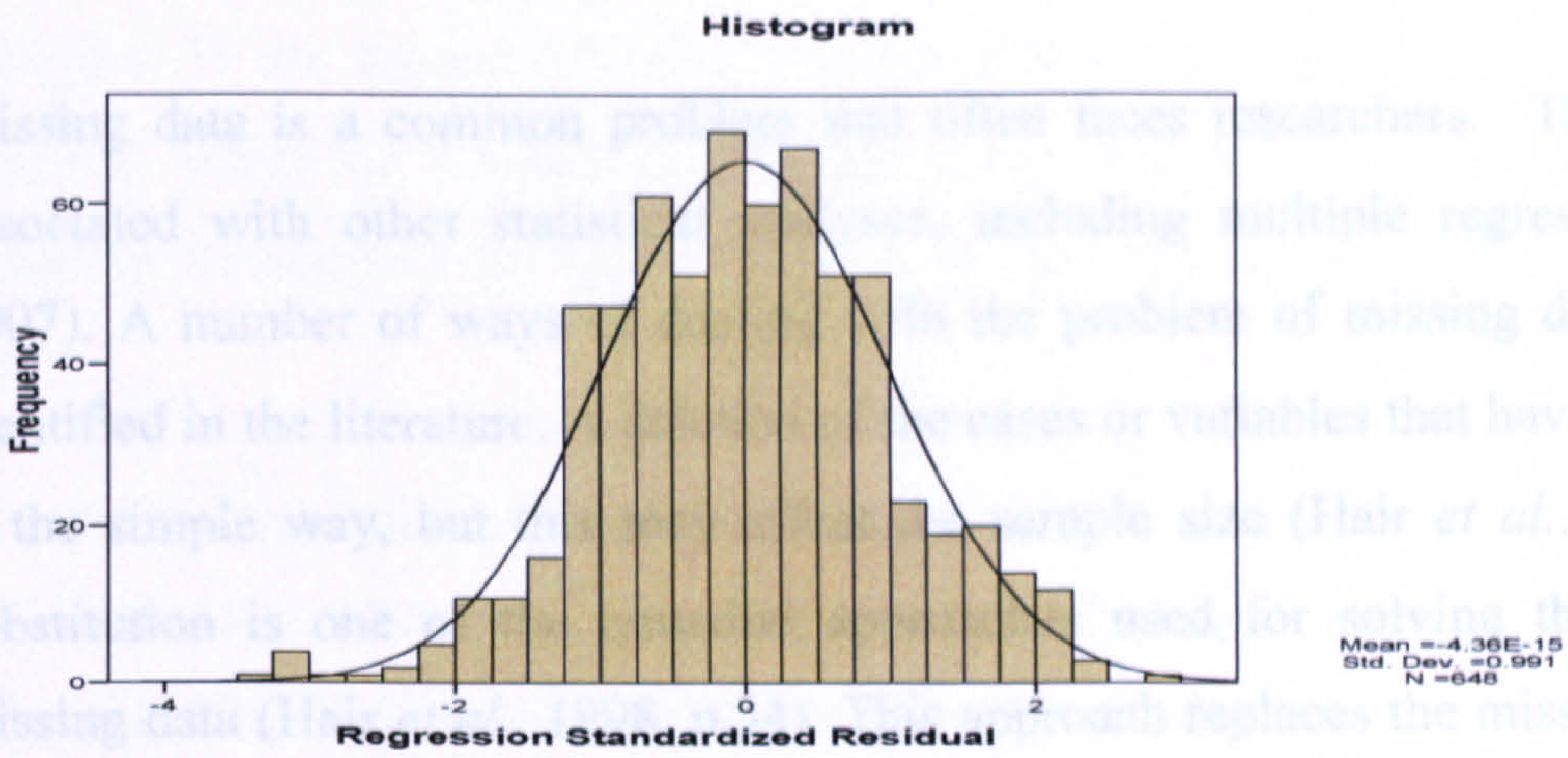

Figure 9. 7. Histogram of normal distribution of brand preference

The normal probability plot also shows up deviations from normality. The straight line in this plot represents a normal distribution and the points represent the observed residuals. Therefore, in a perfectly normally distributed data set, all points will lie on the line. For the normal probability plot shown in Figure 9.8, it can be seen that, in general, the observed residuals follow the line.

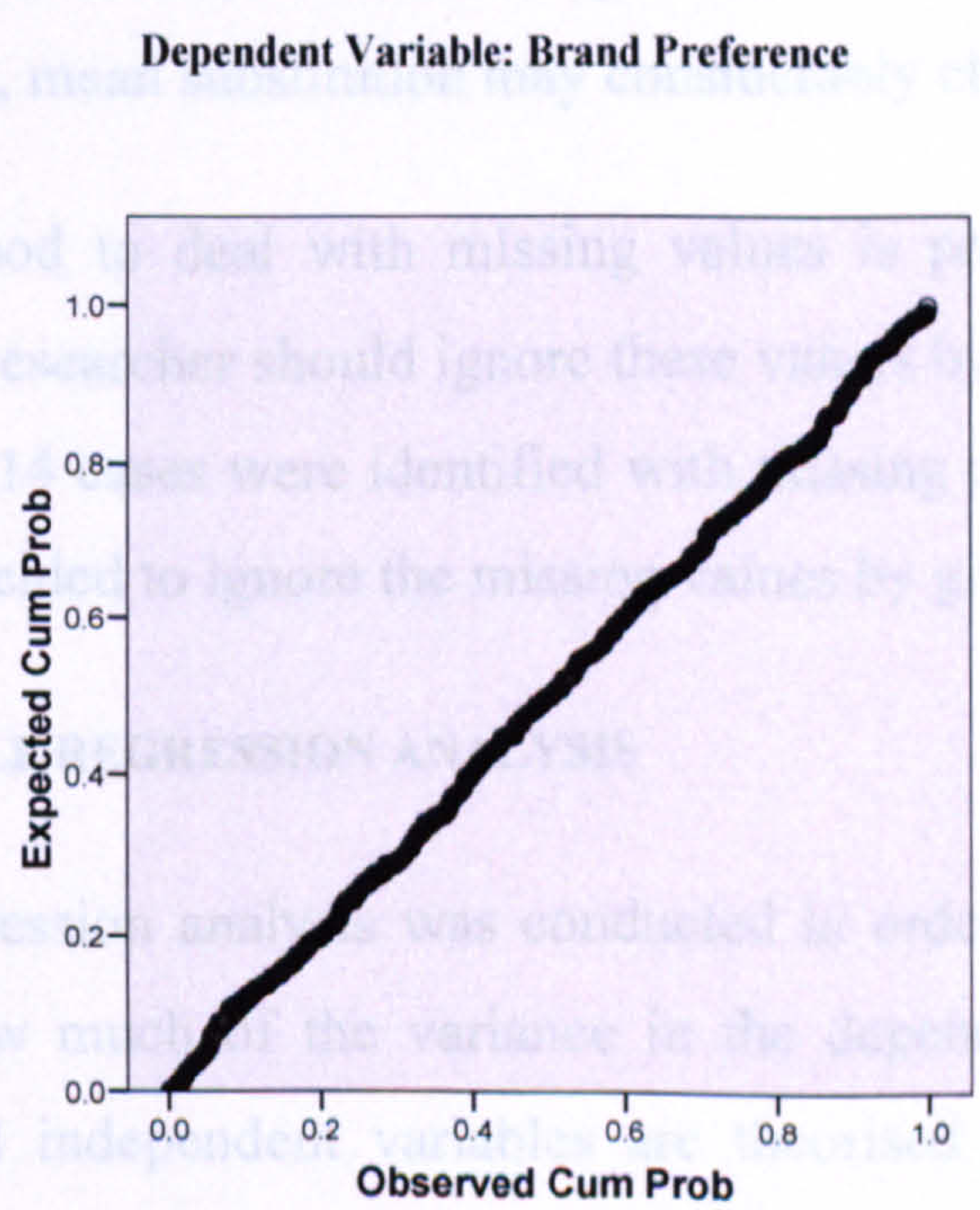

Figure 9. 8. Normal plots/(multiple regression)

9.6. DEALING WITH MISSING DATA

Missing data is a common problem that often faces researchers. The problem is associated with other statistical analyses, including multiple regression (Pallant, 2007). A number of ways of dealing with the problem of missing data have been identified in the literature. A deletion of the cases or variables that have missing data is the simple way, but this may affect the sample size (Hair *et al.*, 1998). Mean substitution is one of the remedial approaches used for solving the problem of missing data (Hair *et al.*, 1998, p.54). This approach replaces the missing values for a case or variable with the mean value based on all valid responses. Mean substitution offers some advantages and some disadvantages as compared to pairwise deletion. Its main advantage is that it produces an "internally consistent" set of results ("true" correlation matrices). These are the main disadvantages.

- Mean substitution artificially decreases the variation of scores and this decrease in individual variables is proportional to the number of missing data (i.e. the more missing data, the more "perfectly average scores" will be artificially added to the data set).
- Because it substitutes missing data with artificially created "average" data points, mean substitution may considerably change the values of correlations.

A third method to deal with missing values is proposed by Pallant (2007). She suggests the researcher should ignore these values by giving them a specific code. In this research 14 cases were identified with missing data. To gain more accuracy the researcher decided to ignore the missing values by giving them the code 999.

9.7. MULTIPLE REGRESSION ANALYSIS

Multiple regression analysis was conducted in order to test research hypotheses. It identifies how much of the variance in the dependent variable will be explained when several independent variables are theorised to simultaneously influence it. Accordingly, a multiple regression analysis is conducted, by which the independent (predictor) variables are jointly regressed against the dependent (outcome) variable, in an effort designed to explain the variance in it. The individual correlations get collapsed into what is called a multiple R or multiple correlation. The square of multiple R is the amount of variance explained in the dependent variable by the predictors. When the R^2 value, the F statistic, and its significance level are known, it is possible to interpret the results from a multiple regression analysis (Hair *et al.*, 1998).

Concerning correlation between dependent and independent variables, as shown in Table 9.29, the 11 predictor variables had a significant correlation with brand preference. Two predictors had a negative correlation, and other independent variables had a positive correlation with brand preference. However, among all of the predictors, controlled communication (i.e. advertising) correlated best with brand preference, in that it had the highest positive correlation with it, ($R = 0.716$, $p < 0.05$). Therefore, it is likely that this variable will best predict and/or explain the variance apropos brand preference.

Table 9. 29. Correlation matrix: brand preference

		B.P	UN	Co	PER	PRI	QU	STA	S.S	COO	SAT	P.R	R.G
Pearson Correlation	B.P	1.000	.397	.495	.245	-.045	.153	.342	-.040	.122	.368	.352	.304
	UN	.397	1.000	.326	.139	-.006	-.081	.223	-.112	.131	.109	.110	.140
	CO	.495	.326	1.000	.158	-.210	.005	.173	-.029	.077	.258	.205	.247
	PER	.245	.139	.158	1.000	-.016	-.003	.114	-.035	.074	.097	.076	.099
	PRI	-.045	-.006	-.210	-.016	1.000	-.148	-.110	.014	-.029	-.152	-.267	.033
	QU	.153	-.081	.005	-.003	-.148	1.000	.203	-.010	-.103	.146	.022	-.022
	STA	.342	.223	.173	.114	-.110	.203	1.000	.016	.043	.052	.160	-.026
	S.S	-.040	-.112	-.029	-.035	.014	-.010	.016	1.000	-.146	.074	.042	-.025
	COO	.122	.131	.077	.074	-.029	-.103	.043	-.146	1.000	.020	-.013	-.014
	SAT	.368	.109	.258	.097	-.152	.146	.052	.074	.020	1.000	.329	.142
	P.R	.352	.110	.205	.076	-.267	.022	.160	.042	-.013	.329	1.000	.025
	RQ	.304	.140	.247	.099	.033	-.022	-.026	-.025	-.014	.142	.025	1.000
Sig. (1-tailed)	B.P	.	.000	.000	.000	.130	.000	.000	.161	.001	.000	.000	.000

	UN	.000	.	.000	.000	.436	.019	.000	.002	.000	.003	.002	.000
	Co	.000	.000	.	.000	.000	.450	.000	.229	.025	.000	.000	.000
	PER	.000	.000	.000	.	.338	.474	.002	.188	.031	.007	.027	.006
	PRI	.130	.436	.000	.338	.	.000	.002	.361	.228	.000	.000	.199
	QU	.000	.019	.450	.474	.000	.	.000	.401	.004	.000	.286	.292
	STA	.000	.000	.000	.002	.002	.000	.	.344	.136	.092	.000	.253
	S.S	.161	.002	.229	.188	.361	.401	.344	.	.000	.030	.146	.265
	COO	.001	.000	.025	.031	.228	.004	.136	.000	.	.303	.368	.364
	SAT	.000	.003	.000	.007	.000	.000	.092	.030	.303	.	.000	.000
	P.R	.000	.002	.000	.027	.000	.286	.000	.146	.368	.000	.	.266
	R.G	.000	.000	.000	.006	.199	.292	.253	.265	.364	.000	.266	.
N	B.P	648	648	648	648	648	648	648	648	648	648	648	648
	UN	648	648	648	648	648	648	648	648	648	648	648	648
	CO	648	648	648	648	648	648	648	648	648	648	648	648
	Per	648	648	648	648	648	648	648	648	648	648	648	648
	PRI	648	648	648	648	648	648	648	648	648	648	648	648
	QU	648	648	648	648	648	648	648	648	648	648	648	648

	STA	648	648	648	648	648	648	648	648	648	648	648	648
	S.S	648	648	648	648	648	648	648	648	648	648	648	648
	COO	648	648	648	648	648	648	648	648	648	648	648	648
	SAT	648	648	648	648	648	648	648	648	648	648	648	648
	P.R	648	648	648	648	648	648	648	648	648	648	648	648
	R.G	648	648	648	648	648	648	648	648	648	648	648	648

Variables Abbreviations: B.P: brand preference; CO: controlled communication (advertising); UN: uncontrolled communication; PER: brand personality; PRI: price, QU: quality; STA: corporate status; S.S: service (location and employee); COO: country of origin; SAT: satisfaction; P.R: perceived risk; and R.G: reference group.

The regression model provides some important information about the model: the values of R, R^2 and the adjusted R^2. Table 9.30 shows that R is the value of the multiple correlation coefficient between the predictors and the outcome. The value of multiple R for this model is 0.716, which is an indication that the model provides a good explanation of the observed values of the outcome variable. R^2 is a measure of how much of the variability in the outcome is accounted for by predictors included in the model. This value is 0.512, which means that the 11 variables included as predictors in the model account for 51.2% of the variation in brand preference. The adjusted R^2 gives an idea of how well the model generalises. Ideally it is better if the value of adjusted R^2 is close to the value R^2. In the case of this model, the value of adjusted R^2 is 0.504, which is close to R^2, lending confidence to the model.

Table 9. 30. Regression analysis of the independent variables influencing brand preference

Independent variables	**Unstandarised coefficients**		**Standarised coefficients**	**t-value**	**Sig.**	**Tolerance**	**VIF**
	B	Std. Error	Beta				
(Constant)	-.824	.204		-4.039	.000	-	-
Uncontrolled communication	.166	.028	.184	6.011	.000	.818	1.222
Controlled communication	.214	.024	.279	8.774	.000	.759	1.317
Brand personality	.106	.030	.101	3.539	.004	.950	1.052
Price	.089	.020	.135	4.560	.000	.870	1.150
Quality	.084	.019	.132	4.477	.001	.888	1.126
Corporate Status	.161	.026	.189	6.321	.000	.860	1.163
Service (location and employee)	-.013	.023	-.017	-.590	.556	.954	1.047
Country of origin	.048	.018	.078	2.726	.007	.945	1.058

Satisfaction	.131	.025	.162	5.265	.000	.813	1.231
Perceived risk	.147	.021	.214	6.962	.000	.814	1.228
Reference group	.136	.023	.175	6.018	.003	.909	1.100
$R = 0.716$							
$R^2 = 0.512$							
Adjusted $R^2 = 0.504$							
$F = 60.709$ **SIG.** 0.000							

The *F*-ratio is a measure of how much the model has improved the prediction of the outcome compared to the level of inaccuracy of the model. In this way, a good model should have a large *F*-ratio (greater than one at least). It can be seen from table that the model causes *R* to change from zero to 0.607 and this change in the amount of variance explained gives rise to an *F*-ratio of 60.709, which is significant ($p < .0005$).This indicates that the improvement due to fitting the regression model is much greater than the inaccuracy within the model (Hair *et al.*, 1998).

Multicollinearity causes a problem for multiple regression since it can affect the parameters of a regression model (Pallant, 2007). According to Hair *et al.*, (1998, p.191) there are three recommended methods for assessing multicollinearity: (1) the presence of high correlation (generally 0.90 and above), (2) the tolerance values, (3) the variance inflation factor values. However, the three tests for multicollinearity (see Table 9.29) showed no high correlation values, the variance inflation factor (VIF) showed no values that exceed the generally accepted maximum level of 10 (an indication of high levels of multicollinearity) and the tolerance values showed no values less than the maximum level of 0.2 (also an indication of high levels of multicollinearity). Thus, no support was found for the existence of multicollinearity problem.

However, outliers in the model should be estimated. According to Pallant (2007) 95% of cases in an ordinary sample are expected to have standardised residuals within ±2. Because the sample in this study used for the purposes of the multiple regression analysis is 648, it is reasonable to find 2 cases i.e. (.003%) that are outside of these limits. In other words, these diagnostics give no real cause for concern. In addition, Cook's distance was used to check whether the outliers biased the regression model. Cases with a Cook's distance of more than 1 are a potential problem. In this sample, the maximum value for Cook's distance was 0.19, suggesting no major problems (Tabachnick and Fidell, 2007). Finally, the Durbin-Watson test was undertaken to test if the residuals were correlated. The test indicated a value of 2.150 which is considered between the acceptable levels (less than 1 or greater than 3 are deemed to be unacceptable) (Pallant, 2007). Therefore, this research sample appears to conform to what is expected for a fairly accurate model.

This discussion has demonstrated that the multiple regression model significantly improved our ability to explain the dependent variable (brand preference). Before interpreting the parameters showed in table 9.29, it is important to highlight that, in multiple regression, the model takes the form of an equation that predicts the value of the outcome variable Y from a combination of predictor variables, each multiplied by its own respective coefficient, plus a residual term.

$$Y = \beta_0 + \beta_1 X_i + \beta_2 X_i + \ldots\ldots + \beta_n X_i + \varepsilon_i$$

Or

$$\text{Brand preference}_i = \beta_0 + \beta_{1\text{controlled communication}i} + \beta_{2\text{uncontrolled communication } i} + \beta_{3\text{price}i} + \beta_{4\text{ quality}i} + \beta_{5\text{brand personality}i} + \beta_{6\text{service (employee+ location)}i} + \beta_{7\text{corporate status}i} + \beta_{8\text{country of origin}i} + \beta_{9\text{satisfaction}} + \beta_{10\text{perceived risk}i} + \beta_{11\text{reference group}i} + \varepsilon_i$$

The coefficients are referred to as β values which indicate the individual contribution of each predictor to the model. If we replace the β values into the equation, the model can be defined. In this way, the β values tell us about the relationship between the current predictors and outcome. If the value is positive, this indicates a positive relationship between the predictor and the outcome, whereas a negative coefficient represents a negative relationship. In this sense β values tell us to what degree each predictor affects the outcome if the effects of all other predictors are held constant.

In this context a t-test is derived in order to test whether a B value is significantly different from zero. Thus, t-tests are considered as measures of whether the predictor is making a significant contribution to the model based.

The critical t-values can be expressed based on the type of test. Directional relationships are hypothesised to address the effect of predictors on the extent of brand preference. Therefore, a one-tailed test of significance was used. For the 0.05 significance level, the critical t-values are above 1.645 for a one-tailed test and above 1.96 for a two-tailed test. For this model, 10 variables emerged as a significant predictors of brand preference and 1 variable emerged as non significant, which is service (location and employee) (t =0.-590, $p > 0.05$).

The standardised versions of the β values are, in many ways, easier to interpret, because they are not dependent on the units of measurement of the variables. The standardised beta values provided by SPSS and presented in Table 9.29 tell us the number of standard deviations that the outcome will change as a result of one standard deviation change in the predictor. All of the standardised beta values are measured in standard deviation units and so are directly comparable. Therefore, they provide a better insight into the importance of a predictor in the model. Table 9.29 shows that controlled communication (i.e. advertising) (8.774) is the most important, compared with the other predictors.

Table 9. 31 shows the partial correlations and the respective effect sizes for all predictor variables. Each effect size is simply the square of the partial correlation.

Table 9. 31. Partial correlations and effect sizes of predictor variables.

Predictor	**Partial correlation**	**Effect size**
Uncontrolled communication	0.230818	0.053277
Controlled communication	0.32562	0.106028
Brand personality	0.139825	0.019551
Price	0.177037	0.031342
Quality	0.176589	0.031184

Status	0.240015	0.057607
Service (location and employee)	-0.02182	0.000476
Country of origin	0.106151	0.011268
Satisfaction	0.206294	0.042557
Perceived risk	0.262577	0.068947
Reference group	0.229171	0.052519
Total	-	0.474756

The sum of all individual effect sizes is 0.475, which translates to all predictors together explaining about 48% of the variance. This is broadly similar to the estimated effect size of the total model, at around 50%; this lends confidence to the regression model.

Two feature of the table stand out. First, as suggested by the significance level (insignificant), service (location and employee) explains virtually none of the variance. Second, no single predictor variable makes a substantial contribution to the model. The largest individual effect size, at about 10.5%, is associated with controlled communication (advertising). This, operationally defining a large effect size as 15% (see, e.g., Pallant, 2007), is still well below large. It is only moderate. All other effect sizes—with the obvious exception of that associated with service (location and employee)—are small (using an operational definition of a small effect size as being below 7%—Pallant). Indeed, some such effect sizes, although significant, are trivial; that of country of origin, in particular, accounts for barely 1% of the variance. This strongly suggests that no single factor strongly influences consumer preferences, but the combined effect of several factors does.

The difference between the total variance explained by the model as a whole (at around 50%) and that explained by the sum of the partial correlations may simply be explained by slight divergences from assumptions of regression assumptions in the data. It would have been extraordinary, for instance if residuals had been perfectly normally distributed, or that errors had been 100% independent. A perfect correspondence between the two measures of explained variance would have demanded such perfect non-violation. The important corollary of this is that, because the two measures of explained variance are almost identical, this, in itself, corroborates the conclusion that there were no serious violations of regression assumptions. This lends further credence to the model.

9.8. FINDINGS FROM THE OVERALL RESEARCH HYPOTHESES

This section provides the results of the hypotheses, which investigate the relationship between the independent variables and brand preference.

9.8.1. Brand awareness dimensions

The literature suggests brand awareness is a function of advertising, word of mouth, and publicity (Park and Lessig 1981; Hoyer and Brown, 1990; Aaker, 1991). The factor analysis discussed above showed that brand awareness is largely explained by two factors, controlled communication (advertising), and uncontrolled communication (word of mouth and publicity).

H_1: the controlled communication (i.e. advertising) conducted by service provider has a positive impact on brand preference.

The statistics relating to research hypothesis 1 reveal that controlled communication (CO) has a significant impact on brand preference (BP) with a beta of 0.279 (t-value = 8.774). The associated effect size, as indicated, is the largest of all the predictor variables, explaining roughly 10.5% of the variance. Thus, the findings of the regression model indicate that research hypothesis 1, which predicts a positive direct relationship between controlled communication and brand preference, is supported at the 0.05 significance level. Therefore, the hypothesis is accepted.

The literature on controlled communication (advertising) and brand preference supports the results in which controlled communication (advertising) is likely to be the most influential determinants of brand preference (Ayanwale *et al.*, 2005). Empirical findings reported by Ulas and Arslan (2006) confirm that controlled communication (advertising) influences brand preference in Middle Eastern countries. The results of regression analysis also agree with the argument put by

Anderson *et al.*, (1992) and Loginova (2009), namely that controlled communication (advertising) in general is a major determinant of brand preference.

The results also are supported by Stafford and Day (1995), who empirically found that controlled communication (advertising) is important to the service industry, specifically in that advertising increases purchase intention (brand preference). Sohn and Choi (2001) empirically found a relationship between marketing strategies (advertising) and number of subscribers (a plausible proxy measure of brand preference—see Chapter 8). The relationship is illustrated in the present study, in a more articulated way: advertising (brand strategy) helps determine brand preference. So the company with the best brand strategy in terms of advertising (Orange) has the best advertising in the Jordanian market (see chapter 8). Brand strategy is the most important in predicting brand preference. Thus Orange's controlled communication is working well. Note here that the subscribers who moved from Zain or Umnaih to Orange mentioned that Orange's advertising was one of the factors that influenced the decision (see Chapter 8, Section 8.3.1). This suggestion is supported by Rajagopal (2006), who found that "persuasive advertising may influence consumer preferences" (p. 56).

H_2: good uncontrolled communication (i.e. word of mouth and publicity) about the service provider has a positive impact on brand preference.

The model has confirmed the significant contribution of uncontrolled communication in explaining brand preference. Multiple regression results reveal that uncontrolled communication has a significant impact on brand preference with a beta of 0.184 (t-value = 6.011). Thus, the findings of the regression model indicate that research hypothesis 2, which predicts a positive relationship between uncontrolled communication (word of mouth and publicity) and brand preference, is accepted. The literature supports this result (e.g. Grace and O'Cass, 2005b).

However, the t-value reveals that uncontrolled communication (word of mouth and publicity) is not more powerful than controlled communication (advertising). This result does not accord with literature. Bansal and Voyer (2000) suggest that uncontrolled communications (word of mouth and publicity) are more powerful than controlled communications (advertising) in influencing consumer behaviour. It might be that, if consumers do not have good experience with the brand, uncontrolled communications (word of mouth and publicity) could be more powerful than uncontrolled communication (advertising). Chapter 8 showed that Umniah is the best mobile phone service provider in terms of uncontrolled communication but that this has not enabled Umniah to be a serious competitor of Zain or Orange—Umniah is the third company in the market in terms of market share (24%), far behind Orange (35%), and Zain (39%). It especially is not a serious challenger outside the central region (Amman the capital, the three other big cities) (see chapter 8, section 8.2.2.1.6). Also note that although Umniah has a respectable market share, this has not changed during the last three years; also note that Umniah does not foster brand loyalty. As indicated, this may be in part because of its marketing policy—disposability does not foster "love".

One may wonder how Umniah managed to have the lead in uncontrolled communications. It is plausible that its integrated communications strategy, coupled with the company's astuteness, is responsible for this (see chapter 7, section 7.6.2.6). Presenting something in a new different way, probably results in a good outcome.

9.8.2: Brand image dimensions

Based on the proposed conceptual framework, the image dimension of brand preference is created by factors relating to the service and provider attributes. EFA identifies the most influential factors of brand image. Its results highlight six main factors, classified to two main groups: service attributes, which includes: service price and quality; and provider's attributes, which includes brand personality, country of origin, service (location and employee), and corporate status.

9.8.2.1. Service attributes

The EFA identified the two variables of service attributes as separate determinants of brand preference. These are price and quality (see Table 9.26).

H_3: perception of a reasonable price of the service has a positive impact on customer brand preference.

The results in Table 9.29 suggest that price has a significant effect on brand preference with a beta of .135 (t = 4.560). Thus, the regression model indicates that hypothesis 3 is accepted. The literature supports this result (e.g. Hutton, 1997; Smith and Sinha, 2000).

Price has been responsible for the success of Umniah more than Zain, Orange, and XPress. Paradoxically, XPress offers the cheapest price in the market, but, as discussed (chapters 7 and 8), its poor communication strategy has resulted in its low market share (2%).

Umniah offers better prices than Zain and Orange. It could be argued that Umniah adopted the strategy of cheap price to compensate for its poor service quality, in addition to using price to place it at a competitive advantage (see chapter 8). This suggestion accords with the literature (e.g., Zeithaml, 1988; McDougall and Levesque, 2000). However, the small effect size of price suggests that Umniah may have to rethink its pricing strategy and its branding.

However, this result does not accord with the findings of Caruana *et al.* (2000). They found little influence of price on consumers' evaluation of auditing services. It might be that difference between mobile phone and auditing services account for these different results. Grace and O'Cass (2005a) in contrast to Caruana *et al.*, (2000), present evidence, that, in service industries, price with other variables are used by consumers to evaluate the brand.

Nonetheless, prices in the Jordanian market are not ideally linked to factors such as quality (in the case of Umniah), communication strategy (in the case of XPress), or even brand value (in cases of Zain or Orange). Use of price could offer advantage to each in their mutual war. XPress might, for example, consider increasing its prices together with advertising targeted to sophisticated, rich customers. With cunning sales pitching, XPress might be able to increase market share *and* charge higher prices. Note here that XPress currently occupies a niche market. Raising its prices could use this fact as a virtue—only the cleverest, smartest, suave, et cetera people (i.e., the types of people most people aspire to be) are the sorts of people who use XPress services; *lesser* people use Orange, Zain, or (even worse) Umniah services.

H_4: perception of positive quality of the service has a positive impact on brand preference.

Table 9.29 suggests that quality (Q) has a significant effect on brand preference, with a beta of .132 (t = 4.477). Thus, the findings of the regression model indicate that hypothesis 4 is accepted.

The literature on the relationship between service quality and brand preference supports this conclusion (e.g. Aaker, 1996; Hutton, 1997; Tse, 2001; Hellier *et al.*, 2003; Keller, 2003; Kapferer, 2008).

Support for a service quality-brand preference relationship is also provided by Atiyas and Dogan (2007). They show that, for telecommunication companies, the company with the best geographical coverage is likely to be preferred over others. Orange provides relatively the best (coverage) quality (see chapter 8), yet Zain has the advantage of the quality of service roaming (see chapter 7).

Umniah's service quality is not as good as that of Zain and Orange, especially outside the central region of Jordan. This could explain why Umniah's market share is weaker than Zain's and Orange's, especially outside the central region of Jordan (see chapter 8).

The situation is akin to that in the UK. The UK mobile phone service providers (*O2* and Vodafone) with the best coverage are the most preferred: *O2* is the market leader (27%), followed by Vodafone (25%); T-mobile, by contrast, has much less market share (15%) (BBC, 2009).

9.8.2.2. Provider's attributes

EFA suggests four variables of provider's attributes mainly determine brand preference: brand personality, service (location and employee), country of origin, and corporate status

H_5: perceived good brand personality of the service brand has a positive impact on brand preference.

Table 9.29 shows that brand personality (PER) has a significant impact on brand preference (BP) with a beta of .101 (t = 3.539). Thus, the findings of the regression model indicate that research hypothesis 5 is accepted.

Aaker (1999) states that customers prefer brands with which they share personality characteristics. Zain uses this understanding better than other companies to attract consumers (see chapter 7). The descriptive findings of the present study (see chapter 8) illustrate the success of Zain's strategy in this regard. Zain has the best brand personality in the market. Thus, Zain differentiates itself, and this helps explain consumers' preference for it. Zain is the most preferred company in the market. This conclusion accords with the literature (e.g., Fournier, 1998; Aaker and Joachimsthaler; 2000; Rajagopal, 2006).

What differentiates brand personality from other variables that influence brand preference, is its ability to ensure a constant brand image over time (Aaker, 1996). For example, Orange won the first place in advertising after rebranding (see chapter 8), although it did not become the leader in terms of brand personality. Surprisingly the present study suggests brand personality is the next to the least important predictor. It might be that this has arisen because the situation in the market has changed recently—the entry of Umniah, and rebranding of Orange and Zain in turn (see chapter 7)—and because Zain still reaps the fruits of its shrewd past tactics. However, descriptive statistics (see chapter 8) suggest that Zain's position is eroding, and the past tactics seem do not work enough these days; the churn rate is an indicator of this (see Chapter 8).

H_6: Perception of good service (location and employee) of the service provider has a positive impact on brand preference.

Table 9.29 suggests that service (location and employee) (S) has no significant influence on brand preference with a beta of -.017 (t = -.590). Thus, the findings of the regression model indicate that a hypothese 6 is rejected. This result does not accord with the literature (e.g. O'Cass and Grace, 2004; Kim and Moon, 2009). However, the nature of mobile phone market could justify this result. The services (such as semi-cards and top up operations) are available at different locations, such as shops, bookstores, cash machines, and other places. This means customers do not always need to go to service providers' branches to get the service. In this, the Jordanian mobile phone service industry appears similar to that of the UK. In the UK, mobile phone users can top up their mobile phones almost anywhere—via a variety of shops, the Post Office, even via the Internet. With the partial exception of the Internet (Internet banking services in Jordan are in their infancy), the same is true of Jordan.

H_7: good country of origin of the service provider that has good reputation in providing such service has a positive impact on brand preference.

Table 9.29 shows that administrative country of origin (COO) has a significant impact on brand preference (BP) with a beta of 0.078 (t = 2.726). Thus, the findings of the regression model indicate that research hypothesis 8 is accepted. The literature supports this result (e.g. Han, 1990; Nowlis and Simonson, 1997; Lim and O'Cass, 2001; Yasin *et al.*, 2007).

The literature (e.g., Agrawal and Kamakura, 2000) suggests country of origin is an important matter for brand managers, and affects brand preference. Orange's brand strategy (via, e.g., advertising) utilized this issue carefully; it presented itself as a French high tech company in comparison to local companies that lacked its sophistication . The descriptive statistics (see chapter 8) suggest that Orange makes the best use of country of origin.

In the Middle East, almost everything involves politics; thus politics in the Middle East impinges on daily life. Fortunately, perceptions of France are not bad in Jordan, especially in comparison to other western countries (e.g., the USA). France has not recently been involved in any hot political spot in the Middle East, including Israel. Sandikci and Ekici (2009)—in a study about politics and brand in Turkey—found evidence that politics causes some consumers to reject brands. Note, however, that the other three companies in Jordan are Arabic. Because of this, plausibly, country of origin is not such a big issue as regards mobile phone service providers in Jordan, but still plays a role.

The present study found that Country of origin is the least important predictor. This accords with the literature (e.g., Maheswaran, 1994) that states that good familiarly and knowledge of the product (service) may reduce the importance of country of origin.

H_8: Perception of good corporate status of the service provider has a positive impact on brand preference.

Table 9.29 shows that corporate status has a significant impact on brand preference (BP) with a beta of 0.189 (t = 6.321). Thus, the findings of the regression model indicate that research hypothesis 9 is accepted.

A number of authorities discuss the influence of corporate status—corporate image and reputation—on consumer decisions (e.g., Barich and Kotler, 1991; Nguyen and LeBlanc, 2001; Keller and Lehmann, 2006) (chapter 8). Some empirical research suggests corporate status does influence consumers (e.g., Creut and Brodie, 2007). Other empirical research does not. A study of the Turkish mobile telecommunication market (Aydin and Ozer, 2005) found that corporate status (especially image) had no influence on consumer preferences. It might that the different characteristics and the nature of competition in Jordanian market are different. Jordan is much smaller than Turkey, and competition is high between companies, especially between Zain and Orange. Rebranding for both of the companies (see chapter 7) fired this competition, and highlighted the importance of corporate status. In any event, the result of the present study accords with at least some of the literature.

9.8.3. Consumer attributes

EFA identified three main variables that determine consumer attribuites: satisfaction, percived risk, and reference group.

H_9: Customer satisfaction with the service has a positive impact on brand preference.

Table 9.29 shows that customer satisfaction has a significant impact on brand preference (BP) with a beta of 0.162 (t = 5.265). Thus, the findings of the regression model indicate that research hypothesis 8 is accepted.

The literature (e.g., Westbrook and Oliver, 1981) supports this conclusion. The literature suggests that customer satisfaction retains customers and increases their preference. For example, Cronin and Tylor (1992) argue that customer satisfaction leads to positive brand attitude (e.g., brand preference), and customer dissatisfaction leads to negative brand attitudes. The descriptive phase of this study (see chapter 8) illustrates this. The most preferred company, Zain, has the most satisfied customers. Here note that Grace and O'Cass (2005a) present evidence that customers are initially satisfied with new services (of any sort), but that dissatisfaction (when it occurs) comes later. Thus many factors influence customer satisfaction. These factors may need time to take effect.

Grace and O'Cass (2005a) found a correlation between brand strategy (e.g., advertising) and satisfaction. The results of the present study accord with this. Note, however, that mobile phone service providers capitalize on consumers' expectation when designing their advertising—Orange uses a high tech brand image, Zain uses a family brand image, and so on (see chapter 7).

H_{10}: Customer perception of low risk of the service has a positive impact on brand preference.

Table 9.29 shows that customer perception of low risk has a significant impact on brand preference (BP) with a beta of 0.214 (t = 6.962). Thus, the findings of the regression model indicate that research hypothesis 10 is accepted. The literature supports this result (e.g., Dunn *et al.*, 1986; Mieres *et al.*, 2006). See chapter 8.

H_{11}: Reference group has a positive impact on brand preference.

Table 9.29 shows that reference group has a significant impact on brand preference (BP) with a beta of 0.175 (t = 6.018). Thus, the findings of the regression model indicate that research hypothesis 11 is accepted.

Reference groups are known to influence customer behaviour (Moschis, 1976; Bearden and Etzel, 1982; Escalas and Bettman, 2003). This influence has been examined with reference to the product/service or brand purchase decision (Bearden and Etzel, 1982; Escalas and Bettman, 2003). Customers mentally invoke their reference group to choose between alternatives. This suggestion links to a study by Weber and Hansen (1972), who found that reference groups can encourage people's preference toward a product (and see White and Dahl, 2006). Thus this result of the present study accords with the literature.

9.9. CORROBORATIONS OF THEORY AND THE LITERATURE

The quantitative inferential phase of the study corroborates what theory and the literature suggests. It does so in three ways.

9.9.1. No single factor explains brand preference

The regression model shows that no single factor dominates it; brand preference is determined by many variables. This result accords with the previous models of brand preference.

However, this reflects the purpose of brand strategy. For a brand strategy to be effective the architects of the strategy must understand how customers feel about the brand over time. Brand preference monitoring thus focuses less on service features, which change regularly, and more on lasting company attributes—reliability and trust, for instance. This accords with what de Chernatony and Dall'Olmo Riley (1998) suggest, namely that branding a service reduces purchase uncertainty and creates brand preference.

This result, namely that the determinants of brand preference are multifarious, appears robust. Although the present study used an alpha level of $p = .05$ and thus left itself open to Type I errors, nine of the predictor variables were significant at $p = .005$, or higher, and all significant predictor variables were significant at $p = .01$ or higher.

Also that the values of R^2 and adjusted R^2 suggest that the regression model explains around 50% of the variance in customer satisfaction. Although this high level of explained variance lends credibility to the model, it still leaves around 50% of the variance unexplained. Where, one wonders, does this unexplained variance come from? Clearly, it must come from a factor or factors not included in the model—

plausibly, these could in part be "random"; equally plausibly, they could be "rational" but not included in the present study—aesthetic qualities, for example, could (and almost certainly do) affect influence customer brand preference. Unfortunately, it was beyond the wit of the present researcher to include all conceivable variables, and, in any event, even if he had, such would plausibly have involved much time-wasting. One can only do so much in any one study. The important thing, as indicated, is the conclusion is robust: the determinants of customer preference are multifarious. Indeed, they may vary from customer to customer.

On this issue, one may note that many authors use regression models using few predictor variables. This may simply be for statistical convenience—it is easier to interpret regression models with few predictors than those with many. In this regard, note that statistical significance per se is not especially important—many "significant" relationships are trivial in practice (see e.g., Carver, 1993). The important thing is effect size. For a significant relationship to be non-trivial demands that the effect size is large. The effect size in the present study is very large—at about 50%. However, because there were 10 significant predictors in the model, no single one in the model had a substantial effect size. Indeed, as indicated, only one predictor—controlled communication—had even a moderate effect size, and some—especially country of origin—had trivial effect sizes. This reinforces the conclusion: the determinants of customer preference are multifarious.

It also demonstrates that investigations that involve fewer variables are likely to be inherently flowed.

Finally on this issue, note that a regression model, like a correlation of a factor analysis (see above), does not in itself demonstrate causality. Thus, although the regression model in the present study suggests many factors influence customer preference, it does not *prove* that any does so. It only suggests that all do. This suggestion is plausible, both on intuitive grounds and given the literature.

9.9.2. Service (location and employee) in the mobile phone industry has different priorities

The literature suggests (e.g., de Chernatony, 2006) that, as a general rule for the service sector, service (i.e., location of shops that provide the services, the number of shops, ease of contact with company employees, and so forth) is important—people will choose those service providers they can find easily. Such is common sense. However, the results of the present study suggest that service (location and employee) is irrelevant in the Jordanian mobile phone service industry, and, plausibly, that it is irrelevant elsewhere, too, specifically and increasingly for these services that are deliverd digitally. There is an easy explanation for this. One can buy, top up, recharge, change the batteries of, replace the SIM card of, et cetera, a mobile phone almost anywhere, regardless of retail outlet.

9.8.3. Brand strategy must be pivotal to brand preference

In marketing, as in life, *honesty is the best policy.* If the strategies (actions) that mobile phone service providers claim are perceived to be true by consumers, mobile phone service providers will be seen to be honest, and this will foster their long-term prosperity. In other words, mobile phone service providers' brand strategies have to meet the perception of in consumers' minds (*brand preference determinants*). Knox and Bickerton (2003) states that "The goal of branding [brand strategy] as it evolved over this period [40 years] has been to explore ways to added value to the basic product and service thus create *brand preference* [emphasis added] and brand value" (p.1001). If not, the brand strategies will be sub-optimal. In the case of Zain, Orange, and Umniah, the indicators of brand preference meet brand strategies, albeit imperfectly. Orange's claims, for example, that Orange has the best quality in the market. Consumers not only appear to belief the claim; the claim also appears to be true.

In the case of XPress this congruence appears absent.

9.10. SUMMARY

This chapter has presented the quantitative research variables by using EFA, and multiple regression. First EFA identified the variables based on respondents' view. Second multiple regression identified how much these variables can explain of variance in brand preference, and their relative importance in this explanation. Figure 9.9. shows the relative sizes of the standardized slopes of all 11 predictor variables for brand preference.

Figure 9. 9. Relative sizes of standardized slopes of the predictor variables of brand preference in the regression model.

As indicated, all predictor variables except service (location and employee) were significant predictors. The results of the regression model, with the exception of that pertaining to service (location and employee), accord with the literature.

The figure shows that no one single predictor dominates the model, though controlled communication—as is suggested by the literature—is the most important. Five other predictors, however, appear highly important: satisfaction, reference group, uncontrolled communication, corporate status, and perceived risk. Country of origin was the least important significant predictor. Somewhat surprisingly, given the success of Zain's (Chapter 7) marketing campaign (strongly related to brand personality), brand personality is the next least important predictor.

Overall, the figure suggests what common sense and the literature suggests, namely that brand preference is determined *synergistically*. Brand preference is determined by several factors. Here note that the regression model as a whole explains about 50% of the variance in brand preference. Given that no single factor dominates the model, this suggests that no factor *by itself* determines brand preference.

CHAPTER 10: OVERALL DISCUSSION AND CONCLUSION

10.1. INTRODUCTION

The present chapter first summaries and integrates overall results of the present study. It then discusses how its results relate to the literature and how, in some respects, they accord with it and how, in others, they are at variance with it. It then discusses limitations of the study. It then examines the value of the present study, pointing to areas for future research and areas of interest, both to academics and to those working in the telecommunications industry.

10.2. OVERALL RESULTS

Overall results are presented individually, in terms of specific objectives, then as integrated results.

10.2.1. Objective 1

Objective 1 was to explore Jordanian mobile phone service providers' brand strategies and their role in building and/or influencing brand awareness, brand image, and consumer attributes. This objective was realised via qualitative analysis of comments from the senior management of each of Jordan's four mobile phone service providers, coupled with some historical details of each of the four companies. The results were clear. First, company managers perceived the importance of brand strategy, and in particular of fostering brand awareness and developing positive brand image among consumers. It also pointed to the managers' awareness of the need for management to understand and monitor consumer attributes. The one exception to this was XPress, whose brand strategy, as indicated by the interview data from the company managers and the company history, was, in effect, limited to non-existent.

Second, and following from this, the results point to the importance of brand strategy in fostering brand preference. It is notable that the least successful company—XPress—had a service that was objectively "better" than that of its interloping rival—Umniah. Umniah's relative success in this regard is plausibly attributable to its highly focused and integrated branding. Umniah, in effect, succeeded in selling second-class services by providing an appropriate image, appropriate added values, and understanding its consumers. In this, it matched tactics— targeting university populations, for instance—with its strategy—presenting a "young", "fun-loving" image—in order to dominate the youth market.

Third, with the possible exception of Umniah, the companies that used branding did so in a gradual manner. The marketing ploys of Zain and Orange in particular were sometimes fumbling. Zain, for instance, developed its brand strategy reactively, first to the competition from Orange, second from that of Umniah. Zain, despite its initial advantage, was clearly inconvenienced by the competition, and had to undertake a substantial review of its branding. The result was sometimes schizoid. Zain now sells itself as a "global" company, for instance, while still promoting itself as an Arab company (it is not global; it is mostly Middle Eastern and African). It also presents itself as a technically superior company; this is debatable—consumers, at least, perceive Orange services as being technically superior.

XPress, insofar as it used branding, was likewise schizoid. In its early days it successfully targeted business users, and in doing so developed a niche market for quality services for those with the need for such services and the money to pay for them. It then negated this success by, in effect, branding itself as a blue-collar service. This plausibly backfired and cost XPress dear in terms of credibility and consumer perceptions.

Orange's marketing too was sometimes stumbling. It took the company time to disassociate itself with its, albeit unfair, "Israeli" image. It also took time to present itself effectively as a global company—in its initial stages in Jordan, it operated under the name Mobilcom, thereby denying itself the advantage of being seen as a genuinely global company.

Such developments suggests, as indicated in Chapter 7, that successful brand strategies evolve in the face of competition. The one exception to this is Umniah, which entered the market with an apparently coherent strategy from the outset. However, it seems likely that Umniah will have to refine its strategy. Its early strategy, of targeting the youth market, and, in effect, making a virtue of being "disposable" may not work in the long-term.

This last point is borne out by analysis of the consumer market. This leads to Objective 2.

10.2.2. Objective 2

Objective 2 was *to examine mobile phone services and their users and usage in Jordan.* The objective was realised by quantitative analysis of descriptive statistics pertaining to customer attitudes to the mobile phone services on offer. Broadly, the results again were clear, strongly suggesting that customers respond to company branding strategy in the ways that the company marketers wish them to respond. This is witnessed not least by the low levels of consumer perceptions of XPress services, and the conversely high perceptions of those of Zain and Orange. These differences in perception reflect the importance given to branding by the companies.

The most important descriptive, however, pertain to the churn rates. These, arguably, are a good indicator of brand preference. As indicated (Chapter 4), brand preference is (or should be) the goal of brand strategy, because it helps ensure the long-term life of a company. A high churn rate—in other words, a high percentage of existing customers willing to even consider using a rival brand—may be seen as a structural weakness in a company's brand strategy. The main victim of this appears to be Zain. Zain has a high churn rate. Worse, although its major rivals (Orange and Umniah) are also losing customers (or at least have customers who are considering leaving them), Zain appears to losing more customers than it is gaining. The churn rate for Zain being negative, at –4.2, reflects this. Worse still (Chapter 8), Zain does not seem to be attracting any new customers from either Orange or Umniah. This may be a consequence of Zain's brand strategy. It has presented itself as the most prestigious company. Evidentaly, as indicated, it is not. Customers perceive Orange as "better", at least in terms of service quality and advertising. This too is reflected in the churn rates. Orange's churn rate is positive, at .33. Orange's churn rate suggests that it is gaining almost as many customers as Zain is losing. In other words, Orange is poaching customers from Zain.

The situation is also problematic for Umniah. Although Umniah, like Orange, has a positive churn rate, at 0.07, it is low. It suggests that Umniah is losing almost as many customers as it is gaining. Moreover, brand preference appears especially low for Umniah, with 24% of its customers contemplating switching brand (presumably to Orange). This does not, as indicated, bode well for the company's future, if brand preference is a guide. Unless Umniah changes its strategy, it will have to rely on finding new customers—presumably young, "fun-loving", and relatively impecunious, in perpetuity. This does not appear an optimal strategy. Moreover, it would seem to buck against world trends. Demographically, the world's population is ageing (e.g., Lomberg, 2001), and this is as true of the Middle East as anywhere else.

At an anecdotal level, the researcher found in his research in Jordan that, although many students admitted to using Umniah services, many were embarrassed about doing so, seeing it as "trivial", "frivolous", "immature". This impression is supported by the descriptive statistics, with more Umniah customers as having less brand preference, being less satisfied, perceiving lower quality, perceiving worse brand personality, receiving worse controlled communication, perceiving their company as lower status, and perceiving the company's country of origin more negatively than those of Orange and Zain. In these Umniah mostly does better than XPress, but nonetheless very badly considering its presence in the market. Umniah does better on price and on uncontrolled communication than do Orange and Zain, but, surprisingly, it does worse on price than XPress. As indicated, the good news for Umniah is that it has succeeded in selling second-class services to large numbers of customers. The bad news for the company is that the customers seem to know it.

Reasons for brand switching also testify to the importance of branding. Reasons for switching included service quality, advertising, price, and brand personality. In all of these save price Orange had the advantage over its rivals. This was despite customers, overall, perceiving Zain's brand personality as slightly better than that of Orange. The point is that, of those customers who wanted to switch, many cited Orange's (presumably better) brand personality as a reason. The converse was not true for Zain.

10.2.3 Objective 3

Objective 3 was *to determine the factors that influence consumer brand preference in the telecommunications market.* Here, there were two specific objectives: (a) to determine whether the specific determinants suggested by the literature could be simplified, and (b) to determine and quantify the specific determinants of brand preference. Both were determined using quantitative analysis, using (PCA) coupled with (multiple regression).

To answer the second question first, the present study found that the list of putative determinants could be simplified, from an original list of 14 to a working one of 11. Uncontrolled communication was found (by PCA) to be one factor comprising WOM and other forms of uncontrolled communication (publicity). Similarly, location of section and employee behaviour were conflated into a single factor, service, and the newly named corporate status, is a blend of corporate reputation and corporate image. As indicated (Chapters 5 and 6), this result is unsurprising.

Two things are apparent from the subsequent regression analyses, each highlighted in the discussion in Chapter 9. First, the determinants of brand preference appear multifarious. All except one of the refined (i.e., 11) putative determinants of brand preference were significant (service—location and employee—was the only insignificant factor). This suggests as is discussed below, that the literature that suggests that branding is a holistic enterprise is substantially correct. Branding does not comprise just one, or even a few, integrated activities; it comprises several. Second, no single factor, as judged by the estimated effect sizes associated with each, was overwhelmingly important: no factor accounted for as much as 11% of the variance in brand preference, and, related to this, several (uncontrolled communication, controlled communication, corporate status, perceived risk, and reference group) each accounted for over 5%. Of the remainder, only two (brand personality and country of origin) accounted for a relatively trivial amount (less than 2%) of the variance.

Two further points arise from this analysis. The importance of added values in branding is witnessed especially by the relative importance of reducing perceived risks, high corporate status, and reference group. It is also witnessed albeit less directly, by the importance ascribed to controlled communication, at least insofar as much controlled communication (advertising) concerns itself, not with "facts", but with added values (Chapter 3).

The second point may appear puzzling. Although the regression model was "successful" in explaining the factors that allegedly determine brand preference appear associated with it, in themselves they explain only about 50% of the variance in brand preference. Given that the list of putative determinants of brand preference in the model was relatively "exhaustive", one may ask where the remainder of the brand preference comes from. The model leaves around 50% of brand preference unexplained. Discussion on this point is reserved for limitations of the present study (see below).

10.2.4. Integration of objectives

The present study used an embedded design, in which three approaches were used to investigate one overarching theme, namely whether and the extent to which companies in the Jordanian telecommunications service use brand strategy to promote brand preference, and whether, if they do so, their practice is effective.

The results of each approach, despite the diverse methodologies employed, point to substantially the same conclusions. These have been already been discussed at length, in both this and in previous chapters. It therefore suffices to summarise *specific* conclusions, as in Table 10.1.

Table 10. 1. Specific conclusions of research.

Number	Conclusion
1	Brand strategy is vitally important in promoting brand preference.
2	Brand strategy is holistic.
3	Brand strategy involves the creation of added values.
4	Brand strategy tends to evolve, not to emerge pre-formed. It is dynamic.
5	Brand strategy involves the integration of strategy and tactics.

6	Brand strategy necessarily involves understanding consumer attitudes and behaviour.
7	The first to enter a market may obtain a competitive advantage because of it, but this initial advantage may be lost.

The results of the present study also point to two *general* conclusions, as in Table 10.2.

Table 10. 2. General conclusions from the present study

Number	Conclusion
1	Brand strategy tends to evolve within companies and can be reactive rather than proactive.
2	Companies foster brand preference via three-stage process: fostering brand awareness, fostering brand image (creating added values), and understanding consumer attributes.

The specific and the strong conclusions are corroborated by the interviews with the company managers (Objective 1) and from analysis of consumer attributes (Objectives 2 and 3). One may therefore accept the strong conclusions as working hypotheses, to inform practice and further research.

10.2.5. The results of the present study and the literature

10.2.5.1. Corroboration of the literature

The results of the present study, in that they suggest that branding is both important and holistic, accords with the literature, especially the general models suggested by Urde (1999), Aaker and Joachimsthaler (2000), Davis (2000), and Keller (2003). Davis's model is especially important (cf. the experience of Zain and Umniah) in that it suggests the importance of long-term thinking as regards corporate strategy—a perspective echoed by general management thinking (cf. Edwards Deming, 2000). Both Zain and Umniah, if the descriptive results of the present study are to be believed, may suffer in the long-term by failing to address quality sufficiently. As regards the service industries, the results of the present study accord with Berry's (2000) model, which, as indicated (Chapter 3), suggests the importance of perceived risk in service industries. Berry also highlights the importance of controlled and uncontrolled communication—factors that are also shown to be important by the present study.

The results also highlight the importance of advertising. As indicated, although no single factor was of overarching importance in determining brand preference, controlled communication, as judged by the effect size associated with it, was by far the most important single factor, accounting for almost 11% of the variance in brand preference. This not only accords with the literature (e.g., Ayanwale *et al.*, 2005); it is also unsurprising on intuitive grounds. Although advertising in itself may not, as indicated (Chapter 3), "persuade" people to buy a product or service, it may be necessary for promoting brand awareness; it may be efficient at—indispensible in—providing added values (again, cf. Marlboro Man), and may be similarly efficient (or indispensible) at reducing perceived risk.

10.2.5.2. Disagreement with the literature

Such agreements with the literature notwithstanding, results of the present study do not fully accord with all the literature. Arguably, the most important difference is the salience of brand preference in the results of the present study coupled with the lack of salience accorded to brand preference in the literature (especially de Chernatory and Segal-Horn, 2003).

To an extent, this may be an artefact. The present study framed its questions in terms of brand preference, so it is unsurprising that it found some association between its level and the various putative causal agents in its determination. Nonethless, it is surprising that this association has been missed by other authorities, particularly given the conceptually vital importance of brand preference. As indicated (Chapters 3 and 4), brand awareness, brand loyalty, and so forth, count for little if customers do not actually pay for the brand. Again as indicated, with few exceptions (e.g., Nilson, 2000; Lin, 2002), the literature (e.g., Aaker, 1996; Keller, 2003; de Chernatony, 2006; Kapferer, 2008) ascribes at best coincidental importance to brand preference.

The literature also suggests greater importance to some factors than appears warranted by the results of the present study. This seems especially so of location (e.g., Laroche and Manning, 1984; O'Cass and Grace, 2004; Yoon *et al.*, 2009). Such literature suggests location of outlets is highly important in determining brand preference. Similarly, the literature suggests, especially as regards the service sector, employee behaviour is important (e.g., de Chernatony, 1999; de Chernatony and Segal-Horn, 2003; Grace and O'Cass, 2005a). Yet the present study found (a) that each of these factors may by subsumed under a single factor (service), and (b) that this new factor was unimportant (i.e., insignificant) as regards determining brand preference.

To an extent, this may be an artefact. All mobile phone service providers in Jordan provide relatively convenient access via location, so one may not expect it to be a significant factor in determining brand preference in the country as regards the four mobile phone service providers covered in the study. For comparison, it is fair to assume that there is no brand preference for, say Vodafone in Jordan because there are no outlets for the company in the country. Nonetheless, it is plausible that the four Jordanian mobile phone service providers do differ in employee behaviour, yet this does not appear to have affected brand preference. Equally surprising, country of origin accounted for very little brand preference—this despite the reported chauvinism in the Middle East (Sandikci and Ekici, 2009), and the importance of chauvinistic factors reported in the literature (Sandikci and Ekici, 2009). Chauvinism in the Middle East, as regards mobile phones, appears "skin deep".

10.3. ORIGINALITY/ VALUE OF THE PRESENT STUDY

To the researcher's knowledge, there is no single theoretical or empirical study that addresses branding of mobile phone service industry in Jordan. Also as indicated, (Chapter 5) authorities point to a general "empirical gap" in the literature on branding, not just to branding in the Middle East. Thus a major contribution of the present study is to help fill this gap. It does so in three ways: (a) it provides evidence concerning the general way in which companies may use branding, (b) it provides evidence concerning branding that may be specific to mobile phone service providers, and (c) it provides evidence concerning branding that may be specific to Jordan or the Middle East.

Equally if not more important, the present study may be of value to theory. Through its focus on brand preference, it suggests a recategorisation and integration of existing branding models (see Chapter 3). The model suggested by the present study bridges gaps in the previous models, and suggests a better understanding of the processes that lead to brand preference. However, an important part of the model is that it suggests three antecedents of brand preference: fostering brand awareness, enhancing brand image, and understanding consumer attributes. The suggested model accords with Popper's philosophy (see Braun, 2003). Good models are always accepted provisionally, and good models are those that promote understanding.

The present study, also, provides substantive information pertaining to various areas of branding theory. These comprise: consumer-brand relationship literature; consumer-oriented brand equity literature; and brand strategy literature. It provides insight into how brand strategy evolves and influences brand preference in mobile phone service industry.

The study has identified the interface points between brand strategy and brand preference. It has drawn conclusions a propos the importance of brand awareness, brand image, and consumer attributes as a *bridge* between companies and consumers, and the importance of brand strategy as being a multi-conceptual concept in nature.

Finally, the present study contributes to research knowledge through promoting a novel combination of mixed methods (embedded design) to gain insight into knowledge concerning *brand and consumer* relationships. This approach and the way that it is built into this study provides a richness of perspectives. Embedded design allows marketers to better understand marketing and branding in its context. This study suggests how embedded design may be used and as such may be useful to other researchers.

10.4. LIMITATIONS AND FUTURE RESEARCH AGENDA

The research was carried out with the intention of being as accurate as possible. However, as with all marketing projects, it is impossible, in principle, to be free of limitations perfectly. Thus, further research might address these limitations.

In this study not all brand preference antecedents were investigated, yet the present study intended to include most of them, or *ideally* the most important ones. Therefore, further research should consider additional potential brand preference antecedents, in order to gain a comprehensive perspective of all these antecedents. However, it is plausible that the literature cannot account for all aspects of brand preference—chance may come into it. Random elements may plausibly upset, or muddle, the best laid out marketing schemes.

Related to this, it is possible that brand preference is moderated by factors largely outside service providers' control. For example, customer demographics (age, income, etc.) may differentially affect tastes in mobile phones, and reactions to controlled and uncontrolled communication (e.g., Jamal and Good, 2001; Lin, 2002). It is very plausible, for instance, that rich people prefer some types of mobile phone services to others, and that the converse is true of poor people. It is equally plausible that rich people differ from poor people in their reactions to advertising and types of advertising. For such reasons, researchers talk of segmenting the market (e.g., Lin, 2002). Psychographic (e.g., personality, lifestyle) variables may also be relevant (Lin, 2002).

As regards the present study, there was no indication from the four companies that they currently "segment" the market, given that all four mobile phone service providers—to greater or lesser extent—target a broad range of users. Moreover, the qualitative evidence suggests segmentation does operate within Jordan. XPress did better when it operated in a niche market (catering for corporate executives) than when it entered the blue collar market. Similarly, Umniah did best when it targeted only relatively poor (i.e., young) people.

Segmentation variables were not included in the present study for three reasons. First, as indicated, at the time of the research, no Jordanian service provider was targeting a niche market. Second, to have included segmentation variables would have complicated an already complex statistical analysis. Third, segmentation variables are not the only potentially complicating factors. There is government policy, for instance. There are also numerous episodic activities of different mobile phone service providers in different locations. All these, plausibly, add to the random "noise" that affects brand preference. If one were to have included any one such complicating factor, it may have been difficult to find good reason to exclude others—one has to delineate a research model somewhere. These are concerns would that would have to be dealt within further research efforts.

The present study was concerned with the mobile phone service provider industry. Some results may be peculiar to this industry. What holds true of mobile phones need not generalise to other services. For example, it is very plausible that service—both in terms of location and employee behaviour—is highly important in restaurant services. Thus, further research is encouraged to compare brand preference antecedents in different service industries.

The present study was based exclusively in Jordan. Middle Eastern nations may be distinct from Western nations (Chapter 2). Jordan may be unusual even by Middle Eastern standards. Generalising from the telecommunications industry in Jordan to that in other nations might therefore be problematic. This is to say, the general features of the telecommunications industry—fierce competition, rapid technological progress, widespread adoption of mobile phones as compared with other forms of telecommunication—appear to apply to Jordan as much as they do to other parts of the world (Chapter 2). Thus it may be that, though the results of the present study might not be generalisable to other industries, they are broadly generalisable to mobile phone service providers in other world regions, especially middle income ones. Therefore, an interesting area of research would be to examine if this assertion is true by examining it in other countries.

The present research focused on mobile phone service industry. Although the importance of this market has been shown to be valid (since it reflects all the parameters were set), further research can focus on other telecommunications industry (e.g., Internet broadband service industry), or make a comparison between them.

Another limitation pertains to the quantitative measures; as indicated, they were often proxy measures. The amount of advertising, for instance, was measured by how consumers perceived the advertising. Similarly, prices of the services were not recorded in financial units, but in how consumers perceive price. That such measures are only practically accurate is witnessed by the variance in respondents' valuations. Different respondents gave different Likert scale evaluations. Thus the research assumes that, on average, respondents came up with broadly accurate judgments or, failing that, were all systematically inaccurate in their judgments.

In this, use of Likert scales involves an act of faith. However, it is a common one: use of Likert scales is common in the literature (e.g., Aaker *et al.*, 2007; Hair *et al.*, 2003). Moreover, in broad terms, use of Likert scales for attitude measurement has been shown to be valid (Aaker *et al.*, 2007). Accordingly, this would not appear to be a severe limitation as regards the present study. Other research may, however, consider developing alternative measures develop new methods of measuring attitude, and compare them with the current ones (e.g., proxy measures). This can also build and test the validity of the findings of the present study.

There is another limitation regarding sample. There were two samples: the sample of managers and the sample of students. As indicated in Chapter 6, the sample of managers was representative by definition—it comprised, in effect, the majority of Jordan's senior managers who worked in Jordan's mobile phone service provider industry. In other words, the sample of managers was, in effect, virtually the same as the population.

The other sample (quantitative sample) was limited to students. The sample appears to be representative of Jordanian students. As the sample was large and has followed the best sampling technique for accuracy and precision (e.g., probability multi-stage random sample). This might free the data from systematic bias, as many authorities (e.g., Hair *et al.*, 2003; Easterby-Smith *et al.*, 2008; Sekaran and Bougie, 2010) suggest that large sample size is more representative, and robust enough to withstand generalisation to the whole university students of Jordan.

This suggestion is backed by the response rate of the questionnaire, which is considered relatively high (see chapter 6). However, further research can conduct other experiments with group with different characteristics (e.g., housewives, public servants, customers that visit mobile phone service outlets, etc).

10.4.1. Further future research based on research findings

In addition to what already mentioned above. The findings of the present study have two implications for academics, and practitioners and managers. These implications are discussed in the following sub-sections.

10.4.1.1. Implication for academics

The implications for academics are twofold. First, results of the present study need to be corroborated. Second, areas of uncertainty need to be clarified.

10.4.1.1.1. CORROBORATION STUDIES

As indicated, the general conclusions (Table 10.2) of the present study need to be generalised to other industries, both in the service sector and elsewhere. As repeatedly stated in the present study, there is ambiguity about legislative versus descriptive accounts of branding. It is plausible that the evolving, and sometimes haphazard, process of branding and re-branding as exemplified by the Jordanian telecommunications industry is the norm, rather than the exception, of marketers, and that it is the norm, not only of Middle Eastern service industries, but of most industries, everywhere. A range of qualitative research could shed light on this issue.

Equally important, there is the issue of effective ways of promoting brand preference. The avenue indicated by the present study—brand awareness→brand image→understanding consumer attributes—may hold true for other industries, again, not only Middle Eastern, and not only service. This may be investigated qualitatively and quantitatively.

There is a conceptual issue, too. Popper's philosophy (Braun, 2004) suggests that good theories are those that may be falsified. The model proposed by the present study may be falsified (or refined) if future research showed any of the following to occur in the majority of companies.

- Brand preference is determined by factors other than those suggested by the present study.
- Brand strategy does not evolve within companies.
- Added values contribute little to brand preference.

This list is not exhaustive.

10.4.1.2. Clarification studies

One area has already been noted. It is unclear how much the mobile phone market is segmented. As indicated, there is at least a suggestion that the Jordanian market is segmented. This may be true of the mobile phone market elsewhere.

There is also the problem of error. If, as indicated, brand strategy tends to evolve, it follows that marketers make mistakes. The present study pointed to several errors made by Jordanian mobile phone service providers—XPress's rebranding itself as a blue collar company, and Zain's positioning itself as of equal quality to Orange, for example. It might be instructive to determine exactly how typical such errors are, and how serious are the errors' consequences. Such would involve qualitative analysis.

The most important clarification, however, concerns the present study's main focus: brand preference. One needs to know the precise antecedents of brand preference. There is the issue of the hows and whys of implementing the model as suggested by the present research. Effective ways of promoting brand awareness and brand image need to be identified, as are ways of determining consumer attributes. In other words, if it is granted, for example, that advertising "works", one needs to identify the most efficient form(s) of advertising. Here, it is plausible that best practices differ by industry and by sector. A salient feature of the present study was that it concerned itself with the mobile phone service provider industry—arguably the most dynamic and competitive in the world. Factors in less dynamic industries may behave differently. Specific questions for future research might include the following:

- Branding in the telecommunications industry, both globally and in different countries. Such research might focus on both services, and mobile handsets.
- Branding in the Middle East, focussing both on the brand strategies adopted in different sectors, and the response of consumers to such strategies.
- Branding in telecommunications other than mobile phone service providers.

Again, the list is not exhaustive. Research on such issues may be qualitative, quantitative, or both.

10.4.2. Implications for marketers

The present study should be of worth to marketers in that it shows how sometimes arcane academic reasoning translates to tangible results in the workplace. It also provides case studies of success and error, and thereby illustrates the pitfalls, as well of the opportunities, inherent in modern marketing practice.

However, specific implications for marketers might comprise six main points.

First, creating and managing brand preference is one of the main strategic issues in today's competitive environment. As outlined in Chapter 3, "successful brand management focuses on making brand preference" (Nilson, 2000, p.26). In order to create a strong brand preference, that can lead to brand loyalty and therefore generate profits, managers should make sure that their brands have a number of characteristics. These include: meeting consumers' expectations, reliability, consistency over time, shrewd pricing strategy reflecting added value, and appropriate positioning in the market.

Second, marketing activities should be *brand-orientated.* This is to say, the brand should guide all the marketing activities in the company. Brand managers should capitalize on those activities to make consumers think *brand.*

Third, marketers in mobile phone industry should realize the importance of brand awareness, in creating brand preference. Thus, they should invest more to make and maintain the determinants of brand awareness, *in particular*, advertising.

Fourth, marketers and brand managers would be advised to follow a comprehensive concept of brand strategy. That is, branding activities should combine to give a strong perception of the brand.

Fifth, timing of tactics (proactiveness) is extremely important in achieving brand preference.

Sixth, a two-way relationship should be imagined between *brand strategy* and *brand preference*. This is to say, marketers should infer what types of brand strategy components, and brand preference antecedents need strengthening, and empower them, based on understanding other competitors' success.

10.5. CONCLUSION

The present study provides a broad overview of the Jordanian mobile phone industry. Results suggest that modern branding theory is broadly correct: branding is essential for generating sales. Results also suggest that managers of successful mobile phone companies expend much energy on brand strategy. Despite some limitations, the broad conclusion appears robust: successful branding necessitates inculcating brand preference, and the ways to do this are threefold: promoting brand awareness, enhancing brand image, and understanding consumer attributes. It is plausible that this general conclusion holds true of service industries outside Jordan, or even the Middle East. However, precise determination of this awaits further research.

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