The Effects of Branding Strategy on the Smartphone Market – A Case Study of Samsung and Apple`s iPhone in Azerbaijan

Asiya Azer Isayeva

Student Number: 1611211002112000

Supervisor: Seymur Malik Guliyev

A project presented in partial fulfillment of the requirements for a degree of B.Sc. in Marketing,

University of Economics

University of Economics

2019

ACKNOWLEDGEMENT

A project isn't the work of one person. It includes the support of numerous individuals. In this acknowledgment, I want to express my gratitude to who supported me during the research process.

Firstly, I want to share my deepest thanks to my supervisor Seymur Guliyev who help me in finding the topic and led me in the several challenges faced throughout the research. I am truly grateful to him for encouragements and spiritual support.

Secondly, I would also like to express my gratitude to my groupmate Akif Ishakli. Without the help of him, I would never have finished the research.

Baku, Azerbaijan, May 2019

Asiya Azer Isayeva

ABSTRACT

There is a great competition among smartphone brands, so it's necessary to improve consumer trust to create brand loyalty. For obtaining the brand loyalty, a company needs to know how to manage its brand to satisfy their consumers. The key purpose of this research is to study the effects of branding on the smartphone market. The objective of this study is to investigate how the brand affects consumers' perception and earns their satisfaction, also define the relationship among consumer satisfaction and brand loyalty.

This research investigates the effect of the brand strategy on mobile phone purchase. To understand this, the study learns various factors which influence the consumers' choice. The methods used to obtain exhaustive results consist of secondary data that attain from online sources and related literature. Besides, another part of the research includes primary data which will be gained with an online survey. According to the research questions, a literature review was leaded. With the help of 15 questions presented to 610 respondents by a survey, it is dedicated that the consumers are affected by the brand name while buying the product. The advertisements also take a vital role in the purchase decision. These are followed by the features of the product and the price. Additionally, this research shows the major part of respondents uses internet and television to have information about the product. The information obtained from family or friends has taken second place in brand awareness. At last, Apple is the most chosen brand among the respondents with the highest level of satisfaction. The next level is Samsung which is now followed by brands like Xiaomi and Huawei.

In the end, branding takes an important part of the buying decision of customers. But, the brand isn't enough alone. It needs to offer the products and services to meet the customers' needs as well.

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

Intentionally left blank!

1.   INTRODUCTION

*T*his chapter will provide an introduction of the topic. At first, the background of the study and the importance of the research are presented, continuing the research objectives, questions and hypothesis are discussed. In the end, the structure of the research described.

1.1.   BACKGROUND OF THE STUDY

These days it is nearly impossible to have a successful business or make our own company without a strong brand strategy. In a present-day life, brand acknowledgment is one of the most critical things for the future development of the company, additionally for customers' choice. Branding strategy has the purpose of identifying products, diversifying the brand from the other competitors, and building consumer awareness.

The modern concept of branding is much more than just creating a way to define a company and product. Branding is utilized to make emotional loyalty to companies and products. Doyle and Stern (2006) say that the particular characteristic of a successful brand is having a product or service which meets the functional needs of customers, and added value which meets their certain psychological requirements. These added values are revealed feelings of confidence that the brand is more desirable or higher quality than similar products from rivals. Hence, powerful brands create a sense in the mind of the consumer that there is no other service or product on the market that is the same. Branded products are known as related to high-quality and this makes easy to make a decision for customers. Buyers want to choose highly reputable products to win a status symbol. Besides, they are less price-sensitive when buying branded products.

On the one hand, the brand secures legal copyright of companies. It helps a business to enlarge their product portfolio by transferring the name from actual products to new ones. On the other hand, the brand helps customers with recognition, which means customers are able to define and re-purchase products.

There is a positive connection between customer satisfaction and brand loyalty. If the first experience of buying is giving satisfaction to customers it is possible that they will decide to buy the same products of the same brand later on. Brand loyalty can make boundaries of entry to other companies because the brand is placed in customers' minds and it can create a willingness to pay a higher price. Brand's value comes from its ability to earn a special, positive and prominent meaning in the minds of consumers. The successful brand can be seen as a union of effective products, the particular identity, and the added values. In this sense, the brand is the base for competitive advantage and the foremost critical resource for many companies.

1.2. IMPORTANCE OF THE RESEARCH

In the 21st century, the role of branding became more vital through the quickly changing business environment. Branding plays an essential role because the competition is pretty high and each company is fighting for its own place. The powerful and good designed brand can improve the consumer's confidence and persuade them to purchase it.

Although branding is significant in every field, it takes special meaning in the mobile device industry which frequently developed. Nowadays, technologies are developing quickly and shifting all the usual habits. Twenty-five years ago no one would imagine being able to associate with everybody and everything 24/7 with their devices such as smartphones, tablets, or computers. At the present time, it is possible to look for information, call, chat and check the recent news on the mobile device no matter where the person's location is.

Mobile devices have earned a particular significance in the past few decades as a trusty and efficient vehicle to associate one individual to another. The improvement of technologies has resulted in constant changes in customers' needs and preferences. During these technologies change, the process of globalization started to reduced barriers to market entry and increased the number of competitors. As a result of this, consumers gain great alternatives for choices. This trend has opened

new opportunities and at the same time difficulties for companies to reach customers and build relationships with them. That's why customers have become extremely attached to their mobile device which changed the consumer behavior radically. Buyers of mobile devices are influenced by brand when they come to select them.

Nowadays, mobile phone communication has developed human communication not only within an organization but over the globe. In today's competitive mobile markets, organizations are trying to find a new marketing strategy of diversifying their mobile phones since the available diversifying methods of price and quality are no longer beneficial.

According to Rasmus Lang (2014), the mobile platform is special as it can give companies data about activities, location, and behavior. And most importantly, it offers regular connectivity between the consumers and the brand. These facts have resulted in a totally unused environment for branding and connection between brands and their consumers. Mobile phone usage has increased in the latest years and 70% of the world's population owns at least one mobile phone.

As John N. Mutinda (2012) says, the latest development in mobile communication industry is smartphone which offers developed mobile counting technology which is the main component in business organizations. Smartphone offers not only making and receiving phone calls, but also internet, text messages, digital media such as music, picture, and videos. The smartphones are taking the role of computers and they make possible to do a lot of things with this small device. It can be used for wide areas such as sharing information, searching, paying for products, shopping and so on. In general, smartphone has a high sensor big touch screen and high pixel camera with lots of features.

Weinberg (2012) states that smartphone also has the ability to perform computer programs called applications. Actually, today most activities have a smartphone application for doing it. People use applications for social media, games, email, listening to music, reading news, and other things. These features and applications have made people's life easier.

1.3. RESEARCH QUESTIONS AND OBJECTIVES

1.3.1. RESEARCH QUESTIONS

RQ1. What are the factors which affect the choosing and purchasing the branded mobile product?

RQ2. Which factors influence the customer satisfaction?

1.3.2. OVERALL AIM

The aim of this study is to provide a better understanding of branding and its application as a marketing communication tool in the smartphone market. We are going to investigate the role of branding in customer choice, how the brand can gain consumers' satisfaction, and find out about the connection between brand loyalty and customer satisfaction.

1.4. RESEARCH HYPOTHESIS

H1: Smartphone brands have a positive effect on determining brand loyalty.

H2: The reasons for choosing the mobile phone brand positively influence brand loyalty.

H3: The willingness to pay positively affects brand loyalty.

H4: The sources of information have a positive influence in defining the brand loyalty.

H5: Duration of smartphone usage has a positive influence on brand loyalty.

H6: Finding cheaper alternatives to the used brand has a positive influence on brand loyalty.

H7: Availability of products has a positive influence on brand loyalty.

1.5. STRUCTURE OF THE RESEARCH

The present work is structured in five chapters, which is shown in *figure 1*. The thesis starts with an *Introduction* and it justifies the background of the study, the importance of the research and presents the research objectives and questions.

The second chapter is composed by the *Literature Review*, where the concepts and definitions of branding and corporate branding, influence of factors on brand choice, corporate branding of Apple and Samsung and smartphone brand awareness are approached.

In the third chapter, *Methodology*, an explanation of the procedure, research purpose, approach, strategy and the method for collecting the empirical data on the research questions is presented. In the fourth chapter follows *Data Analysis and Findings*. We will compare our empirical results from our research with previous literature regarding the thesis topic. These results will be compared against each other in cross-case-analysis. As final, in the fifth chapter, *Conclusion*, our overall findings of the thesis topic are presented as well as our conclusions where the research questions are answered and our purpose fulfilled. Part of the work is also the Bibliography which was consulted for the construct of this work and finally attached is the Appendix.

Figure 1.Thesis Outline

| Chapter 1. Introduction | Chapter 2. Literature review | Chapter 3. Methodology | Chapter 4. Data analysis | Chapter 5. Conclusion |
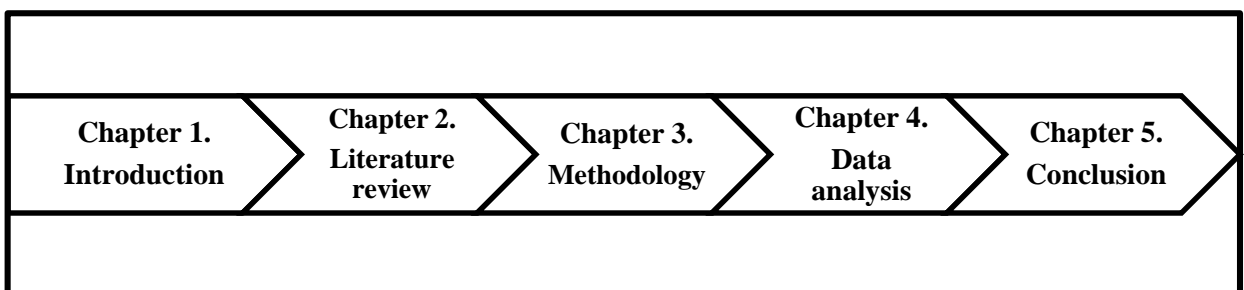
2. LITERATURE REVIEW

*I*n this chapter an overview of past studies about the research field will be discussed. The literature review is going to start by describing branding. The concepts and definitions of branding will be presented, after that brand equity, brand loyalty, brand awareness, and brand personality are going to be mentioned. Background information about Apple and Samsung brands is also underlined in this part.

2.1. LITERATURE RELATED TO BRANDING

In order to understand the effects of branding on the consumers' choice, the primary thing is to define what exactly branding is. The modern market is highly competitive and companies want to be a market leader. For win this competitive war, the branding is used. Branding has always been a critical part of marketing. It is a strong differentiator in a highly competitive market. Brand gives the company the power to rotate competitive moves. A powerful brand rings reliability, trust, comfort, and confidence in the mind of the customer.

The idea of branding isn't new. The branding has been used onwards the times of Roman and Greek who drill the stones to show their products and utilized boards to promote their shops. The times have changed since then but the process is nearly the same. Brands are much more than a tag for identification. They are the core of consumer relationship. Product is something that is created in a factory, but a brand is something that is purchased by a customer. The product may be copied by a rival, but a brand is single. The brand might help the consumer improve their self-concept by identifying who they are and who they want to be.

The main point of branding is that it isn't possible to have a strategy without a clear objective. Branding strategy reaches its aim when companies are able to determine their particular competencies to maintain the desires customers have. The primary goal of branding strategy can be reached by the correct displaying of the product features.

According to M. Delong (2004), customer's purchase decision is the result of numerous components and one of those components is the brand image recognition in the consumer's mind. Hence, marketers need to improve the brand image for influence on customers to buy the specific brand's product. Brand image is used as the most powerful tool to increase the market share and attract customers. Consumers can utilize the brand image as a way to describe a personal image. During a period of time, this image becomes linked with a level of reliability, quality, and pleasure in the consumer's mind. There are many ways to develop the brand image and these include the use of advertising, reference groups, word-of-mouth, and media.

A brand is a mixture of name, symbol, and offerings which create a particular identity of the brand in a crowd of choices with its various brand features. Targeting approach of various brand characteristics causes a high level of brand awareness among consumers and brand features work as a sign for consumers to recognize the brand. Brand features diversify the brand and try to make consumers aware on the profits that come from them. Today most brands try to create a specific set of features which make their products distinct from others. Each product is more exactly known for its features rather than its functions. Brand features simplify the consumer's brain mapping process and play a key role in developing brand equity. These features help brand to take a powerful position in the market and make consumers prefer their products more than their rivals. Brand features can be chosen for maximizing brand awareness and facilitating the formation of strong, suitable, and specific brand associations. These brand associations help the brand to gain new customers and keep old ones. The value directly or indirectly accrued by different brand features is usually called brand equity. Brand equity will be clarified in more details later in Chapter 2.1.1 "Brand Equity".

An understanding of brand equity, awareness, loyalty, and personality is pivotal. A deep understanding might provide a hint about the personal preferences of the brand, how brand awareness is established and the incentive behind brand loyalty.

Smartphone producers would have an advantage over their rivals if they understand these clues. Also, the information gained from this investigation would lead to increasing smartphone producers' sales and would provide them with strategic moves to build powerful brand equity.

Overall, people don't purchase products just for what they do, but also for what the product means. Thus, brands can be symbols whose meaning is utilized to create and characterize a consumer's self-concept.

2.1.1. BRAND EQUITY

Brand equity is one of the few strategic resources available in the companies that ensure a lasting competitive advantage to them. Creating powerful, convenient and special brand association is a real difficulty for companies but it is necessary for establishing a strong brand. Brand equity contains different advantages like lower advertising prices, brand loyalty, attracting new buyers, competitive advantage, and premium pricing. Also, it helps customers to formulate an expectation about the quality and characteristics. It carries a certain level of quality so the satisfied buyers may select this product again.

The theory of brand equity is related to cognitive psychology and focuses on consumer cognitive processes. The real strength of the brand is in opinions, feelings, beliefs, relations, experiences and so on that exist in the consumer's mind.

Consumer-based brand equity emerges when the consumer has a top level of recognition with the brand and keeps some favorable brand attachment in memory. The brand name becomes the psychological asset of companies for maximizing the demand to buy the same product again and again.

Brand equity characterized as an asset associated with the brand name and the symbol that add value to the product. These main asset categories are brand loyalty, brand awareness, brand associations, and perceived quality. Each of the four brand equity assets creates value in different ways. Being aware of these ways of accepting important decisions about brand building processes have important effects.

There are some aspects of the definition that needs to be underlined. At first, brand equity is a group of assets, and they need to be created and improved with investments. Second, all of these assets create value in various ways, which has to be controlled with sensitivity in order to perform successful brand-building activities. Third, brand equity not only creates value for the firm, but also for the buyer. Finally, in order for assets, they need to be connected to the brand's name or symbol. If there would be a change in the name or symbol of the brand it could affect assets.

Terence A. Shimp (2010) says that the idea of brand equity can be assessed both from the perspective on the organization and from the client's point of view. As the value of the brand rises, diverse positive outcomes appear. These positive outcomes include picking up a higher piece of the overall industry, extending brand steadfastness, having the capacity to charge premium costs, and acquiring premium income. Initial two results originate from the moment that higher-value brands get solid dimensions of shoppers' dedication and increase higher pieces of the overall industry. The third result implies that the brand flexibility of interest turns out to be less versatile as their value rises. It implies brands with more value can demand more expensive rates than brands with less value. The last result is acknowledged as an especially intriguing consequence of increasing abnormal state of brand value.

2.1.2. BRAND LOYALTY

Brand loyalty is the core issue of interest for researchers. The former research on brand loyalty indicates that spending expenses of non-loyal buyers are lower than loyal buyers. So, loyal customers are appraised as the company`s most worthy group. Brand loyalty is usually described as a behavioral sense of the number of repeated purchases. Brand equity keeps consumer loyalty because consumer gives the values to brand on the basis of what it is and what it symbolizes. Brand loyalty is connected to brand equity and brand image. Current customers brand loyalty indicates a strategic asset, and when managed appropriately it would provide different values to

the company. Brand loyalty cooperates closely to the user experience. Brand's loyal customer base is the main factor to think about when placing a value to a brand because brand loyalty, predictable sales, and profit streams are probably to be linked. Without its loyal customer base, the brand is defenseless. Aaker (1996) underlines that "it's simple much less expensive to keep customers than to attract new ones".

Russell (2007) underlines that the theory about brand loyalty is based on two elements: behavioral and attitudinal loyalty. Behavioral loyalty is described as related to purchase sequence, probability of purchase, and proportional purchase. Further, attitudinal loyalty is evaluated as the consumer's conscious or unconscious decisions, passed through behavior to repurchase the brand regularly.

Aaker (1996) defines the brand loyalty of consumers at five various levels and each level causes several challenges to companies. The lower loyalty level is the buyers who haven't any preference for any brand. This kind of buyers doesn't give value to the brand name and consider any brand as suitable. The brand doesn't play any role in the buying decision. The second level contains buyers who are happy with the product. This kind of buyers are defenseless against a competitor who offers them a visible profit to switch, therefore they are categorized as habitual buyers. The third level is the class of buyers who are glad about the brand but purchasers can switch brand if rivals overcome the switching cost by convincing the buyers to switch to their brand. The fourth level is the group of loyal buyers who really like this brand. Their priority for the brand is based on the logo, symbol or previous experiences with the company. The upper level is the customers who are faithful to the brand, for the reason that the brand functionality or it's the expression of who they are.

2.1.3. BRAND AWARENESS

Brand awareness is a core of brand power and related to the possibility that customers recognize the existence of the brand. Creating this awareness is the main step to improve brand performance. Briefly, brand awareness reflects a memory of past usage of the brand which results in a positive experience.

Awareness is important to the brand because customers prefer to buy brands which they knew before more than new brands or completely unknown. Also, brand recall is crucial as recognition because it is the determining factor whether the customers buy specific brands over those from rivals.

Awareness is the strength of the brand's presence in the mind of the consumers, and it measures how buyers keep the brand in mind and how they remember it. Awareness of the brand is related to the knowledge added from previous experiences. It is vital to remember where the brand was seen or why it is different from other brands. The key part of brand awareness is the brand name. Companies must be aware of demonstrative names, such as Windows when choosing the brand name because they can make difficult to diversify them for customers from the comprehensive products.

Building brand awareness is essential for businesses as consumers get continuous marketing messages every day. It is a reality that the customers can recognize the brand and re-purchase the same brand again and again. For this reason, companies must think about using several channels that support creating recognition in the customer's mind. Media channels as sponsorship, event promotions, and publicity are successful in improving brand awareness. For instance, sponsorship has become an extremely important way of building awareness because sponsorship ensures press results and TV coverage, so businesses don't need to invest in media advertising (Kapferer, 2012).

Brand awareness divides two sides. First, brand recognition concerns the ability of consumers to define the brand when it's shown and second, the brand remembrance applies to consumer's ability to recall the brand when certain situations are given. This usually is achieved by imaginative brand messages or unforgettable brand experiences (Keller, 2003).

Positive awareness can create value and research has shown that awareness is usually linked with aspects such as trust, high quality, availability, traditional styling and etc. Positive brand awareness is established when a firm exceeds its customer

assumption. It created by past effective and accomplished advertising. Generally, positive brand awareness is a strong barrier to potential competitors who wants to enter the market. Negative brand awareness is usually made by bad administration. A powerful brand isn't only managed to reach general awareness, it struggles for strategic awareness. Aaker (1996) says that there is a great difference in just being remembered and in being remembered for the right reasons, and to avoid the opposite.

2.1.4. BRAND PERSONALITY

Aaker (1997) states that brand personality is described as the brand in terms of human characteristics. It is a wide concept that involves all the intangible and tangible traits of brands. According to Brasel, Fournier, and Aaker (2004), brand personality is making the brand matchless by combining it with characteristics of human. Both brand personality and human personality are specific and steady, that is, they are made over a period of time. Brand personality consists of two elements, that is, the customer's thinking and company's thinking about the product. Brand personality is introduced to the consumers with promotional mix elements, such as direct marketing, advertising, personal or publicity selling. The company can use brand personality to increase customers brand loyalty and support its competitive advantage. Brand personality is a basic intangible asset that plays a very important role in diversifying the company's products. It can be defines as the group of human characteristics related to a given brand. It involves characters such as gender, age, economic class, and also human personality qualities like concern, sincerity, and sensitivity.

Brand personality can be described as:

✓ Demographic features such as gender, age, race, and social class,

✓ Lifestyle motives such as interests, activities, and opinions.

✓ Human personality characteristics such as dependability, extroversion, and pleasantness.

According to Aaker Studies which evaluate the brand personality, there are five personality factors are uses. These five personality elements which were called "The Big Five" emerge after the respondents were separated into groups on age and gender base. "The Big Five" is illustrated in figure 2 and it shows the brand personalities

Figure 2.The Big Five
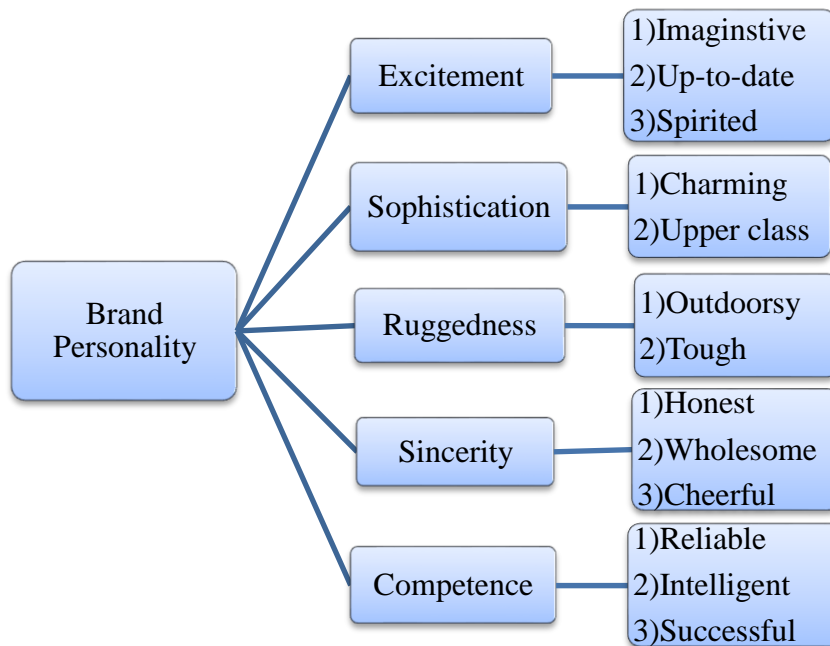
2.2. CONCEPTS AND DEFINITIONS OF BRANDING

Brand management, brand equity, brand awareness, brand environment, brand positioning, and brand strategy are all combined of one single noun: *brand*. The word "brand" finds its origin in ancient times where animals, slaves or criminals got permanently marked with a branding iron to define ownership.

Accordance with Ries and Ries (2000) the brand is a particular word in the consumers' mind: a noun, with the power to affect purchasing behavior. Aaker (1996) defined a brand as a set of assets connected to a brand's name that adds the value to the firm or this firm's buyers through the concept of brand equity. Aaker's definition presents the important view of a linkage between the buyer and the brand, while, Kotler and Keller (2016) views the brand as the name, title, sign, symbol,

design or a combination of them, designed to identify the goods and services and to differentiate them from rivals".

Kapferer, Jean-Noël (2012) gives another definition of brand. He realizes the brand as "a name that symbolizes a permanent engagement, obligation to a unique set of values, embedded into products, services, and behaviors, which make the individual, company or product stand apart". Therefore, Keller's definition is taken from a more holistic point of view: "A brand is accordingly more than a product because it has measurements that separate it in some way from other products designed to meet the same requirements".

Terence A. Shimp (1997) offered definition of the brand in his book named "Integrated Marketing Communication in Advertising and Promotion" is as follows "brand could be a company's specific offering of a product, service, or other utilization objects". According to Kotler & Keller (2006), a brand can also give signals of a certain quality of the product.

After a brand has been clarified, the question now appears what is branding. According to Kotler and Keller (2016) branding is the method of providing products and services with the power of the brand. In another case, Kapferer, Jean-Noël (2012) says that "branding means more than just giving the brand name. It needs permanent involvement, high level of resources and skills to become the referent". On one hand, Federico Belloni (2009) defines branding like "a strategy of identifying, building and managing the brands' portfolio". On the other hand, Business Dictionary describes it as follows "the total set of trademarks that the organizations apply to its products and services".

2.3. BRAND STRATEGY

The brand strategy defines the direction and field of the brand during the long term for build and protects the competitive advantage against the rivals. Van Gelder (2003) says that brand strategy starts with a certain understanding of the business strategy to provide strategic compatibility. Brand strategy and corporate strategy must be arranged in order to build stakeholder value (Van Gelder, 2003). The brand

strategy is the process which the company defines necessary brand elements to create a suitable brand suggestion to the selected group (Kotler and Pfoertsch, 2006). As a result, the brand strategy must include a holistic approach across the organization and adopt employees' roles as being the delegate of the brand. Brand elements such as brand identity, brand architecture, and brand positioning acquire an important function in the brand strategy process.

Aaker (2000) says that the brand strategy needs to be steady with corporate vision, business strategy, and culture. Aaker (2000) differentiate four aspects to become a strong brand, which companies should reach:

1. Brand architecture to lead and improve the strategic brand direction.

2. Organizational structure to create an effective brand organization.

3. Brand building programs to design, develop, realize and observe efficient brand building programs.

4. Brand identity and brand position to diversify the brand into the proper markets.

2.4. INFLUENCE OF FACTORS ON BRAND CHOICE

There are several numbers of factors that affects consumer buying decisions. Personal, demographic, psychological, and social problems of the consumer aspects are established historically in the decision making concept. There are different aspects to purchase the certain brand in a given situation, such as emotional brand associations, symbolic meaning of the brand and advertising, and consumer behavior.

2.4.1. CONSUMER BEHAVIOR

For a superior comprehension of the buyer's decision of a certain brand, it is essential to characterize the idea of consumer behavior. Accordance with web business dictionary, consumer behavior is the process which buyers search for, choose, and purchase products, for satisfying their needs. Figure 3.shows the classical model of

a consumer's decision-making process with a series of psychological states and actions before reaching a choice decision.

First of all, buyers identify which product they need. The purchasing process starts when customers recognize their needs. The need can be shaped by external and internal stimuli. Marketers must detect the conditions that trigger specific needs. By collecting data from a number of buyers, marketers can define the stimuli that cause an interest in various products. They are able to design marketing strategies that initiate consumer interest. When the product matches consumer's need, the customer looks for information to make a decision about it. The buyers try to gather information about various products. Through collecting data, they can learn about brands and their features. Information can be collected from catalogs, magazines, family members, friends, business association, commercial, telephone directory, etc. Companies must find out the origin of information and their importance degree for the customers. The third stage covers the comparison of competitive alternatives. There is no sole activity used by all customers in all purchasing situations. There are various kinds of activities that customers made. First, the customer is trying to meet the need. Second, the customer is looking for particular profits when purchasing the product. The marketer must notice which aspects the consumer will use in the buying decision. Based on the above-mentioned phases the purchase stage comes next. The more time customer has for thinking, the more chance exists for unpredicted factors to change the original purpose. Actually, consumer's choice depends on their emotional behavior. In some purchases no specific purpose is formed, only the general purpose of buying exists. When select the product among the alternatives the buyers make the decision. This decision can be to buy or not to buy this product. If the choice is to buy the product the other extra decisions are which kinds of product they must buy, from whom to purchase, how the payment to be made, and etc. The marketers have tried to affect the buying behavior but the choice belongs to the customer. After the purchase is complete, satisfaction or dissatisfaction with the product is reached. Consumers feel dissatisfaction in the case of their high

expectations and the product's low performance. But the customers feel satisfaction if their expectations are low and the product performance is high. The marketer's job does not end when the customer is purchasing the product. They must observe post-purchase pleasure, post-purchase use, and removal.

Figure 3.Classical model of a consumer choice

Need Recognition
Information Search
Evaluation of Alternatives
Purchase
Outcomes of Purchase
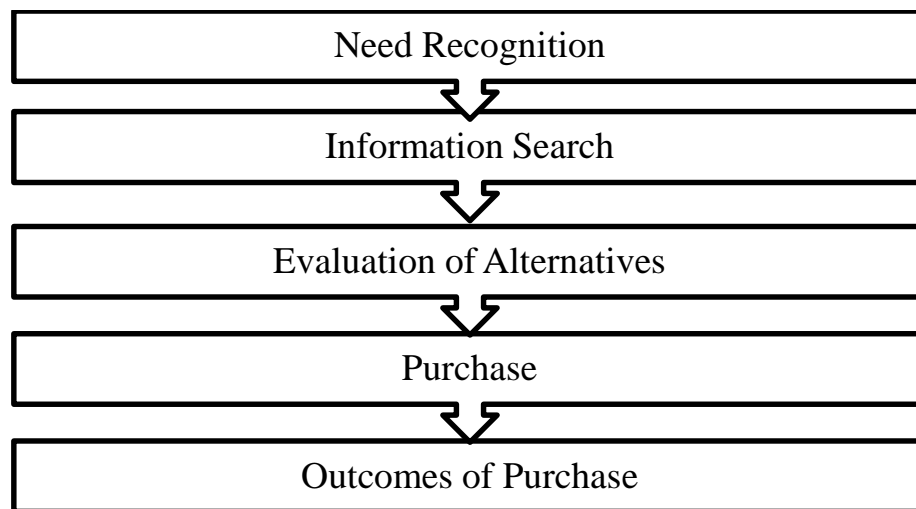
2.4.2. ADVERTISING AND SYMBOLIC MEANING OF THE BRAND

Advertising is accepted as the most crucial sources of valued symbolic senses and a basis of the consumer's presence. Otherwise, the consumer is a principal to advertising creativity. Advertising is accepted as transfers or creates meaning into the culture and a cultural product itself. The relation between consumer and advertising is dialectical. Advertisement is built on the consumers' knowledge, and consumers accept advertisement based on their experience, and symbolic meanings are based on their cultures.

2.4.3. EMOTIONAL BRAND ASSOCIATIONS

Buyers have a passionate relationship with brands which they have past involvement with them, and they are connected in memory to these brands. At the point when the

clients consider a brand, they will draw from the memory benefits as well as passionate sentiments about the brand. Computing the feelings toward a specific brand gives data about how the brand is valued by various individuals. Subsequently, the passionate sign of a brand will influence how much consideration is paid to it, and the amount somebody will expand upon its significance. Thus, it suggests that specific passionate relationship with explicit brands characterize what data is accessible for reminding when settling on brand decision choices. A few brands have solid positive emotions and some of them not, however, that moving procedure is very simple if the market fragment is constrained.

2.5. CORPORATE BRANDING: DEFINITIONS AND CONCEPTS

Corporate brand strategy connects all products and services under one parent brand. The corporate brand is the face of a company. It is an assurance of quality and insurance against financial risks. There are obvious benefits in terms of increased profile, product maintenance, awareness, organization values, and employee motivation. A corporate brand focuses on various stakeholders who represent not only one product brand but also a company itself. This branding strategy is appropriate for a company that already has improved a prominence. The prominent applies to all products within the company's offerings. But one product's bad reputation is enough to destroy the whole brand image.

2.5.1. CORPORATE BRANDING OF APPLE

Apple Inc. is an American multinational company and this corporation is based on designing, developing, and selling electronics, personal computers, and computer software. Apple Inc. was established by Steve Jobs and Steve Wozniak in 1976. Currently Apple is the world's biggest technology company with its market value. Apple had entered the mobile phone industry with the iPhone, the music industry with the iPod, and the entertainment industry with the iPad. Apple Inc. uses the Apple brand to strive against highly competitive markets. Apple starts production in the late 1970s with desktop computers and in the 1990s continues with laptops. The company changes its production sphere with the launch of the iPod in 2001, the iPhone in 2007, iPad in 2010, then Apple Watch in 2014.

Generally, there are three types of brands: unique, corporate and range. Apple's brand strategy is a corporate branding strategy that revolves around its emotional experience with its products. Apple has a branding strategy which focuses on emotion. The beginning point is the experience of using its products. Apple's emotional branding strategy is its key to survival. There must have three things in common to be an emotional brand. The company must project a powerful humanistic corporate culture, have a distinctive visual and verbal vocabulary, and build a connection with its consumers.

The brand image developed by Apple products is that it ensures high-quality products and made using an innovative technology that keeps great creativity and designs specifically. At the same time, Apple launched innovative products, such as the iMac and iPad, its secret lies in encouraging the customer to establish permanent emotional chains with them.

Apple personality is defined as it doesn't sell only high-tech products, but also a mark. While using the slogan "Think Different", Apple pass to its buyers that purchasing a product from the part of its production chain allows them to think differently, to be special, to be creative. The target market segment of Apple is customers with high-profit, various lifestyle, innovative and high level of education.

Apple brand personality is defined by lifestyle, passion, imagination, innovation, freedom, aspirations, and dreams. Apple brand is very close to its buyers, it's loved, and there's a real sense of community among its buyers.

The Apple brand personality is also about easiness and the elimination of difficulty from people's lives and about being a humanistic company with a sincere connection with its customers. With these qualities, Apple is positioned as being very helpful to people or businesses as they try to achieve their goals. The unique feature of each product remains fashionable design and ease of use. Users who chose Apple want better data security. The global success of Apple products is related to differentiation to other available brands. Design plays an essential role in the recognition of the products. Especially innovative nature and different supply of Apple always surprise buyers. Apple has become a worldwide known brand, whose strategy is placed into the category of continuous innovation, design, creativity, and reputation.

2.5.2. CORPORATE BRANDING OF SAMSUNG

Samsung is a South Korean multinational corporation headquartered in Seoul and it was established in 1938 by Lee Byung-Chul as a trading firm. The latter three decades, the company separated to areas such as food processing, insurance, textiles, retail, and securities. Samsung joined the electronics industry at the end of the 1960s and this area would drive its continual growth. After the 1990s Samsung has progressively internationalized its activities, and electronics, especially mobile phones have become its major source of profit. Now it is one of the world's largest manufacturers of smartphones supported by the population. Also, the company is a primary seller of tablet computers, especially its Samsung Galaxy Tab collection. The quality of Samsung products, care for its consumers and it has very stable policy of offering cutting-edge products that have made Samsung places in the top of mobile brands rank.

Samsung has managed to accomplished recreate their brand image. From recognized as a brand that sells inexpensive and copied from Japanese product design, Samsung

becomes an accomplished brand viewed with respect to adherence created between brand image and product quality. Samsung mobile devices are more available than Apple on the mobile market, thus it is able to compete with the leader of this market segment. Samsung tries to stay on top of consumer preferences, with its new stylish models with matchless design.

Nowadays, Samsung has changed its image from the "value for money", to the brand that shows innovation by changing the marketing strategy that puts the consumers' wishes on the first place. Samsung diversifies itself with more purchasable prices than Apple. Also if a component of smartphone fails, Samsung representatives can simply change it with a new one, unlike Apple doesn't offer to change parts for damage over time. Samsung was able to expand its own faithful customers. It consists of people who are 'anti-Apple' and users are fun with Android platform. These people don't want to use Apple products because of the monopolized nature of the corporation. Users of Samsung products, choose to use these devices because they transmit accessibility, diversity, innovation, performance, and modern design.

2.6. SMARTPHONE BRAND AWARENESS

Apple has strong brand awareness and almost 90% of buyers are aware of it. This gives the chance to Apple for offering different products to consumers, which increase Apple's market share. Many consumers might choose Apple products between similar products of various companies because of the company's high awareness.

One of Apple's awareness tools is its logo. The simple and clever designed logo made it easy to remember and show that it is effective all around the world. Apple has a story behind its logo evolution. In the beginning, Apple's logo was designed with different colors which symbolized the new creations of colors in the IT world.

According to other opinion, this logo is related to Alan M. Turing, who is known as computer science's father and a man who ended his life by eating a poisoned apple. Today, Apple's silver colored logo adds a modern touch to it.

The blue color denotes honesty, confidence, and credibility in the Samsung logo. There are two main characters that differentiate Samsung's logo from other corporation's logos. First one is the figure which shows a sense of dynamic tension. The second is the brand's name which flashes out from the figure. This gives the impression as the figure is a spotlight for representing the brand name. Samsung's aggressive brand awareness campaigns have gained them great brand recognition among buyers.

Samsung was started sponsorship for creating brand awareness. When sponsored the Athens 2004 Olympic game which was gained to them the positive brand awareness, brand recognition increased from 57% to 62%. Furthermore, sponsorship helped them to create a good reputation and brand image.

3. METHODOLOGY

*T*his chapter involves a description of the techniques used to collect information for explaining the research questions. It will provide a detailed idea about how the research will be controlled and methodology which was used. This chapter helps the reader to follow how the goal of the study is achieved. The method is a tool to solve a problem and thus gaining new knowledge. The methodology includes the purpose of the research, research approach, research strategy, research objectives, selection of samples and data collection methods.

3.1. RESEARCH PURPOSE

The word "research" comes from the Latin word meaning "to know". It used to collect the information and analysis of the results. The main purpose of the research is to discover the truth which is hidden or which hasn't been explored as yet. Each research study has its own particular goals and it can be prepared in different ways depending on the goals as represented in the research problem. Research can be characterized as any organized investigation carried out to provide information for solving problems. There are three types of research: *exploratory, descriptive* and *explanatory* research.

Exploratory research becomes extremely useful in cases where the researchers need to clarify understanding of the problem. If the research questions are focused on "what" question, it means that the research is exploratory research. When a problem is wide and not particularly characterized, researchers use this type of research as a beginning step. Exploratory research has the aim of formulating problems more accurately, explaining concepts, collecting explanations, removing useless ideas and forming hypotheses. Exploratory research may improve hypotheses, but it doesn't seek to test them. The core purpose is to develop understanding in a field that is little understood. There are three principles in exploratory research. These are: a search of literature available, talking to experts and conducting focus group interviews.

Descriptive research is usually used for searching to describe a certain profile of a person, a group of people, events or situations. In most cases, this research is conducted when there are already exists enough literature in supporting such research. Descriptive research is usually taken as an addition of an exploratory study. Descriptive research includes describing a problem or a situation. This is a characteristic of exploratory research as well of course but descriptive type questions are usually more structured, and more reliant on previous ideas and methods. The basis for study might be a body of ideas in a given or related area, and it can be the case that we develop hypotheses and explanations for what is going on. This kind of study could be appropriate for both qualitative and quantitative methods. For example, a case study is a descriptive piece of research but numerical data and statistics can also be used to describe.

When the focus is on cause-effect relationships, the study may be *explanatory research*. The main concern in this research is how one variable affects another variable. Explanatory research is one of the research purpose types, and it's created to answer "why" and "how" questions. We are more interested in understanding, forecasting, explaining and controlling relationships between variables than detecting reasons. Explanatory studies go beyond description and try to explain the causes for the case that the descriptive study only examined. In an explanatory study, the researcher utilizes hypotheses to represent the forces that caused an exact case to appear.

According to the above mentions, our study might be classified as a descriptive research purpose, since the goal is describe the effects of branding strategy on the smartphone market.

3.2. RESEARCH APPROACH

There are two approaches to research: Quantitative and Qualitative. The main difference between the two approaches is the use of numbers and statistics.

The selection of research approach depends on the defined research problems and the information required for solving these problems.

Quantitative research is appropriate for measuring both attitudes and behavior. Quantitative research techniques look for quantify data by applying some form of statistical analysis.

The qualitative approach is appropriate when behavioral patterns or human activities will be analyzed. It focused on carefully selected individuals with the aim to collect non-quantifiable data that provides an understanding of behavior and attitudes. It underlines on processes and meanings that aren't measured in terms of quantity, amount, or frequency. Qualitative research is a way to gain understandings through finding meanings by developing our comprehension of the whole. It is defined as the study of the social world, which seeks to analyze the behavior of humans and their groups from the point of view of those being studied. Qualitative approach investigates the depth, richness, and complexity of the phenomena. In general, it is characterized as "research that produces discoveries not touched at by means of statistical techniques or different methods of qualification". Qualitative studies are tools utilized in understanding the world of human experience. In addition, this kind of research may be used to gain greater familiarity with and understanding of marketing issues whose causes are unknown. Qualitative research includes organizing interviews during the explanatory stage with the purpose of revealing factors that play a major role in the marketing problem. The interviews must aim to uncover new qualitative data rather than collect quantifiable results. The research approach is *deductive* when the hypothesis is developed and a research strategy is designed to test the hypothesis. And also it can be *inductive* when the information is collected and theory is improved as a result of data analysis.

In this study research strategies are designed, the research questions are developed, and they are answered. Thus, it can be concluded that the research approach is deductive. According to this information, a qualitative approach was used, since the data was gathered on a small scale level and the aim of the research was to gain a

deeper understanding of actions in a certain case. The goal of this research was to gain an in-depth view of this case, so the qualitative approach is most suited.

3.3. RESEARCH STRATEGY

There are different research strategies that can be used in the research. For example, experiment, case study, survey, ethnography, and action research. Each of these strategies has a various way of gathering and analyzing data. The most vital step is to choose a suitable strategy for the research questions and objectives. Because of the aim of this research, the survey method is going to be used and prepared questioners will be spread to the selected sample.

The survey is a famous method in business research. The survey method allows gathering a large amount of information from a wide population. A survey also allows for standardization of data which makes comparisons easy. In addition, it provides more control to the research process. Survey research is the best way of data collection when the researcher is related to gathering original data from residents who too wide to test directly. This kind of research generally focuses on individuals, the essential facts of people, their opinions, beliefs, behaviors, and motivations. However, the survey strategy has disadvantages, such as it takes time to design the questionnaire or to analyze the data.

3.4. DATA COLLECTION METHOD

Generally, there are two types of data, namely primary and secondary data. Primary data is collected first hand for a particular goal. Therefore, primary data is accepted as more trustworthy. Primary data is gathered for a specific aim and the information is collected for example with interviews, questionnaires, or observations.

In this research, the primary data was gathered with the questionnaire. Secondary data existing in several forms such as reports, thesis, articles, books, media comments, journals and etc. are collected for writing the beginning chapters and to

finalizing the research. The information gathered to answer the research questions was collected from both primary sources and secondary sources.

The survey is the most popular use of the questionnaire and the written questionnaires have several advantages. At first, it is probably cheaper, especially for gathering the information. Also, questionnaires can be reached to huge numbers of people at the same time. So, it's able to cover broad geographic areas and a large number of people can be questioned relatively cheaply. Another advantage of surveys is that individuals think answers stay anonymous. That's why they are more likely to express disputable ideas. There is the possibility that the written question can be evaluated differently by various readers, it's the reason for attentively pre-testing questionnaires.

Generally, survey questions have two types as following: open-ended and closed-ended. Respondents make their own answers in open-ended questions. But closed-ended questions limit the answers which respondents can fulfill. They may include "yes" or "no" answers, rank-ordered answers, or scales. Closed-ended questions are relatively simple to record and analyze answers. Researchers won't receive unrelated or unclear responses with closed-ended questions.

3.5. THE SAMPLING PROCESS

After research type is decided, the next step is to define the sample size for the study. This involves the selection of the individuals who will be used for the research goal. A person who answers the questions of the researcher is the respondent. The selection of the respondents is extremely important because selected sample must suit research's requirements. If the wrong sample is interviewed, the study may be ineffective.

 The sample can be chosen from a large group of individuals, whom the information is collected. When data is gathered from all possible cases, it is a census. But, the census survey would not give more useful outcomes than a well-planned sample survey. When the census isn't practical to survey the all set of cases, time is not

available, and results are needed rapidly from collected data or when the cost is too high, sampling suggests an alternative to a census.

When defining the sample size, we also pay attention to different qualitative factors. These include the importance of the decision, the type of research and analysis, a number of variables, incidence rate, and limitations of resource.

The sample size is defined by 3 factors. These are the level of certainty of the collected data, the limit of error that may be tolerated, and the type of selected analyses.

In this research, the most part of the participants are students and newly employed persons and the research was shared with Facebook, WhatsApp, and Instagram to friends and other students. That's why almost 95% of the participants aged between 16 and 36 years.

3.6. QUALITY STANDARTDS

For minimizing the probability of receiving the incorrect answers and protecting the research's quality, attention must focus on research design, namely validity and reliability.

3.6.1. *VALIDITY*

Validity means the exactness of the results. The questions of the survey must be written in a clear and simple language carrying only one opinion to avoid various interpretations of the questions that can lead to uncertain answers. The information has low validity when the question was misinterpreted

This research involves a combination of close-ended and open-ended questions implemented to 610 people. These questions have been tested against any possible misunderstanding before distributed to respondents. Because this study is descriptive that's why internal validity is not considered. As for external validity, this research might be generalized with a 5% possible errors and a 95% level of certainty. This survey was prepared in Azerbaijan language and later translated to English. Because

the respondents might misinterpret research questions or felt troublesome with the language barrier and thus they couldn't answer freely.

3.6.2. RELIABILITY

Reliability is the action of reducing biasing and mistakes. Furthermore, reliability should provide that the results haven't been copied. This is about the results of the research, which has to be reliable. If nothing changes in the selected sample between two research with the same aim, it is reliable. For minimizing the bias the researcher must try to make respondents sure that their responses are confidential. When the questionnaire is prepared as a survey, level of observer bias or observer error is low. In this study, the result was managed with the help of quantitative method and it was believed that the same results won't be repeated. Also, the research had been managed without any special preference of gender, to collect definitely unbiased answers. The result of this investigation is an overview of the effects of branding in customer choices of the smartphone market, so, it can't be used in any other field. The survey was prepared in Google form and then exported to MS Excel. MS Excel analyzes results with the help of percentage analysis through different charts. Also, it was investigated using SPSS software.

3.7. LIMITATIONS

Every research, no matter how well it is managed, it has some limitations in research methodology. İn the beginning of the thesis, the specific target of audience and sample were not selected. The survey was distributed online with social media, and more than 600 people participated in the survey.

But at the end of the survey, most of the respondents were from the younger sample of the population aged among 16-35. Hence, an older sample of the target of the audience aged 36+ was rejected to increase the credibility of the study. Only the younger sample of the population has been chosen for analyzing the process. It will allow the study to be more reliable data and information.

4. DATA ANALYSIS AND FINDINGS

*T**he analysis of the gathered data with the help of the survey is going to be presented in this part of the thesis. The fourth chapter involves the graphical presentation and tables according to the results. It shows an overview of empirical findings. Firstly, background information about the collected data will be presented. The graphs and tables are used to show the gathered data and develop the hypothesis with the help of the obtained information.*

4.1. BACKGROUND INFORMATION

The survey had a runtime of five days and it was delivered to respondents with social media such as WhatsApp, Facebook, and Instagram. At the end of the survey, a total of 610 individuals had joined. But according to analyses, most of the answers came from the younger ones aged among 16-35 years. So, the answers from older ones aged above 36 years, were rejected. The analysis of the result focused on the 580 participants for delivering stability and statistically logical information. The initial questions of the survey were prepared for learning general information about respondents. For this reason, it is crucial to know the age, gender, education level, marital status and occupation of the participants to figure out their behaviors to the brand.

In this research, figure 4.shows that 495 respondents (85.3%) are aged between 16 to 25 years and the second group of participants is aged among 26-35 years which accounts for 85 respondents (14.7%). The majority of the respondents are women (59.5%) and 40.5% of them are male (Figure 5). In addition, the unbalanced distribution of gender is related to that females are more helpful than males and they are more possible to express their thought.

Figure 4. Age of respondents

16-25   26-35

15%

85%

Figure 5. Gender of respondents

Female   Male

41%

59%
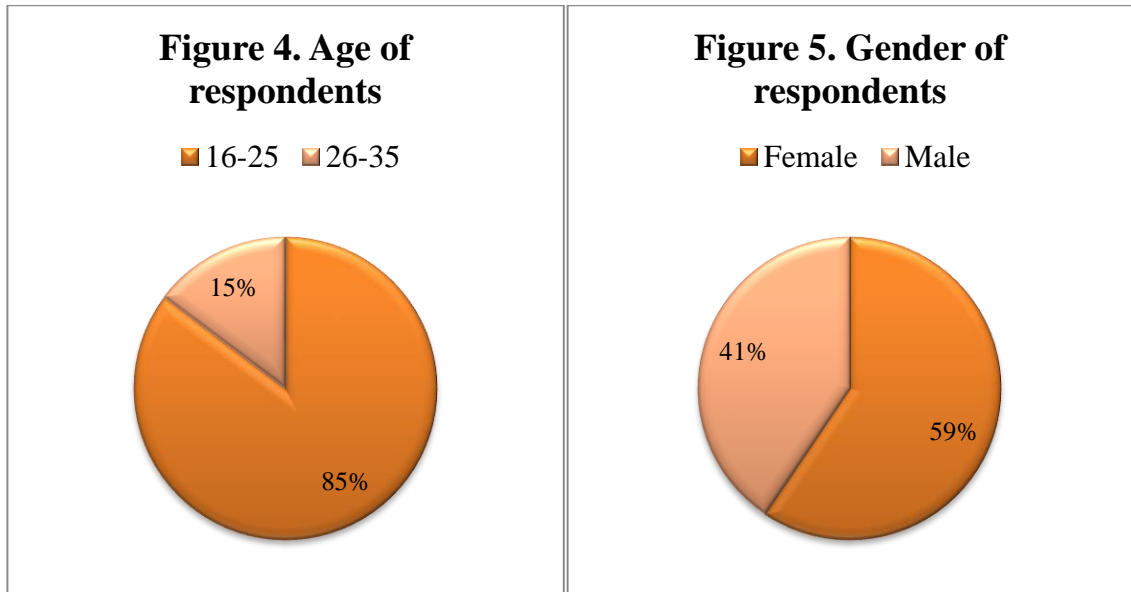
The next questions asked for the occupation and marital status of respondents (Figure 6-7). The majority are students (65.2%), individuals who work for the private sector (13.4%) and who work for the governmental sector (10.7%). And also according to results, 8.4% of respondents are unemployed.

When talking about the respondent's marital status, we can say that approximately all of them (90%) are single. The reason for that, a large number of respondents who are participating in the survey are between 16-25 years. Just a few numbers of them, nearly 10% are married.

Figure 6. Occupation of respondents

2%

8%

11%

14%

65%

Student

Private sector

Governmental sector

Unempleyed

Entrepreneur

Figure 7. Marital status of respondents

10%

90%

Married

Single
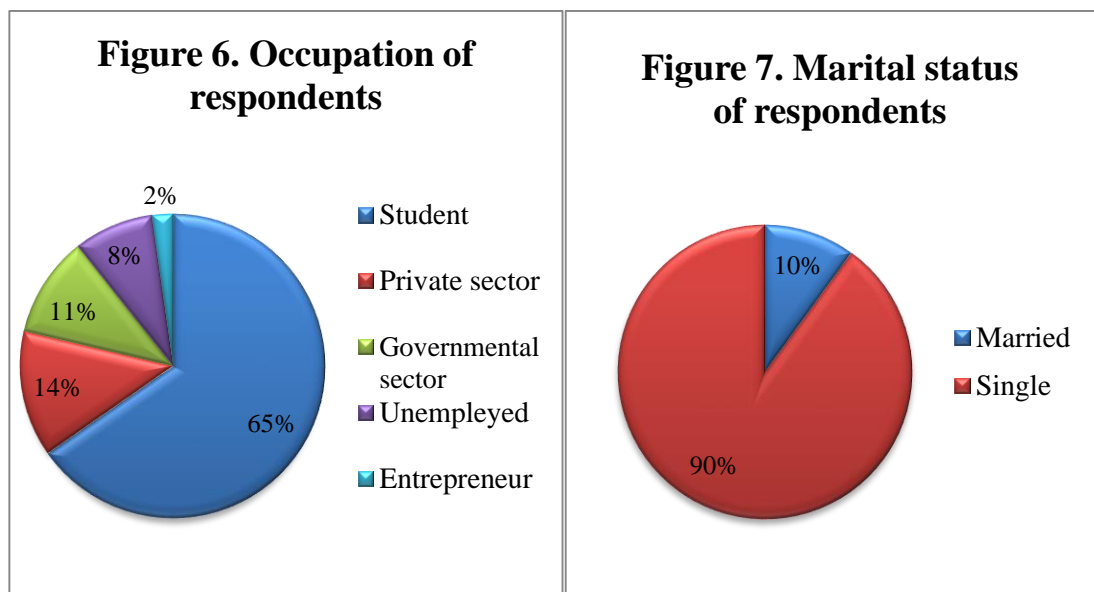
The dispersion of education level is shown in figure 8. There were different alternatives given, but, only one could be chosen. The bachelor graduate students are highest with 76 % following master passes students with 15%. On the whole, 2%, 3%, 4% of respondents own doctoral, college and secondary school education respectively.

Figure 8. Education level of respondents
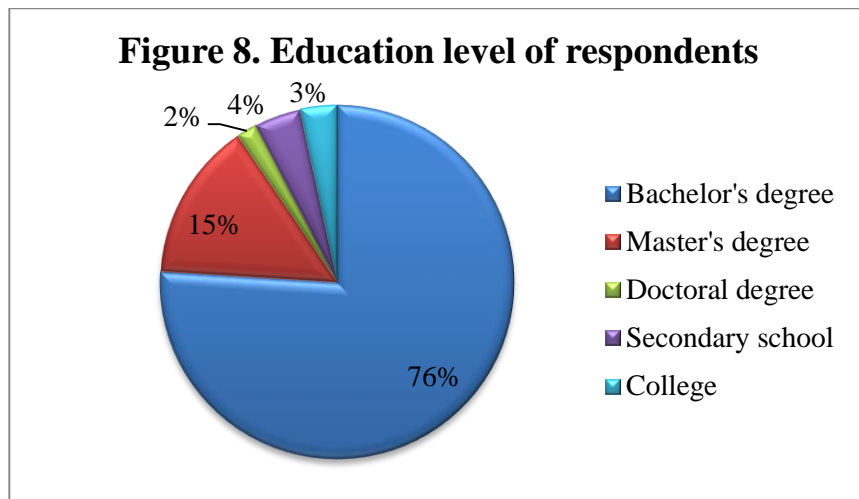
The second part of the survey had various questions about smartphones. First one is about selection of smartphones. On the whole, 236 respondents select "IPhone", 178 respondents choose "Samsung", and "Xiaomi" was placed in the third stage with 105 responses. Based on this result, other brands such as "Nokia", "Huawei", "LG", "Sony" and etc. are selected less than 5% of whole brands.

Figure 9. Which mobile phone brand do you use?
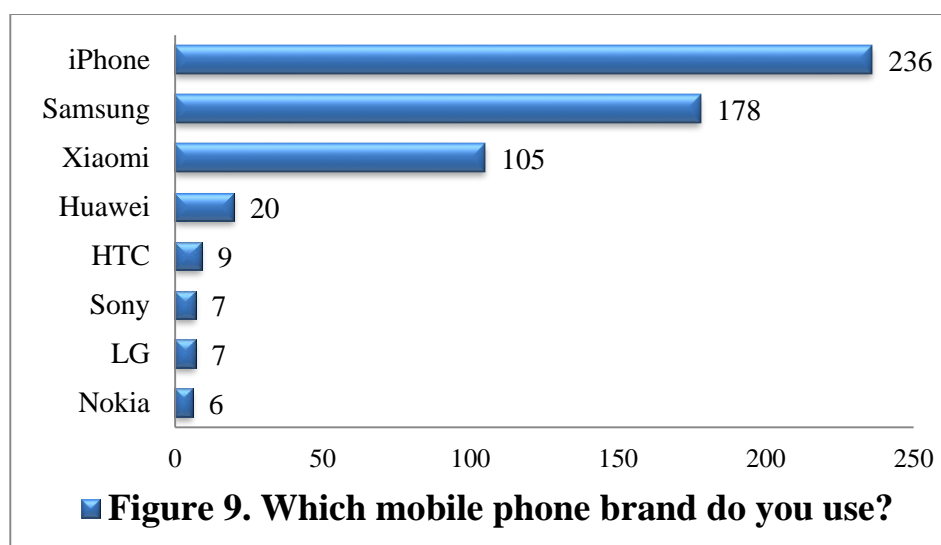
The result shows that while 35.2% of respondents are willing to pay between 501-1000 AZN for the mobile phone, 32.2% of them are capable to spend less than 500 AZN. However, 115 respondents (19.8%) might pay between the price range of 1001-1500 AZN and 54 respondents (9.3%) tend to expend among 1501-2000 AZN. The majority of respondents i.e. 311 respondents change their mobile phones after 1 to 3 years. 128 respondents change their phone among 3-5 years and 109 respondents buy a new mobile device for less than 1 year.

Figure 10.shows the reasons affect the level of satisfaction about the smartphone brands. The brand must provide positive feelings and experiences to satisfy its consumers, obtain a good reputation, and keep consumer loyalty. It's a multiple choice question and the participants are able to choose different answers. The given elements were based on the factors which influence the choice. In this question, the operating system (42.6%) and price (32.4%) are the most effective factors on the buying decision. Additionally, brand (26.2%), design (25.2%), and camera functions (25.7%) are also the factors which drive the customer's buying decisions.

Figure 10. What is your reason for choosing the brand you use?
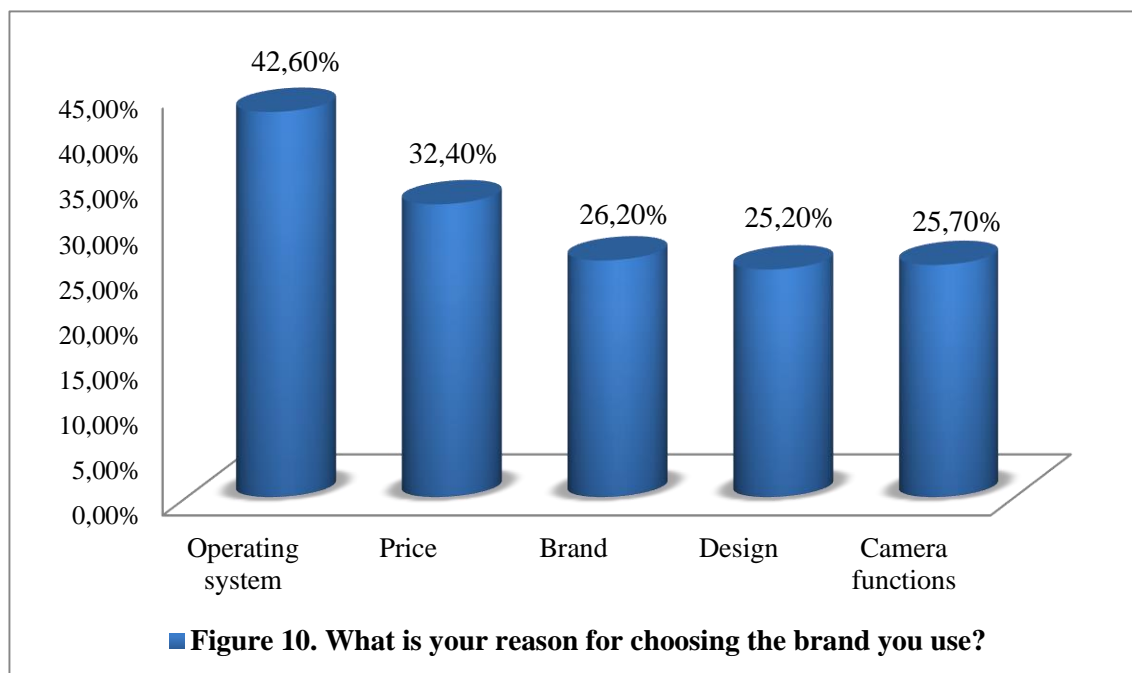
The following question is about brand awareness and the author wants to know where the individuals have heard information about the brand. The brand tries to

create awareness in the consumer's mind by using various marketing strategies. Furthermore, the most important point in the customer's buying decision is the information search so that individuals become aware of about brand. In this survey, the question was prepared in a multiple choice format that means respondents were able to select different answers at the same time. The most part of respondents had reached information about the brand with social media (76.4%). After social media, information obtained from friends, family or relatives placed in the second step with 32.1%. As the traditional marketing channel, advertising on the TV and radio is effect nearly 30 respondents (5%). Answers replied in the "other" section are generally standing on the brand's website.

The next question of the investigation was a close-ended question and asked the individuals if they would recommend the brand to other possible buyers. The reason for asking this question was to understand the satisfaction with the brand because just satisfied users are disposed to recommendations. On the whole, 60.9% of the participants sometimes recommend the brand to others. 32.9% of the respondents said that they always recommend the brand. The other 6.2% said that they never gave any advice about the brand.

Figure 11.is prepared to measure the customer's loyalty level to the smartphone brand. While 41% of respondents don't tend to alternative brands when they offer a cheaper mobile phone, 31% of them say that they would buy from the competitor brand. According to the result, 28% of individuals even don't know how to act in this type of occasion. As you see, there is not much difference between the results. However, respondents have chosen to stay faithful to their own brands.

Just to measure the reliability of the above-mentioned question, the author prepared a similar question about customer loyalty to the brand. Figure 12.shows that if the desired brand is not available in the stock what does respondent do.

Only loyal customers are waiting for the brand product until the product is available and it is account for 48.5%.

25.9%, 23.5%, 8.6% of respondents choose respectively "purchase the different brand", "purchase from the same brand but different product", and "delay the purchase".

Figure 11.Would you choose the alternative brand when they offered a similar but cheaper smartphone?

Figure 11 pie chart: Yes 31%, No 41%, Neutral 28%

Bar chart data:
- Neutral: 8,60%
- Delay the purchase: 48,50%
- Purchase from same brand but different product: 23,50%
- Purchase the different brand: 25,90%

Figure 12. If the brand you want to buy is not available in the store, what would you do?
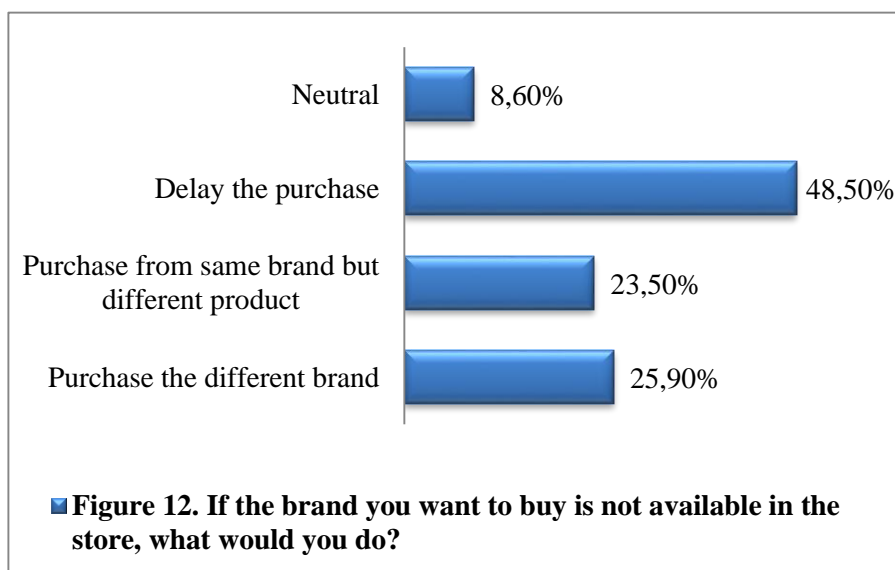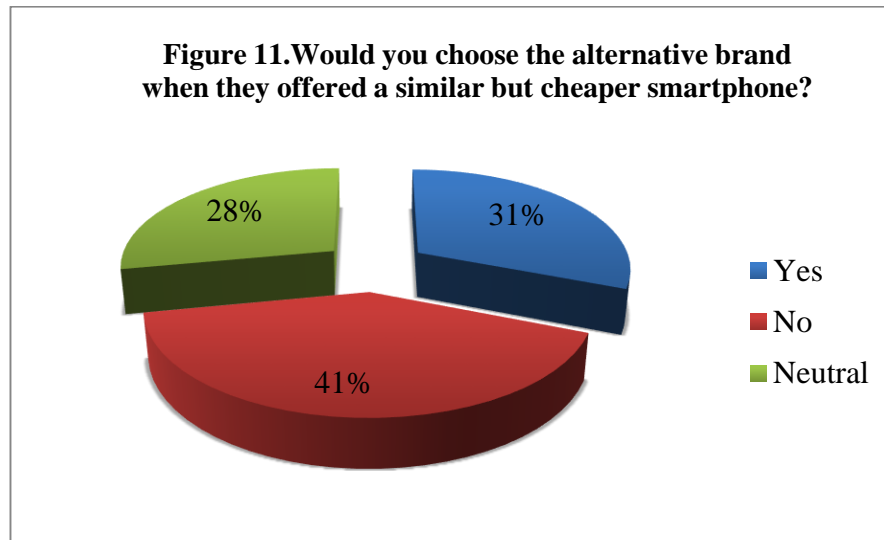
4.2. FINDINGS

Regression analysis is applied to define factors which affect the brand choice of smartphones. Before operating regression, statistical test and data clearing were fulfilled in SPSS. First, the multicollinearity test and after that the reliability, and validity are carried. The regression analysis is made by the dependent variable as well as the mean value of each independent variable.

4.2.1. MULTICOLLINEARITY

The multicollinearity test is used to find if two or more independent variables are correlated to each other or not. Hinton (2014) states that as a common rule, the predictor values can be correlated with one another as 0.8, otherwise the problem of multicollinearity happens.

For define any collinearity in data sample "Collinearity Statistics Tolerance value" is applied. According to the rule, the tolerance value under .1 specifies the serious problem of multicollinearity.

Table 1 shows that the tolerance value of all the variables is bigger than 1. So, the multicollinearity problem doesn't exist in this research.

The following part of the analysis is the Coefficients table which indicates the variables which individually significant predictors of the dependent variable. The B value defines the relationship between all the variables and brand loyalty and. These coefficients detect that the relationship is negative or positive.

Table 1: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.827	.393		4.650	.000		
gender	-.109	.231	-.019	-.470	.638	.988	1.012
age	.064	.086	.040	.742	.459	.590	1.695
marital_status	.071	.098	.038	.722	.471	.621	1.609
education	-.067	.040	-.078	-1.699	.090	.812	1.231
occupation	.014	.023	.028	.583	.560	.745	1.343
phone_brand	-.011	.017	-.028	-.626	.532	.823	1.216
choice	-.005	.018	-.012	-.285	.776	.969	1.032
payment	-.056	.025	-.108	-2.302	.022	.767	1.303
information_source	.026	.019	.057	1.375	.170	.979	1.022
duration	.038	.031	.052	1.226	.221	.929	1.076
alternative	.055	.031	.075	1.780	.076	.949	1.053
availability	-.047	.029	-.069	-1.607	.109	.909	1.000

The reliability of the survey is measured with Cronbach's alpha. If the alpha value is bigger than 0.75, it is considered as reliable. The Cronbach's alpha value of this research is .854 and it meets the demand for reliability.

Table 2: Cronbach's alpha value

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.854	.854	3

4.2.2. ANOVA output

The ANOVA table is shown below which test the regression model's significance. According to Table 3 sig. (p value) =.026. As p <.05 our predictors are significantly better than would be expected by chance. The regression line predicted by the independent variables explains a significant amount of the variation in the independent variable. It can be normally reported in a similar way to other ANOVAs: F= 1.957; p < .05.

Table 3: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.381	12	.615	1.957	.026[a]
	Residual	178.197	567	.314		
	Total	185.578	579			

a. Predictors: available, age, information source, duration, gender, choice, alternative, phone brand, education, payment, job, marital status
b. Dependent Variable: loyalty

4.2.3. CHI SQUARE TEST

Table 4: Correlation between willingness to pay and frequency of changing mobile phone

		Frequency of changing mobile phone				Total
		Less than 1 year	1-3 years	3-5 years	Above 5 years	
Willingness to pay	Up to 500 AZN	30	94	45	18	**187**
	501- 1000 AZN	40	110	48	6	**204**
	1001-1500 AZN	22	64	24	5	**115**
	1501-2000 AZN	9	36	8	1	**54**
	Above 2001 AZN	8	7	3	2	**20**
Total		**109**	**311**	**128**	**32**	**580**

The null hypothesis (H0) is stated that there is a relationship between the willingness to pay and the frequency of changing the mobile phone.

$$\text{Chi square test- } \chi^2 = 0.03649931$$

At 5% level of significance, if the result of this test is less than 0.05 it means that we have enough evidence to conclude that there is relationship between the willingness to pay and the frequency of changing the mobile phone. The number we generated 0.036 is less than our target which is 0.05 meaning we have enough evidence here to say there is relationship between the willingness to pay and the frequency of changing the mobile phone.

$$\chi^2 < 0.05$$

Therefore the null hypothesis (H0) is accepted. There is significant correlation between the willingness to pay and the frequency of changing the mobile phone.

Table 5: Relationship between variables

Mobile Brand	Gender	Number	Age	Number	Marital status	Number
iPhone	Male	68	16-25	62	Single	62
					Married	0
			26-35	6	Single	3
					Married	3
	Female	167	16-25	143	Single	138
					Married	5
			26-35	24	Single	11
					Married	13
	Total: 235					
Samsung	Male	75	16-25	70	Single	69
					Married	1
			26-35	5	Single	1
					Married	4
	Female	102	16-25	79	Single	75
					Married	4
			26-35	23	Single	13
					Married	10
	Total: 177					
Xiaomi	Male	59	16-25	49	Single	49
					Married	0
			26-35	10	Single	4
					Married	6
	Female	47	16-25	40	Single	36
					Married	4
			26-35	7	Single	2
					Married	5
	Total: 106					
Nokia	Male	6	16-25	3	Single	3
					Married	0
			26-35	3	Single	1
					Married	2
	Female	0	16-25	0	Single	0
					Married	0
			26-35	0	Single	0
					Married	0
	Total: 6					
Huawei	Male	10	16-25	9	Single	9
					Married	0
			26-35	1	Single	1
					Married	0
	Female	10	16-25	9	Single	9
					Married	0
			26-35	1	Single	0
					Married	1

4.3. HYPOTHESES TEST

The regression coefficient beta (β), t test and significance level (p) values are performed to test the hypothesis.

Control effect Table 1 provides the coefficients (β), t value and the level of significance (p). The control variables gender (p=.638), age (p=.459), marital status (.471), occupation (.560) and education (p=.090) are not significant in this model because the p-value is bigger than .05.

H1: **Smartphone brand has a positive effect on determining brand loyalty.** The results obtained from Table 1 showed that the smartphone's brand name is not statically significant to define brand loyalty. (β = -.011, t= -.626, p>.05). Thus, H1 was rejected in this model**.**

H2: **The reasons for choosing the mobile phone brand positively influence brand loyalty**. The result does not indicate the significant relationship between the reason for choice and brand loyalty. (β = -.005, t= -.285, p>.05). Thus, H2 was not supported.

H3: **The willingness to pay positively affects brand loyalty**. The result of the regression analysis indicates that willingness to pay is statically significant to determine brand loyalty. (β = -.056, t= -.2.302, p<.05). So, H3 was accepted in this research.

H4: **The sources of information have a positive influence in defining the brand loyalty**. The outcome of the regression analysis showed that sources of information are not statically significant to brand loyalty. (β = .026, t=1.375, p>.05). Thus, H4 was rejected.

H5: **Duration of smartphone usage has a positive influence on brand loyalty**. The results failed to display a significant connection between the duration of smartphone usage and brand loyalty. (β = .038, t=1.226, p. >.05). Thus, H5 was not supported.

H6: Finding cheaper alternatives to the used brand has a positive influence on brand loyalty. While the p-value is nearly equal to p<.05, the result does not find a significant relationship between finding cheaper alternatives and brand loyalty (β = .055, t=1.780, p. >.05). So, H6 was rejected.

H7: Availability of products has a positive influence on brand loyalty. Table 1 showed that the availability of products is not statically significant to define brand loyalty (β = -.047, t= -1.607, p. >.05). So, H7 was rejected.

From the results of table 1, the willingness to pay (p<.05) is found as a significant predictor. The coefficient of willingness to pay (b= -.056) indicates that brand loyalty increases by (-.056) unit if the willingness to pay has increased by 1 unit. This result is true if other independent variables are constant.

In these predictors i.e. gender p=.638, age p=.459, marital status .471, occupation .560 and education p=.090, the p-value is bigger than the minimum level (.05).

5. CONCLUSION

Today branding is a method to link people and firms to the product. Branding creates a sense of high intangible quality that encircles the brand name. The brand shows the credibility and quality of a firm's products and it is an opinion of the customers about the company. Hereby, companies try to build a strong brand and use it as a tool to create value in today's competitive market. Generally, the strong brand is united to trust and quality, thus the customers feel sure when they buying the product. As beforehand mentioned in the literature review, the brand is the most major asset for many organizations and, as represented in the finding part of the research, having the strong and catchy brand brings benefits and value to the company. So, it can be underlined that powerful brand not only offers profits to the firm but also to the customer. Hence, understanding the significance of brand loyalty can be the key factor of achievement for the firms in the close future.

As a conclusion, the brand is much more than a symbol and a word used to define products. It is the emotions or opinions emerge when buyers think about the product and company. The brand indicates all the intangible and tangible aspects of the product. The powerful brand carries a bundle of perceptions about quality, lifestyle, image, and status. The brand transmits an opinion in the customer's mind that there aren't any other products on the market that is the same.

As mentioned in the introduction, the main objective of this thesis is to investigate how the brand affects consumers' perception and earns their satisfaction, also defining the relationship between brand loyalty and consumer satisfaction. In order to, the primary and secondary research methods were used.

The primary research was realized to collect information about consumer choice while secondary research was used to write the literature review. Accordingly, after a detailed analysis of the data, the following subjects emerge as a method to build a strong brand.

At the beginning of the thesis, research questions were given to guide the research and to meet the research objective. In the last chapter, these questions are answered.

We noticed that willingness to pay is significant to brand loyalty from the regression analysis. Other independent variables i.e. availability of products, cheaper alternatives, source of information, reasons for choosing the smartphone brand and the control variables i.e. age, gender, marital status, occupation, and education, do not have a significant effect to brand loyalty of smartphones. Willingness to pay is the only independent variable that impacts brand loyalty.

The loyalty and positive manner to the brand are defined by the pleased buyers. Furthermore, it pushes the loyal user for the repurchase the product repeatedly (Youl & John, 2010). The satisfied buyer repurchases the product in the future, and turns into the loyal buyer. These studies pair with our research's result.

5.1. ANSWERS FOR RESEARCH QUESTIONS

RQ1: What are the factors which affect the choosing and purchasing the branded mobile product?

The important factors which causes of customer's buying decision are the brand name, product features, advertising, and price. These factors are interesting for mobile brand companies because it shows that advertising also works for the company's favor and customers are affected by the advertisement.

The smartphone is turning into a necessity in the present world. The mobile industry is a frequently changing industry. Most users show changeable behavior because of the short life period of phones and rapid technological changes. The usage of the smartphone is not only limited to get into touch with family, friend, business person but also has an omnibus feature which includes a camera, data storage, multimedia, and so on.

In this industry, of furious challenge, the organizations have been compelled to thought of exceptionally inventive technological development and winning marketing strategies. From that point, Android telephones which suggested by Samsung, Xiaomi, Huawei, HTC, Nokia and Apples' iPhone, have attempted their best in this constantly evolving market. In a quickly developing industry, time is

everything and each organization needs to have the most inventive innovations before its rivals. The costs for these smartphones shift quickly to address various customers' wants.

IPhone's main problem is its pricing strategy which the majority of respondents weren't satisfied with it. But even so, a number of iPhone users are placed in the first place of the survey results. On the other hand, it is possible to rethink the pricing strategy because it plays a significant role in the customers buying decision. When buyers find alternatives which suit their attitudes better and those alternatives are cheaper than other products, buyers are able to choose the competitor's brand. Also, it could be related to the fact that the majority of respondents were students and they don't have a steady income.

In spite of the negative experiences with the price, nearly 80 respondents among 236 of them would recommend the iPhone brand.

IPhone faces strong rivalry from Samsung, that's why it should keep its pricing strategy for stay competitive in the market. Samsung mobile is one of the dominant sellers in the smartphone industry, but the rivalry with other brands is always high. Majority of Samsung mobile users are the middle and young age grouped persons.

After producing creative and inexpensive telephones worldwide for quite a while, Samsung has realized what is required to remain over its industry. It hasn't permitted Apple Inc. to develop in areas like Asia and other developing nations because of its cost policy. This is the consequences of producing a wide scope of products with various price series. Samsung is centered on delivering gadgets that can be associated with the majority of the Android product. This gives them an advantage over Apples' gadgets.

RQ2. Which factors influence a customer's satisfaction?

In these days obtaining faithful and satisfied buyers is a key worry of companies and it will stay later on. Clients' satisfaction is an essential factor that drives business to

progress. Customer satisfaction is emerging when a product or service features provide an enjoyable level of consumption-related satisfaction. Generally, satisfaction is someone's feeling of pleasure or disappointment that results from comparing the expectations and perceived product quality. If the quality is less than expectations, the consumer is dissatisfied. If the perceived quality meets the expectations the buyer is satisfied. The customer is highly satisfied when the quality overlaps expectations. In the smartphone industry, consumer satisfaction is their post-purchase evaluation, emotional reaction to the product, and familiarity with the mobile environment (Lin, Wang 2006).

Today accomplishing customer satisfaction is the primary objective for most companies. Expanding buyer satisfaction has straightforwardly influenced the firm's market share, which leads to a favorable recommendation, lower business expenditures, and improved profits. Good designed product quality results improved in customer satisfaction, which leads to solid customer loyalty. When buyers satisfied with the product which they have encountered, are more possible to build loyalty that results in repeated buying and positive word-of-mouth. From the company's perspective, satisfaction is about creating a strong connection with buyers by understanding the customer satisfaction elements. The way to gain consumer loyalty is consumer satisfaction which depends on the product quality offered by companies.

Price is also one of the elements influence customer satisfaction. Price is utilized as a sign of product quality, which states higher satisfaction and better assumption from the product. This study demonstrates that price directly impacts satisfaction (Herrmann et al. 2007). Customer satisfaction and price are significantly related to each other. The customers can change to another smartphone seller who offers appropriate prices. This discloses that the companies can hold on buyers for a longer time by suggesting to them fair prices (Ali, 2010).

The brand image is the intangible asset of the company which difficult to simulate and it helps the firm to reach a superior financial output (Roberts, Dowling 2002).

Company's brand image determined as all opinions that the users have for the firm. From the organization's point of view, being trustworthy, innovative, professional, and esteeming the buyers are the components that structure the company image (Vranakis, 2012). Martensen (2000) demonstrates that the image is a significant component in the consumer satisfaction model. The brand image has a positive connection with the satisfaction, expectation, and loyalty of buyers to the firm.

These findings confirm the statement in business literature that when buyers are faced with the equation in quality and price of the product, they probably prefer to select products from the firm that adds social obligation when settling on the utilization related choice.

The quickly changes in the innovation creates the difficulty to the organizations to satisfy the buyers and to get their loyalty for technological products. Innovativeness is depicted as the procedure of changing the idea into the product that customers buy and ensure financial profits to its suppliers. The idea of conversion into innovation and having the quality to fulfill the needs of the consumers must be realized with an economic cost.

LIST OF REFERENCE

Articles:

1) Aaker, D. A. (1991). Managing brand equity: capitalizing on the value of a brand name New York.

2) Aaker, D. (1996). Measuring Brand Equity across Products and Markets. California Management Review, Vol. 38, No. 3.

3) Aaker, J., Fournier, S. and Brasel, S., (2004). When Good Brands Do Bad. Journal of Consumer Research.

4) Alexandra Sponga (2013). Competing Smartphone brands: Understanding brand rivalry between two brand communities.

5) Ali, J. F.; Ali, I.; Rehman, K.; Yilmaz, A. K.; Safwan, N.; Afzal, H. 2010. Determinants of consumer retention in cellular industry in Pakistan, African Journal of Business Management

6) Axel Guth, Alexander Krook (2011). Mobile Marketing: An empirical study of Smartphone devices as a marketing tool to build brand equity

7) Anastasia Kaira (2015). Brand Strategy: Company X

8) Bikash Singh (2016). Factors Influencing Brand Loyalty For Samsung Mobile Users In Nepal

9) Delong M. (2004). Journal of Fashion Marketing and Management.

10) Daniela Yasenova Baeva (2011). How Brand Strategy and Brand Communication Contribute to Build Brand Equity

11) Doyle P. and Stern P. (2006). Marketing Management and Strategy, 4th Edition. London: Prentice Hall

12) Elizabeth Wambui (2013). Samsung Smartphone Marketing Strategy – Analysis of Samsung Smartphone marketing strategy decisions and the consumer perception to the implemented strategies.

13) Hasebur Rahman (2014). Factors Affecting Customer Satisfaction in Mobile Telecommunication Industry in Bangladesh

14) Herrmann, A.; Xia, L.; Monroe, K. B.; Huber, F. 2007. The influence of price fairness on customer satisfaction: an empirical test in the context of automobile purchases, Journal of Product & Brand Management 16(1)

15) Hinton, P. R., McMurray, I., & Brownlow, C. (2014). SPSS explained. Routledge.

16) Julia Wildfeuer (2018). Branding and Customer Satisfaction

17) John N. Mutinda (2012). Brand Personality And Customer Purchase Decision Of Smartphone

18) Kapferer, J. (2012). The New Strategic Brand Management: Advanced insights & strategic thinking. (5th ed.) France: Les Editions d'Organization.

19) Keller, K. (2003). Strategic brand management. New Jersey: Pearson Education.

20) Keller, K. (2008). Strategic Brand Management: Building, Measuring, and Managing Brand Equity, 3rd Edition. Upper Saddle River, NJ: Prentice Hall.

21) Kotler, P., & Armstrong, G. (2010). Principles of marketing. pearson education.

22) Kotler, P. and Pfoertsch, W. (2006) B2B Brand Management. Berlin: Springer

23) Kotler, P. & Keller, K. L. (2016). Marketing Management. (15th global ed.) Harlow: Pearson Education Limited.

24) Lin, H.-H.; Wang, Y.-S. 2006. An examination of the determinants of customer loyalty in mobile commerce contexts, Information & Management

25) Marta Tetere (2011). Mobile Marketing: Brand Performance and Implications on Brand Identity

26) Martensen, A.; Kristensen, K.; Grønholdt, L. 2000. Customer satisfaction measurement at post Denmark: results of application of the European customer satisfaction index methodology, Total Quality Management

27) Nicoleta Dospinescu And Dana Beatrice Florea (2016). Smartphone Brands Design And Buying Decision

28) Saunders, M. N. (2011). Research methods for business students, 5/e. Pearson Education India. Saunders, M. N. K. Lewis, p., and Thornhill, A.(2000). Research methods for business student

29) Seymur M. Guliyev, Azərbaycanın Qida İstehsal Müəssisələrində Brendinq Fəaliyyətinin Təkmilləşdırılməsi, Ipek Yolu Jurnali, No 2, 2014

30) Seymur Guliyev, An Emerging Consumer Experience: Emotional Branding, Modernlesme Seraitinde Milli Iqtisadiyyatin Inkisafinin Aktual Problemleri Ve Perspektiv Istiqametleri, Azerbaycan Universiteti, 2018

31) Seymur Guliyev (2015), Private Label In Marketing And Its Importance, 3rd International Scientific Conference Of Young Researchers, Qafqaz University,

32) Seymur Guliyev, Effects Of Brand On Emotional Decision Making Process Of Consumer: A Research In Food Industry Of Azerbaijan, Scientific News Summary, No 2/2018, Ganja Technology University, 2018

33) Seymur Guliyev, Effect Of Social Factors On Consumer Behaviour, International Scientific Conference "Sustainable Development In Economy And Management: Problems And Perspectives", Baku Engineering University, 2018

34) Seymur M. Guliyev, Improvement Directions Of Branding Processes In The Food Industrial Companies Of Azerbaijan, Scientific News Summary, No 1/2018 By Ganja Technology University, 2018.

35) Prathamesh Muzumdar. Branding In Smartphone Industry.

36) Riezebos, Rik. (2003). Brand Management, A Theoretical And Practical Approach. Person Education Limited.

37) Ries, A. And Ries L. (2000). The 22 Immutable Laws Of Branding. London: Profile Books Ltd.

38) Rasmus Lang (2014). Mobile Branding

39) Roberts, P. W.; Dowling, G. R. 2002. Corporate reputation and sustained superior financial performance, Strategic Management Journal

40) Russell-Bennett, R., McColl-Kennedy, J. R., & Coote, L. V. (2007). Involvement, satisfaction, and brand loyalty in a small business services setting. Journal of Business Research..

41) Terence A.Shimp (1997). "Advertising, Promotion and Supplemental Aspects of Integrated Marketing Communications" (4th ed.). Fort Worth: The Dryden Press. ISBN 0-03010352-5

42) Terence A.Shimp (2010). Processes, Brand Equity, and Marcon's Role in Introducing New Brands. In: Roche, M. Avertising, Promotion, and Other Aspects of Integrated Marketing Communications. Mason, USA: South-Western Cengage Learning.

43) Van Gelder, S. (2003) Global Brand Strategy: Unlocking Brand Potential Across Countries, Cultures and Markets. London: Kogan Page.

44) Vranakis, S.; Chatzoglou, P.; Mpaloukas, A. 2012. Customer satisfaction of Greek mobile phone services, International Journal of Managing Value and Supply Chains

45) Weinberg, D. (2012).Smartphone features Online. Available from Salon.com/Smartphone-features.

Materials from Internet:

Website of Marketing Mind,
[http://www.marketingminds.com.au/apple_branding_strategy.htmlTC],

Accessed date: 12.03.2019

APPENDIX - QUESTIONNAIRE

1. Cinsiniz?
   - Kişi
   - Qadın
2. Yaş qrupunuz?
   - 16-25
   - 26-35
   - 36-45
   - 46-55
   - 56+
3. Ailə vəziyyətiniz?
   - Evil
   - Subay
4. Təhsil səviyyəniz?
   - Orta
   - Kollec
   - Bakalavr
   - Magistr
   - Doktorantura
5. İşgüzar fəaliyyətiniz?
   - Dövlət sektoru
   - Özəl sector
   - Fərdi sahibkar
   - Tələbə
   - İşsiz
6. Hansı mobil telefon markasından istifadə edirsiniz?
   - iPhone
   - Samsung
   - Xiaomi
   - Huawei
   - Nokia
   - HTC
   - Digər
7. İstifadə etdiyiniz markanı seçmək səbəbiniz?
   - Brend
   - Qiymət
   - Dizayn
   - Əməliyyat sistemi
   - Kamera xüsusiyyətləri
   - Digər

8. Mobil telefon alarkən ödəməyə hazır olduğunuz məbləğ?
   - 500 AZN və daha az
   - 501-1000 AZN
   - 1001-1500 AZN
   - 1501-2000AZN
   - 2001 AZN və daha çox
9. Mobil telefon markaları ilə bağlı məlumatları haradan əldə edirsiniz?
   - Sosial şəbəkələr
   - Televiziya və radio reklamları
   - Küçə reklamları
   - Yaxınlar
   - Digər
10. Sonuncu mobil telefonunuzu nə qədər müddət istifadə etmisiniz?
    - 1 il və daha az
    - 1-3 il
    - 3-5 il
    - 5 il və daha çox
11. İkinci mobil telefonunuz varmı, varsa bunun səbəbi nədir

    _____

12. Bənzər, lakin daha ucuz mobil telefon təklif etdikləri təqdirdə digər alternative markalara keçid edə bilərsinizmi?
    - Bəli
    - Xeyr
    - Bilmirəm
13. Əldə etmək istədiyiniz mobil telefon arkası satışda yoxdursa nə edərdiniz?
    - Fərqli bir marka alaram
    - Eyni markadan digər mobil telefonu alaram
    - Alışı gedikdirərəm
    - Bilmirəm
14. Keçmiş təcrübələrinizə əsasən bir yaxınınıza marka iə bağlı məsləhət verirsinizmi?
    - Bəli,tez-tez
    - Bəzən
    - Xeyr,heç vaxt

Intentionally Left Blank!