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AN EXAMINATION OF THE ROLE OF TECHNICAL AND NON-TECHNICAL INNOVATION ON THE CUSTOMER LOYALTY

MBA THESIS

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Not: Öğrencinin Tez savunmasında Başarılı olması halinde bu form **imzalanacaktır.** Aksi halde geçersizdir.

This thesis is dedicated to my parents and siblings, who taught me throughout their lives, who never left my side and continued giving me support and aspiration towards the bright side, motivated me…

I am also grateful to my friends for their endless love, motivation and prayers….

With Love,

I dedicate this research…

To My Family

FOREWORD

This thesis is about an examination of the role of technical and non-technical innovation on the customer loyalty. Several aspects of innovation and multiple impacts on customers' behaviors are being collected from a lot of sources in Turkey and Germany. The study has been conducted using mixed research methods. I personally hope that this compilation of research will be helpful to the subject. I am humbly grateful to my advisors Ast. Prof. Dr. Burçin Kaplan, and Prof. Dr. Perizat Dağlioğlu for guiding me, giving me support and courage to do this project, helping me out in conducting survey and it wasn't possible without the help of the both the universities (IAU & HDWM) libraries portal and Turkish higher education commission's research sources. Special thanks to Prof. Dr. Gökçe Dervişoğlu (Bilgi University, Istanbul) for helping me out, conducting the survey in Berlin and Istanbul. And I am really grateful to my defense jurors Ast. Prof. Dr. Vildan Demirci and Ast. Prof. Dr. Özge Eren for helping me out, in understanding more of research analysis.

February 2018   **Mirza Imran UL HAQUE**

(Student)

TABLE OF CONTENT

ABBREVIATIONS

CFA	**:**	Confirmatory Factor Analysis
CRM	**:**	Customer Relationship Management
CSR	**:**	Corporate Social Responsibility
FsQCA	**:**	Fuzzy Set Qualitative Comparative Analysis
IHIP	**:**	Intangibility, Heterogeneity, Inseparability and Perishability
R&D	**:**	Research & Development
SMEs	**:**	Small and Medium Enterprises
RT	**:**	Reputation
LT	**:**	Loyalty
TIC	**:**	Technical Innovation Capability
NTIC	**:**	Non-Technical Innovation Capability
WOM	**:**	Word of Mouth
NMPD	**:**	New Market Penetration and Differentiation
AE	**:**	Affective Experience
IE	**:**	Intellectual Experience

LIST OF TABLES

xvii

LIST OF FIGURES

TEKNIK VE TEKNIK OLMAYAN İNOVASYONUN MÜŞTERI MEMNUNIYETINE ETKISI ÜZERINE BIR ARAŞTIRMA

ÖZET

Müşteri sadakati, müşteri beklentilerinin, ürün veya hizmetin keyifli bir deneyimle karşılanması ölçütü olan müşteri memnuniyetiyle olan ilişkisine bağlıdır. Şirketler ürün veya hizmetlerinde müşteri memnuniyetini sağlamak için birçok başka strateji arasından inovasyonu da kullanırlar. Şirketlerin inovasyonun kendi hedef pazarlarının algılarını nasıl etkilediğini anlamaları inovasyon kabiliyetlerine verimli yatırım yapmaları için çok önemlidir. Bu tezin konusu, Türkiye'de ve Almanya'da inovasyonun müşteri sadakati ve müşteri deneyimi üzerindeki rolünü değerlendirmektir. Müşteri sadakati teknik ve teknik olmayan inovasyon kabiliyeti değişkenleri kullanılarak değerlendirilirken; inovasyonun müşteri memnuniyeti üzerindeki etkisi entelektüel deneyim, duygusal deneyim, itibar, ağızdan ağıza pazarlama, yeni pazarlara nüfuz etme, farklılaştırma ve sadakat değişkenleri kullanılarak değerlendirilmiştir. Araştırma, kavramsal çerçeveyi geliştirmek için kapsamlı kaynak incelemesi ve anket uygulamasına dayanmaktadır. Basit rastgele örnekleme yöntemi ile Türkiye'den 114, Almanya'dan 106 müşteri örneklem olarak alınmıştır. Sonuçlara ulaşmak için frekans dağılımı, korelasyon testi ve doğrusal regresyon analizi kullanılmıştır. Her iki ülkenin müşterilerinin çoğunun yenilikçi şirketlere sadık oldukları ve onlar tarafından sunulan kalitenin ve istenilen paranın karşılığı hakkında olumlu algıları olduğu tespit edilmiştir. Şirketlerin hem teknik, hem de teknik olmayan inovasyon yetenekleri müşterilerin entelektüel ve duygusal deneyimlerinin her ikisini de etkilediği için, müşteri sadakati ile olumlu bir şekilde ilişkili olduğu sonucuna varılmıştır. Müşteriler yenilikçi şirketlerin daha güvenilir ve saygın olduklarını bildirmişlerdir. Fiyatın, ürünlerin yenilikçi yetenekleri ile negatif ilişkili olduğu tespit edilmiştir. Almanya ve Türkiye'deki müşteri yanıtlarının karşılaştırması, Alman müşterilerin inovasyona Türk müşterilerden daha fazla odaklandıklarını ortaya koymuştur. Öneriler araştırmanın birincil ve ikincil bulguları ışığında sunulmuştur.

Anahtar Kelimeler: *Yenilikçilik, Müşteri Sadakati, Müşteri Deneyimi, İtibar, Yeni Pazara Girme ve Farklılaşma, Ağızdan Ağıza Pazarlama*

AN EXAMINATION OF THE ROLE OF TECHNICAL AND NON-TECHNICAL INNOVATION ON THE CUSTOMER LOYALTY

ABSTRACT

Customer loyalty strongly depends on the customer satisfaction which is the measure of the fulfillment of their expectations and needs with a pleasurable experience of the product, process or service. Among many other strategies, the companies use innovation for ensuring the customer satisfaction with their product or service, as it is a highly competitive market today, and new ideas in any manner are appreciated if they are more effective to the customers. It is crucial for the companies to understand how the innovation influences the perceptions of their target market in order to invest in the innovation efficiently. The focus of this dissertation is on evaluating the role of technical and non-technical innovation on the customer loyalty in Turkey and Germany. The customer loyalty has been evaluated using the variables technical and non-technical innovation capabilities, whereas the influence on loyalty has also been assessed through the variables intellectual experience, affective experience, reputation, word of mouth, new market penetration and differentiation. The study is based on primary research method where the extensive literature review was conducted to develop a conceptual framework and a questionnaire for survey is adapted from a scholar, Dr. Pantea Foroudi's survey which is already done on the similar topic. This questionnaire was then used for survey, which was administered to collect primary data. Simple random sampling has been used to draw a sample of 114 customers from Turkey and 106 customers from Germany. Frequency distribution analysis, Mann Whitney U test, correlation test and multiple regression analysis have been conducted to reach the findings. The result reported that males are more loyal to innovative companies in Germany, whereas females are more loyal in Turkey. Most of the respondents who are loyal to innovative companies have age between 20-30. It has been found that majority of the customers from both the countries are loyal to the innovative companies and have positive perceptions about the quality and value for price offered by them. The technical innovation of the companies has been found to be positively associated with the customer loyalty as it effects on the customers' intellectual and affective experience. Similarly, new market penetration and differentiation has also positive influence on customer loyalty. The customers reported that they find innovative companies more trustworthy and reputable. The comparison of customer responses for Germany and Turkey has revealed that the German consumers focus more on innovation as compared to those of Turkey. Recommendations have been suggested in the light of findings of the study.

1. INTRODUCTION

1.1 Background and Context of Study

With a globalized and rapidly changing world in an always uprising competitive environment, businesses must change their products or services, their managing style, their marketing and business developing strategies, constantly. In this scenario, where competition is intense ahead, the best way is to proceed with, is by determining what the customer wants and needs innovations in the direction of making process. This is because innovation has been considered as one of the major strategies to win customer loyalty. Customer loyalty is defined as the likelihood of customers to show a behavioral as well as attitudinal tendency to continue to prefer one single brand over the many others in spite the marketing pressures by the other brands. Customer satisfaction has gained a lot of attention recently in all areas of production. Innovation management and customer orientation go hand in hand to enhance the business performance (Pishgar et. al, 2013).

When customers are not satisfied with a specific brand because of its performance or quality due to the lack of innovation, they tend to switch but they must incur the switching costs in this process. In a competitive market where switching costs are low, only satisfied customers repurchase a specific product hence ensuring loyalty (Blut et. al, 2014). Also, the link between external switching costs and customer loyalty is weaker in industries that are high in intangibility, heterogeneity, inseparability and perish ability (IHIP). The rapid changes in technology are the challenges for the companies to retain the consumers and hence the market share. It is, therefore, very important that consumer preferences are considered while introducing a new product or service.

1.2 Specific Topic

Innovation has always been the driving key behind the success of any business, the literature reveals that high growth firms innovate in different types of ways and

1

collaborate in a distinctive manner. The major purpose of this thesis is to identify the role of innovation in winning the customer loyalty in Turkey and Germany with all the variables included, as customer loyalty guarantees the success and sustainability of any business. The topic selected for this study is to assess the effect of innovation for influencing the customer loyalty. Hence, the topic selected for the study is "An examination of the role of Technical and Non-Tehnical Innovation on the Customer Loyalty".

1.3   Research Gap

It has been established in the previous researches that development of innovation based on comprehension and technology is an impelling force of the economy; it is highly essential for survival and is needed in having strong interactions within the globalized world of business. The role of innovation has recently been highlighted by Oke et al. (2013) which have a mixture of theoretical arguments from resource-dependence theory, the knowledge-based view and social capital theory to assert that supply chain partner innovativeness enhances a firm's innovation strategy, which in turn positively influences innovation performance. It is only possible for aggressive and competitive strategies such as cost-leadership and differentiation to improve firm performance by invigorating innovation. Managers execute cost-leadership and differentiation strategies to take part in competitive market circumstances; however, it has been found by Bayraktar et al. (2016) that the managers should emphasize more on the importance of innovation that plays a significant role as a bridge between competitive strategies and firm performance.

It is important to consider innovation to be a factor that influences the long-term success of a company in the robust and competitive markets of today. Thus, there is an increasing interest in the further evaluation of the determining factors of innovation. The focus is on factors related to people and behavior, highlighting the role of organizational culture, as a factor that can both initiate or restrain innovation, and therefore affect company performance. However, there is little empirical research linking these variables, but it is highly recommended to explore these areas.

2

Despite the debate on the role of innovation in influencing the customer perceptions and business success, none of the previous studies focused on the specifically examining the influence of innovation on the customer loyalty. Also, no such study has been conducted on Turkish and German consumers in the past, and to compare the two populations.

1.4   Research Question

What is the influence of innovation on the customer loyalty in Turkey and Germany?

The role of innovation for governing the customer loyalty was assessed in this dissertation. The study was conducted in two countries Turkey and Germany and the results were compared for both countries.

1.5   Thesis Statement

The increasing competition among the brands has forced the companies to involve in innovative product design and communication ideas to succeed in today's world. For example, the use of social media on a global scale has forced organizations to restructure and redesign their marketing activities. The present thesis would offer an insight into the role of innovation for governing the customer loyalty specifically for the brands in Turkey and Germany.

1.6   Contribution

The major contribution of this study is two-fold. Firstly, it would present an analysis of innovation on the customer loyalty. Secondly, the study would be specifically conducted for the Turkish companies. The primary location of this study is Turkey, but the survey has also been conducted in Germany to have a wider view about the study topic. Selection of two countries has provided the researcher an opportunity to compare the influence of use of innovative techniques over the customer loyalty of two countries. Based on the analysis provided by this dissertation, the companies would be able to innovate in their strategies which would, in turn, ensure customer loyalty for their products and services.

1.7 Hypothesis of the Study

McMillan (2000) stated that hypothesis is the prediction or informed guess which indicates that what the researcher thinks about the result before the study is carried out. So the hypotheses are:

$H1_o$: Technical innovation has no influence on customer loyalty.

H1: Technical innovation has influence on customer loyalty.

$H2_o$: Non-Technical innovation has no influence on customer loyalty.

H2: Non-Technical innovation has influence on customer loyalty.

$H3_o$: Intellectual experience has no influence on customer loyalty.

H3: Intellectual experience has influence on customer loyalty.

$H4_o$: Affective experience has no influence on customer loyalty.

H4: Affective experience has influence on customer loyalty.

$H5_o$: Reputation has no influence on customer loyalty.

H5: Reputation has influence on customer loyalty.

$H6_o$: Word of mouth has no influence on customer loyalty.

H6: Word of mouth has influence on customer loyalty.

$H7_o$: New Market Penetration and Differentiation has no influence on customer loyalty.

H7: New Market Penetration and Differentiation has influence on customer loyalty.

1.8 Methodology

This research is a primary study. The study was conducted using the scholarly articles related to the subject of this dissertation citing different reputed journals. Similarly, the literature about the companies operating in Turkey and Germany were consulted to review the role of innovation for their performance and customer loyalty. To conduct the survey study, the questionnaire published by Foroudi et al. (2016) has been adopted and the same was administered to the research participants in Turkey and Germany using online survey

methodology. The quantitative research method and statistical techniques were used to reach the study findings.

1.9   Organization of the Thesis

The present chapter has established the background and need of study. Moreover, the objectives and questions raised by the research have also been identified. Rest of the dissertation has been organized as follows:

- Chapter 2: Literature Review and Conceptual Framework
- Chapter 3: Research design
- Chapter 4: Analysis and Findings
- Chapter 5: Conclusion and Recommendations for Future Studies

2. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

2.1 Introduction

This chapter summarizes and identifies the research gap in the literature relevant to the topic of study for this dissertation. Firstly, the customer loyalty, its scholar definitions, and the factors governing it have been detailed. Next, the innovation and its influence on customer loyalty have been described. Finally, the conceptual framework has been developed identifying the independent and dependent variables of the study.

2.2 Customer Loyalty

Consumer loyalty is two-way comprising of both; attitudinal and behavioral tendency to like one brand over the others. It can be because of satisfaction with the quality of the product or service, convenience in getting the product or overall performance or the reason can be the familiarity and the comfort of using the product (Išoraitė, 2016). Customer loyalty is the solution to building the long-term influence on the company. Loyalty is when a customer desires to continue their relationship in the long term because loyal customers are those who purchase goods and services of the company. Loyalty is the desire of the customer and the willingness to be a regular consumer in the long term buying and further recommending the company's products after being satisfied himself. It is said as a multi-dimensional approach, constituting the behavior of the consumers and the positioning of the product. The positional aspect shows the consumers' approach towards the business while the behavioral dimension shows the purchase habits like whether the consumer is a frequent or a regular shopper, quantity purchased, size, range, and availability, etc.

2.2.1 Factors effecting customer loyalty

Customer loyalty is a complex concept resting primarily on delivering superior customer value. This contingent factor can only be achieved through 'satisfying' customers through marketing mix strategies such as an enhanced product, lower costs, outstanding service etc. As far as the product is concerned, innovation and design are the main factors that influence customer loyalty. Consistently pushing products with the latest technology, aggressive performance and functionality yields maximum satisfaction for customers in the full-growth and tech-savvy market of this era. Thereby, innovation paves the way to a sustainable competitive edge. This constructs superior customer perceived value and customer loyalty (Naveed et al., 2012). Such innovation craves for an integrated product design that goes beyond technical features and incorporates subjective and latent preferences landing neatly on the requirements of the customer demanding ultimate acceptance and loyalty. The aesthetic, appearance and affection lie in the user-friendly domain of products. Product succession and quality is a necessity for generating customer loyalty, however, an exceptional product alone is not enough.

Brand Experience has now gained much acclaim as an imperative factor of customer loyalty. It consists of the cognitive and behavioral responses that a brand has on its customers which over the time develops an emotional bond evoking loyalty. Therefore, a holistic brand experience leads to active referral, attachment, and delight through the brand. This factor is a wide umbrella that entails other factors such as Brand Image, Identity, Positioning, and Packaging, all of which contributes to brand involvement. This conceptualization of brand experience is important in influencing customer loyalty (Wali et al., 2015). Brand Association that a consumer forms are yet another factor influencing loyalty. This factor is strongly linked to brand experience and results in the reinforcement of repeated brand buying. The use of competitors has a greater dampening effect on brand associations.

Identification of and with the customer itself influences customer loyalty on a paramount level. This galvanizes the need for Customer Relationship Management (CRM). All the steps in the CRM process have consumers at its crux. The CRM strategy focuses on initiating and building strong relationships with customers by recognizing their needs,

expectations and buying behavior hoping to achieve customer loyalty, retention, and advocacy in return. CRM is sometimes viewed as a modern technology with a human touch to elongate profitable relationships with customers. Fostering such relationships with collaboration, opportunity management, lead generation and contact management can influence loyalty enough to make it a long-term imperceptible asset (Wali et al., 2015).

As new research implies, the factors that influence customer loyalty are now greatly distinguished and further identified. These factors include Social Media and Online Brand Communities. An online brand community has positive effects on community markers generating value creation. The shared ideals, rituals, interpretations and obligations to society greatly impact buying behavior and generate customer loyalty and commitment. The value creation practices in communities enhance customer loyalty through brand use and impression (Laroche et al., 2012).

Value creation practices can only be converted into customer loyalty through the mediating role of Brand Trust which thereby influences customer loyalty. Brand trust is an intangible symbol of worth and promise. It is based on the assurance of both consumer welfare and technical competence inducing ceaseless devoted exchange relationships (Wali et al., 2015). Customer loyalty is also influenced by market structure. Specifically, brands that penetrate a market niche enjoy unexpected levels of customer loyalty and must do little to retain it. While exploiting the benefits of the retail environment, customer loyalty is significantly influenced by communication through all the senses specifically sonic branding.

2.2.2   Innovation and customer loyalty

Innovation not only retains the present consumers but also attracts potential customers. Innovation encourages a sustainable business cycle. Customer loyalty arises because of customer satisfaction not only on quality but also on value for money, expectations and the company image (Blut et. al, 2014). The advertising point of view should be such that the consumers are convinced that what they are buying is a good value for money. It is only when consumers become loyal to a brand; changes can be made to the product to ensure acceptability. Every customer is different. Some customers become loyal when they find out that the brand is discriminating other brands while others are loyal because

of factors such as a positive perception of the brand or because of its positioning or family pressure. Loyal customers are less price sensitive while making the purchase decision because they look forward to the brand name and image and are not worried about the price.

Offering more innovation does not necessarily ensure customer loyalty (Stock & Zacharias, 2013). Instead, it is also important to mitigate the negative effects of a new development. Not everyone accepts innovation willingly because habits are difficult to change. People do not readily welcome change also because of the costs attached to it. If the present technology is not creating problems, people do not want to bring a change in their attitudes and continue following the traditional methods. However, it is also known that when a brand is closely associated with innovativeness, the negative effect of product newness is reduced when the customers are integrated into the value-creating process; loyalty then effects the product meaningfully.

2.2.3 Impact of customer demographics on customer loyalty

Demographics of customers in terms of gender, personal values, and culture have shown to create a significant impact on customer loyalty. Researchers have been quite interested to find out the link between customer loyalty and customer equity drivers to the cultural environment. The two cultures, namely western (Dutch) and Eastern (Chinese) were investigated in one study. The results of the study revealed that Eastern consumers have more loyalty intentions as compared to western consumers. This is possible because such cultures resist change due to high uncertainty avoidance and thus, do not end valued relationships that easily (Zhang et al., 2014).

Another determinant of demographics is personal values and its influence on customer loyalty. This link was investigated in a research on the private banking industry. The results revealed that those consumers who place high importance on achievement and growth as significant personal values show less loyalty to their banks. Also, this link was found to be more noticeable in females and consumers from high-income groups. Therefore, in light of these findings managers should treat customers differently according to their demographics and loyalty stages they belong to. This would enable them to increase segmentation efficacy and customer orientation (Henrique and Matos, 2015).

Gender is another important aspect of customer demographics and has shown to make a significant impact on customer loyalty. In the business of fine-dining restaurants, building customer loyalty is considered as a significant strategy to be successful. To retain and attract customers, managers should be aware of individual customers' differences. The results of the study indicated that perceived image and customer satisfaction were influenced by food and staff service quality, which in turn contributed to huge variance in the loyalty of customers (Ma, 2014).

2.2.4   Impact of intellectual and affective experience on customer loyalty

Customer experience can be divided into the intellectual experience and affective experience. Intellectual experience stimulates the rationality and contemplation of the customer often attracting loyalty on the basis of logic or form. The defining variable of this experience is the strong correlation with problem-solving aiding in making a superior choice (Foroudi et al., 2016). Other variables include the fulfilling of a particular need and the available information about the demographics.

While intellectual experience evokes the mind, an affective experience conjures feelings. It is the emotional aspect of the experience has a strong correlation with its effectiveness that builds a strong connection with the consumer on a personal level (Foroudi et al., 2016). Sentiments, pleasure, and entertainment are some of the variables of this category. Feelings of respect for long term reputation, admiration and confidence are observed when the affective experience builds loyalty. Some factors, such as age and gender cause fluctuations to the result of customer experiences, an overall correlation is still evident.

The innovation of company is researched to be a great influencer of customer experiences, modifying the overall demographics to achieve improved outcomes such as a positive affinity with the brand or a positive shopping behavior (Foroudi et al., 2016). This, in turn, affects the dependent variable that is; customer loyalty binding it strongly with the firm. The retail environment, through both technical and non-technical innovation, can be tweaked to portray both a coherent and sentimental fondness of the customer increasing the value in their perception. The innovation of the streamlined product and processes appeals to the consumer on an intellectual level, while innovation of the demographics of the retail environment affects the affective aspect of the experience.

A presence of an innovative retail environment affects the complex customer experience, which in turn modifies consumer loyalty. A causal relation that distinguishes which type of experience generates better loyalty is not yet found in recent research; a modification of loyalty is confirmed (Lin & Bennett, 2014). Many types of research demand better linkage study of these categorical aspects of the experience. Brand related stimuli lead to the formation of attitudes and judgments, while simultaneously arousing affective, sensory and intellectual experience. This can result in both practical implications such as the buyer's approach towards the shop or an internal one such as loyalty in both direct and indirect encounters (Dennis et al., 2013). Hence, the subjective customer experience, with the right amount and kind of innovation, can create customer loyalty both through affective or intellectual development.

2.2.5 Benefits of customer loyalty

Previous studies have revealed that the perceived benefits associated with consumer loyalty programs and strategies are diverse and relate to multiple types of consumer motivations. Firms should resort to both monetary and nonmonetary incentives and integrate functional as well as pleasure-providing features into their loyalty programs. They also should promote the benefits of enrolling in the program. Similarly, firms can help the most profitable customers quantify the value of the benefits they earn to prevent switching to competitors (Bose & Rao, 2011).

- Differentiation through customer loyalty programs is possible as recognition benefits have strong and important impacts on the firm's perceived relationship investment. Marketers who invest in different types of rewards such as personalized services or value-added information make wise investments. This is because nonmonetary benefits are intangible and thus they are hard for other firms to replicate. These benefits consequently can differentiate the program from the clutter in which competitors' programs are very similar also.

- Segmentation of customer portfolios: Not all customers associate the same benefits with a customer loyalty program. The scale of perceived benefits, therefore, can help segment customers, then identify and track those segments which are most likely to respond to different benefit dimensions. The scale also

can direct differentiated communications, according to the benefits a particular segment value the most.

- <u>Consumer Loyalty Program diagnosis</u>: Managers can rely on the scale to perform a diagnosis and thereby understand any gaps in their programs. Firstly, they should compare program performance with customers' expectations. Then they can benchmark their firm against the competitors. This enables the firm to improve its overall relationship effectiveness and enhance relative market performance. Managers can also track the evolution of customer needs over time and understand how such needs might change because of various conditions and evolutions. Finally, managers can also use the scale to assess the strength of their customer–firm relationships such as effects of the perceived benefits of important relationships outcomes, such as loyalty to the program and perceived relationship investment.

2.3   Innovation and its influence on Customer Loyalty

Innovation in business terms can relate to product idea, individual product features, and even packaging and design. In broad terms, it simply means to create a change in what is already established, by the introduction of new ideas, methods or products. By means of innovation, companies manage to differentiate their products and gain a competitive edge in the market (Seng and Ping, 2016). This is especially true for firms existing in a competitive market and the products are non-homogenous. By providing a convenience, feature or design not available from competitors, companies encourage customers to choose them over their substitutes. Successful innovations in product features influence customers by adding value to the product and improving its overall performance. Successful innovations in product packaging influence customers by being a tangible representation of the brand, and increasing the impact of the product at the point of purchase. In fact, due to the increased competition caused by globalization and online shopping, packaging is a significant factor in the purchase decision of consumers. It is not only seen as a self-promotion tool, but as a stimulator for the impulsive buying behavior of consumerist markets (Simha, 2013). However, innovation can also have a negative impact on customer decision making- due to behavioral reasoning theory, customers will

often display resistance to innovation (Claudy et al., 2015). This is primarily due to a disruption in the linkages of their brain, and will often cause the effect of the innovation to fail.

2.3.1 Technical and non-technical innovation and its influences on the customer loyalty

The socio-technical system theory divides innovation competency of firms into two classes that are technical and non-technical innovation capacity. Technical capacity being popular of the two emphasizes the innovation based on technology involved in the services or operations. This focuses on product or process innovation either introducing new or improved service or good by component or materials upgrading (Camisón & Villar-López, 2014). This is mostly researched for manufacturing industries requiring an innovative supporting input (Mothe & Nguyen-Thi, 2012).

Non-technical innovation focuses on managerial policy, sales management, and strategic marketing strategies (Foroudi et al., 2016). This innovation in the structural and organizational field is highly collaborative in nature and of crucial importance in the changing market. The success of technological innovation in terms of sales from novel ideas and processes require a strong spur of non-technological innovation.

The link between these the influence of these technologies on customer loyalty has been studied thoroughly keeping the theory of complexity in focus. The dependent variable is the level of impact on customer loyalty generated as a result of these technologies that in turn generate loyalty (Foroudi et al., 2016). It is also concluded that these two types of technologies must work in collision, both in complimentary and supplementary form, to have an impact, if any, on customer traits such as loyalty (Hervas-Oliver et al., 2014). Non-Technological innovation generates loyalty through combining market and marketing innovations to make the new product appeal to the customers while incorporating a brand personality and identity. Technological innovation makes this new product a dynamic and innovative one measuring effectiveness on output. While the technological aspect provides new high-tech service and operation, the non-technical facet helps market, manage and sell these products (Foroudi et al., 2016). A combined result is a high retention of customers built on strong consumer loyalty. Customer experience in

14

this paradigm focus on the reputation and loyalty created through the non-technological and technological innovative capacities of the firm. This intellectual involvement of managing the brand through product, process and managerial innovation generates customer value.

While innovation has been strongly linked to firm performance, variables such as customer loyalty generated in the process help sustain this performance. Customer participation and loyalty has been a central connection that drives the firm's performance (Ngo &O'Cass, 2013). This loyalty is not only affected by both categories of innovation, it further accounts for the future firm product quality and modernization to maintain that loyalty, driving performance.

2.3.2 Effect on firm performance

There is a general attitude that the innovation influences not only customers, but the performance of the firms themselves. Not just the innovation of a new product or method of production, but the innovation of a new business model can affect firm performance. The replication and renewal of such business models have a strong, positive impact on the performance of the firms, under varying levels of environmental dynamism. While it is understood that the impact is weakened in uncertain external conditions, it still shows an effect, and thus cannot be discounted as circumstantial (Heij et al., 2014).

In fact, of all the forms of innovation, organizational innovation is discovered to have a most significant influence on business performance. This is because organizational innovation will often change how the employees work, how the budget is allocated and the foundation of the firm itself. If an informed decision is made, this will often result in the firm performing more effectively. The implementation of productive (producing the highest quantity at the lowest cost) and allocative (the most efficient mix of resources for society) efficiency will thus improve their performance (Cheng et al., 2014).

One cannot, however, ignore the impact of technological innovation in products and product features on business performance. While organizational innovation impacts firm structure, technological innovation impacts the rate and nature of technological change within the workplace. It is important to note that organizational innovation creates a pathway by which technological innovation can develop. With the developments that then

occur in the form of new products, features and designs (packaging included), the overall performance of the organization has improved (Camison and Villar-López, 2014). If one is to look at innovation through a resource based view, the use of technological innovation extracts the most utility from the available resources, and is able to produce more, and more efficiently, leading to an overall superior performance.

2.4 Achieving Success Through Innovation

Some of the factors due to which companies could achieve business success, in the light of previous scholarly views have been described in this section:

2.4.1 Differentiation

It is the ambition of every brand to become a household name, and from this ambition flows a requirement of having the ability to innovate. It is important to establish the brand differentiation, and for that innovation is a very effective tool. Several studies have shown that successful brands continuously strive to produce distinctive value propositions derived from breakthrough ideas (Gronum et al, 2016). With times, consumer tastes changes, demand changes, and the marketers must keep up with this change. Ideas which were popular and worked a decade ago might fall flat, unprofitable and full stale today. Incremental innovation is easy to imitate and should just be considered a part of dynamic business, but with transformational and substantial innovation, one can stay ahead of the competition by creating demand for an altogether new product/service. Innovation complements the brand relevance strategy in which the marketers aims to pursue innovation to create a new category so that competition can be eliminated altogether.

2.4.2 New market penetration

Innovation also provides a platform for growth into the new markets. Developing markets can prove too much more profitable than already markets. P&G has been pursuing this strategy for years and has been very successful in tapping the potential of emerging marketing. There is also a lot of empirical evidence pointing towards a strong positive relationship between the innovation and economic performance. Both product and user innovation fuel the labor productivity, and this increase in productivity then leads to

profitability. While science-based industries usually go for technological competitiveness derived from product innovation, knowledge-intensive industries adopt cost differentiation by working on user innovation. Regardless of the underlying mechanism, in both kinds of industries, innovation has a strong impact on the bottom line (Lekovic & Maric, 2016).

2.4.3 Word of mouth

Innovation also generates a lot of talk in the town. Products or services which break through the clutter and can grab the attention of the customers are a standard part of daily conversations. New products and new ideas make the headlines. In an era characterized by heavy focus on innovation, it does not come as surprise that there is a renewed interest in word-of-mouth marketing. Innovation is a very effective tool in adding mileage to the promotion of the company. It adds a more personalized touch and thus makes the message much more credible than it would have had it come from the mouth of advertisers themselves.

2.4.4 Positive reputation

Innovation is one of the most desired attributes which customers want to see in their favorite brands. For one, it is an indicator of the quality of the product. Nike, which was once an infant brand in front of Adidas, is now one of the leading brands in footwear. The reason behind is the heavy investment in R&D which has made Nike one of the most popular brand of modern landscape. Backed by R&D, customer trust in company is driven and used as the point of competitive edge. Innovation also underpins the corporate reputation. Customers and shareholders equally respond to the efforts of company regarding the innovation. It has been seen that stock market rewards companies who show heavy investment in R&D, and in a lot of cases, tend to punish those who reduce spending on R&D.

Foroudi et al. (2016) explore the concept of innovation through the lens of complexity theory. The focus of the study was to understand the effect of innovation capability and customer experience on reputation and loyalty. The authors also studied the impact of varying demographics on this relationship. From the data obtained from 606 customers of

global retail brands and using the fuzzy set qualitative comparative analysis (Fiscal) and confirmatory factor analysis (CFA), the authors presented three findings. In retail settings, complex demographics configurations, rather than individual customer factor are the predictors of customer loyalty and reputation. Secondly, the results suggest a moderating impact of both technical innovation capability and non-technical one on the relationship between complex demographics and customer loyalty and reputation, and lastly, this relationship is also affected by intellectual customer experience and customer experience in retail environment.

The study makes a lot of contributions to the literature. For one, it consolidates the research on innovation and customer loyalty together, but most importantly, it tests the relationship of innovation capability with marketing for the first time. Even though some previous studies have touched this topic, but all of them have kept their focus on looking the relationship from the firm's point of view and ignored the perspective of consumers. It is also to be noted that this study uses a distinction between technical innovation capability and non-technical innovation capability which is important from the managerial perspective. Having said that, the study has also some limitations. The major limitation is the lack of generalizability of the data collected. The sample consisted entirely of high-end retail stores based in a developed market. The results can be quite different for developing markets. Because this study mainly revolved around demographics, the huge diversity in demographics from market to market further limits the applicability of the findings of this research.

To sum it all up, innovation offers a lot of benefits including, brand differentiation, growth in emerging markets, better profitability, word-of-mouth and positive reputation.

2.5   Examples of Innovative Marketing and Product Development Strategies

Innovative product development and Marketing strategies are one of the largest factors that allow a business to grow in the 21st Century. Hence these marketing and development strategies have been studied by many contemporary marketing and business experts. This literature review includes all the theories, new ideas, impacts and a critical analysis of the effectiveness of innovative marketing and business strategies. This section covers

different types of strategies followed in different kinds of organizations and how they can impact the firm positively or negatively.

2.5.1 Mobile marketing

When it comes to innovative marketing practices, (Persaud & Azher, 2012), mentioned mobile marketing as one of the more upcoming methods of innovative marketing. According to them, in today's day and age, mobile phones have become an extension of a person's individuality. The popularity and usage of mobile phones have increased exponentially over the years and is predicted to increase even further. People are not able to function in today's day and age without a cell phone or a smart phone. The authors, therefore, believe that mobile marketing holds massive potential and can be the next step to a new and innovative marketing strategy. Up till now, mobile marketing is just limited to sending text messages and alerts to customers regarding certain promotions. Theoretically, the use of mobile phone marketing can be the most direct way to approach potential and existing customers and to making new ones

The findings of Persaud and Azher (2012) research indicated that the shopping style, value, and the trust that a consumer places on a brand are key motivating factors for engaging in mobile marketing. They also mentioned that this field requires further research regarding tactics apart from messages that can be used to attract customers. Customers need to be engaged in dialogue with the firm to build loyalty and ad a steadfast influence on the brand. Using this approach can help firms realize what is it that customers need or how they want to engage themselves with the brand through their smart phones.

2.5.2 Marketing for international new ventures

In the highly globalized world of today, (Hallbäck & Gabrielsson, 2013), gave a much importance to innovative marketing strategies for International New Ventures which mainly focuses upon the internationalization of new ventures through the concept of entrepreneurial marketing. The authors conducted a qualitative research and analysis. Their finding indicated that there are two significant dimensions of entrepreneurial marketing for firms that seek to cross borders; adaptation and innovativeness. The international market is exceedingly inconsistent with local markets due to differences in

culture and norm. Hence an organization needs to market is product in a different manner as compared to in the local market. It needs to innovate and fit in with the cultural norms of the society and avoid any marketing practices that may be against their culture. Rather, they should harness the richness of their culture. The performance and development of the firm can also be described by math between the international entrepreneurial strategies used in marketing and the internal and external contingencies of the organization.

2.5.3 Marketing for SMEs

Bettiol et al. (2012) discuss contemporary marketing strategies which involve a focus on the intangible factors that appeal to consumers the most. These factors include the increasing importance of consumer empowerment, the social nature of consumption practices which involves the communal impact of the product that the consumers are using and lastly the presence of more aware and knowledgeable consumers. Furthermore, they talk about how small and medium enterprises (SMEs) cannot afford to go with such strategies due to a large amount of finances required to carry them out and a lack of specialists. This, however, does not mean that SMEs cannot have effective and innovative marketing practices. SMEs follow use direct marketing and build relationships with customers and suppliers, the also use other ways of marketing such as buzz marketing, organize events, spread word of mouth and have a higher entrepreneurial involvement with the customer and greater personal exposure.

These practices are effective and yet low in cost which allows firms to lower their expenditure and reinvest more in the expansion and development of the firm. However, it must be noted that a lack of finances in no way means that a firm may not have an effective marketing strategy. SMEs function in a different way as compared to larger companies, but in certain situations, not being as technologically superior as a large company.

2.5.4 New product development

Adiele (2012) believes new product development is one of the most important marketing strategies in the world today. For a company to grow and develop into a better version of itself, it needs to invest in research and development of its existing products. It can do this by including modifications and improvements in the same product. Along with this, the

20

organization needs to keep in mind the perception of the consumer. The consumer needs to perceive the new product as something made from superior technology, which lies within a certain budget that the target consumer can afford. The product also needs to be released into the market before the competition decides to release their product. The author also mentions the stages for new product development strategy; Idea generation, idea screening, concept development and testing, marketing strategy and development, business development, test marketing, and commercialization. These steps summarize the innovation process. Products development can give the firm a competitive advantage against other brands. This, in turn, give the firm a first mover advantage and allows it to gain a large portion of the market where it can make high profits due to higher sales. Higher revenue, in turn, can allow a firm to expand its operations and capacity.

New products can also be developed with the help of co-creation as mentioned by (Frow et al., 2015). Co-creation is one of the ways that an organization can innovate in its existing products. The innovation process is enhanced and that is one of the major ways that an organization can develop competitive marketing strategies. Co-creation can be innovation with the help of the customers input. This allows a firm to create a positive image of themselves in the minds of the customers and helps to strengthen the relationship between the firm and the consumer. Not only this, but co-creation is also a field which has growing potential but has not been researched enough. It allows two or more firms to pool in their resources and specialties to come up with more innovative products. Furthermore, there are also other possibilities of co-creation such as a firm co-creating a product by bringing in experts from anywhere in the world and invite them to work with their research and development team in order to create a new and innovative product or a modification of the existing product. This can allow the firm to differentiate itself in the eyes of the consumer and also gain credibility due to its external partnership with an expert or a brand that the consumers trust.

2.5.5   The marketing mix

The marketing mix includes four factors on the foundations of which a firm builds up its marketing strategy; product, price, place, and promotion. Research conducted by Glanz et al. (2012) conducted a research on a supermarket which uses certain strategies for the

promotion of its healthy products. This is done to reduce the increasing obesity caused by unhealthy food items in the supermarket. The supermarket comes up with an alternative strategy to help its consumers avoid buying unhealthy food items while encouraging them to buy healthier products. This can be done through various methods. In order of the marketing mix; the products that are unhealthy can be reduced by healthier products. The products that may not be as healthy can be sold in smaller packaging in order to allow the consumer to have more control over their intake. There should be larger variety of healthier food items available. Through reduction in price, of healthier foods, supermarkets could make healthier foods more prominent among their racks. This way, healthy but unfamiliar products could easily gain the consumers attention.

Placement is one of the most important aspects in a supermarket. Hence in order to reduce obesity and to promote the sale of healthier products, healthier products must be kept in a place where they are more prominent to a customer and allowing them to become more profitable firm. The number of counters present for the checkout of healthy foods must be increased in order to make place for the increased sale of more expensive food items and to push people to buy more healthy food (Glanz et al., 2012).

The last factor to manipulate in order to push up the sales of healthy foods is promotion. Promotion includes many different tactics that firm can use to market its products such as pay more attention to the high amounts of nutrients present in a product meant for children. The second thing that can be done is to decrease the volume of promotions given out to encourage people to buy unhealthy food. The last suggestion regarding promotion is to highlight the health benefits of healthy products and to allow the customer to be able to taste those healthy products by letting them taste the product by giving out free samples. This marketing strategy can push customers towards buying more healthy food which in turn will benefit the superstore due to the increase in its sales for healthy food (Glanz et al., 2012)

In today's modern world, the grocery store will also build up a good reputation and brand loyalty with its customers as people are trying to move toward the consumption of healthy food. Hence it is in line with the upcoming trend that gives more preference to eating healthy. In this way, the store has built an ideal situation for itself as it has developed its

unique brand offering and has also displayed a positive image of itself by showing its concern for obesity in children (Glanz et al., 2012).

2.5.6 The green marketing mix

An integral part of creating an innovative marketing strategy comes from the marketing mix. According to Leonidou et al. (2013), the contemporary world demands sustainability. The world is facing an increasing amount of concern for the planet and the environment. Hence the authors in their version of the marketing mix have included the element of sustainability, which is line with the customer's preference. Especially those customers that are more inclined towards environmental sustainability. Green marketing programs are consistent with the marketing mix, the product, the price, the channels used for distribution and the way that the firm communicates with the market are all in line with environmental standards and in no way negatively affect the ecosystem negatively.

The research conducted by Leonidou et al. (2013), shows that Green Marketing is providing firms with a positive payoff. The research was conducted to test certain variables which are; the role played by green marketing in influencing the firm's performance, the effect of slack resources and the aversion of top management regarding the risks of such programs and lastly, the conditioning effects that reinforce these associations. The results of the research indicated that the sustainable production and distribution effects the product's market performance positively. While sustainable promotion and pricing strategies helped to increase the return on assets of the firm it was also determined that slack resources and top management risk aversion are separately favorable to adopting green marketing programs.

2.5.7 Clustering

A marketing strategy that involves horizontal and vertical clustering was described by Felzensztein et al. (2012) conducted a research based on companies that were situated in clusters versus those that were not located in clusters. He studied both types of companies and realized that the companies that were situated in a cluster were more prone to having innovative marketing strategies as being in a cluster allowed these companies to remain in close contact with their competitors who produced the same commodity as they did.

Clusters allow a firm to build up a strategic network which allows them to have many advantages. In a cluster, which may be regional the suppliers of raw material, the manufacturers, and even the distributors are all situated near each other which allows them to take advantage of several benefits. Clusters allow firms to reduce their transportation costs which results in an even lower cost of production. They even incur lower transaction cost which further contributes to a low cost of production. They can also share ideas, knowledge, and resources all around the cluster. The cluster is best suited for smaller industries that are not as independent and do not operate at economies of scale. The firms in a cluster can join forces and build up the competitive advantage of that cluster through low costs and expertise and can compete with the global market. This can allow the sales of the firms to increase and provide room for expansion. Such clusters can also allow a firm to modify its products due to the knowledge that its distributor can provide to it about the needs of the market.

2.5.8 Role of social media in shaping the customer loyalty/relationships

Social media has totally changed the way businesses and consumers interact. The Study by Choudhury & Harrigan (2014) proposed Customer relationship management (CRM) model in association with the use of social media. Elaborating on the definition of social CSR, the authors explain that it is a two-way interactive communication with the customers. The authors conducted a survey targeted at senior marketing practitioners including managers, directors, executives, vice presidents serving at the organizations in the European financial center. The data was collected using online survey strategy. Descriptive statistical analysis, as well as multivariate analysis, was used to analyze the survey responses. It was identified from the study that the use of social media has become widely popular for marketing as 80% of the organizations use social media to understand markets and 86% use it as a marketing tool out of which 41% of the organizations use social tools for communication purposes. Thus, the statistics show that there is an increasing trend towards Social Customer Relationship Management (CRM). Also, it has been identified in the study that social CSR is usually achieved through the efficient use of popular social media sites like Facebook, LinkedIn, TripAdvisor, Yelp, Wikipedia, and

YouTube. These websites provide a platform to both organizations and customers to communicate with the world.

Although this work highlighted the changing communication trends between the marketers and consumers and came up with the supporting findings in this regard, it does not focus on the innovative strategies for the use of social media. The present study would, therefore, be an interesting adding to the work of (Choudhury & Harrigan, 2014) as it would shed light that how does integrating innovative strategies with the use of social media assist the customer relationship management.

2.5.9 Social media and brand loyalty in Turkey

A study was conducted in Turkey to study the impact of social media on brand loyalty (Erdogmus & Cicek, 2012). This study included customers who followed at least one brand on social media (a sample of 338 people). The results showed that the brand loyalty of the customers is positively affected when the brand offers (1) advantageous campaigns, (2) relevant content, (3) popular content, and (4) applications on social media.

Not just companies, banks also use social media platforms to develop brand value and loyalty among customers. This was proved by a study conducted on the Twitter accounts of five banks with the highest brand values in Turkey. The findings indicated that all sample banks were active users of social media. They not only used Twitter but also used other social network platforms such as Facebook and LinkedIn along with their official websites (Ergor & Ergin, 2016).

2.5.10 Social media and brand loyalty in Germany

As per many scholars, social Media Marketing has influenced and made a permanent mark on the public of Germany. A study conducted in 2015 by Sigala et al, showed that approximately 87 percent of market decision makers in small and developing businesses now opt for social media campaigns for marketing and other communication purposes. The study also reflected that brand loyalty within Germany is varied. The survey indicated numerous statistics in relevance to brand loyalty and satisfaction, and concluded that the relationship of brand loyalty is directly related to the age of the consumer. The old consumers with age bracket approximately above 45 years have a solid idea of the brand

before going to the market whereas, such resolute decision-making declines with age as the coming generation is getting more knowledgeable and tend to research and experiment more for the sake of curiosity rather than satisfaction.

Social Media is being developed and perceived as a medium (forum) for all businesses and activities alike, its operations for marketers and usage as consumers (visitors) has also boosted its fame throughout the world, including Europe (Sigala et al., 2016). Due to such flexible dynamics and easy user interface, businesses throughout the world tend to focus more on it rather than opting for other business or marketing models. Another study undertaken by Ulaga in 2013) explained that 50 percent of all businesses (large, medium or small) in Germany use online advertisements or Social Media to market their product or services in one way or the other. For prevailing brands, it leaves a huge impact for brands to increase brand loyalty by maintaining relationships with consumers, improve or manage the company's brand image and do market research/surveys effectively.

2.6   Case Studies for Innovation

2.6.1   IKEA

According to Hong (2015) IKEA, the Swedish manufacturing giant is one of the largest innovators in the world. He believes its product development and marketing strategy is so successful because they take care of ever minor detail of the furniture that they produce. IKEA also provides furniture that is portable, light and easy to put together without the aid of any tools. The brand focuses on the entire customer experience and not just certain touch points. Throughout the buying cycle which involves the awareness of needs, assessment of alternatives, alleviation of risk, decision and the final step which is achievement of results. IKEA keeps the customer in mind while going through all the mentioned steps. In 2013 IKEA came up with a strategy to showcase its product in the market by allowing customers to see how a piece of furniture would look in their actual living space. They did this with the help of an application called catalogue in which they used augmented reality.

IKEA even offers its customers a value-added experience when they come visit and IKEA store. They have a Swedish bistro and rest in their store which serves cheap food for as

low as one dollar and even offers buy one get one free frozen yogurt. All of these innovative marketing practices reflected in IKEA's membership of families which improved from 4.3 million to 6.9 million in the year 2014 to 2015. Activities have been staunchly centered around enhancing the total purchasing encounters of their clients, without falling into set up standards or common procedures. While many brands value that client experience is critical to fruitful technique, IKEA has figured out how to execute on a level of detail where various others miss the mark (Hong, 2015).

2.6.2 Virgin America

According to Hong (2015), Virgin America is also one of the most innovative companies when it comes to product development and innovative marketing. Virgin America is presently operating in country that puts brand loyalty as well as customer service as their top priority. The Virgin group came up with an innovative strategy that was aimed at customer satisfaction. They came up with the concept of a VX Next, which included a group of 30 frequent flyers who were also entrepreneurs and they made them come up with creative ideas that would allow them to better satisfy their customers. And in turn, Virgin came up with the idea of a social network that operated in the Airline while it was in the air. This social network was designed to allow the passengers to interact with each other. This marketing strategy to differentiate its service was also very successful and allowed Virgin to gain an edge over its competitors.

2.6.3 Coca-Cola company

Pate (2016) states that Coca-Cola came up with one of the simplest yet innovative strategies to differentiate its product. One of Coca Cola's most recent campaigns is the 'Share a Coke' campaign. In this campaign, the company came up with a new way to make the Coke experience special. What the company did, was that it started to get names printed on a Coca-Cola Bottle and all of a sudden, everyone started to feel unique and special as a consequence. The company began to manufacture Coke bottles with other titles apart from name too such as 'singer' and 'mom'. People all around the world had now begun to identify themselves with Coke Bottles always finding their names or the name of their friends on the packaging. The Coke experience had become shared. This was an example of a marketing strategy that allowed the firm to modify and market its

product. The advertisements were broadcasted on television and the Coke bottles all around the world ware modified per the country and the local names, occupations, and relationships in that country. This strategy overall increased the Coke popularity among people and even though Coca-Cola already has a massive customer base, it gained an even higher level of customer loyalty and people started to connect with the Coca-Cola brand on an emotional scale. This strategy also reflected positively on the brand image of the country. All in all, the small modification of the bottle helped Coca-Cola connect with the masses like it never had before.

2.7   Need for Innovative Product Development and Marketing

The role of innovation can be different for the countries based on the perceptions of the customers and technology advancements. If the consumers are not very interested about the innovation but give importance to other factors such as price and quality of the products, they might not be willing heavily in innovative products as they would be getting whatever they need from the products based on the decades older technologies. Therefore, the need for innovation can be different at the countries under study, Turkey and Germany as described below:

2.7.1   In Turkey

As seen from the above literature review, the essential competence of companies now depends on continuous innovation. Ground-breaking ideas in productive development now become the retention factor of competitive advantage of both local and global markets. Information flow is significant for making a value added product and to market it inside an unexploited niche. Turkey is a country where industrialization started late yet grew exponentially. Companies in Turkey need to generate new ideas in order to remain competitive in the new technological competition in order to remain a top player in the world market. They must respond actively to the requirements of the evolved consumer and make themselves obsolete before others attain a chance to do so. For this reason, R&D investments in product developments are required to embed quality in invention. They must overcome barriers to divergent thinking to provoke innovation in every industry as

the life cycles of products get shorter (Frishberg & Lambdin, 2015). Turkish consumers, like every rational customer, require dynamic products.

An innovative market strategy can help Turkish companies gain new customers in the competitive environment that persists continuing the building a favorable reputation increasing profitability. While an innovative design is needed to fulfill the customer's needs, a promotion of the new features is required to fulfill that will to buy into an action of purchasing. This innovative feature requires employees to work in a creative and versatile setting without constraints, giving them a chance to show their creativity and exploit new ideas (Wang et al., 2016). Moreover, in this age of technology, new, active and SMEs have emerged throughout the country based on entrepreneurial ideas that are capturing the share of established companies based on innovative and niche satisfying products and marketing (Cavusgil & Knight, 2015). To counter these emerging threats, Turkish companies must innovate.

Enhancing consumer loyalty can be strategically constructive for Turkish brands as it helps to retain customers in the saturated globalized markets. The technological change has increased information asymmetry generating more knowledgeable buyers. Efficient price and quality no longer maintain customers (Arslan & Atalik, 2015). Global access can be feasible for Turkish companies if a local market is guaranteed through loyal customers affecting purchase behavior positively (Russell-Bennett et al., 2013). Moreover, brand loyalty helps manage brand identification and personality. It helps to make the brand distinctive, self-expressive and attractive to consumers. Brand loyal customers also help market the brand, through informal channels which are more effective, through positive word of mouth (Tuškej et al., 2013). These characteristics of brand loyalty make it imperative for brands to invest in creating a reliable base curbing the threat of losing out on customers.

2.7.2 In Germany

As discussed in the above literature review, Social Media has come forward as the face of new era of communication and, hence, marketing campaigns. Social media world is such that a company might be able to introduce itself but it requires a unique marketing strategy to maintain its edge. Unless a product or service has a different and reliable way of putting

its message and providing service reliably, it has no chance of gaining any market share in any European region, including Germany. Furthermore, the importance of engagement with the audience on social media forums is now tenfold. In order to target young audiences and increase brand loyalty, businesses have to invest in and use a product/service development strategy on Facebook that it offers a one-stop shop effect to the consumers where it is provided with numerous opportunities to research and shop. In Germany, where quality of education free of cost is widely known for, marketers can also capitalize on the market in such a way that it reflects an understanding of interests between the company and consumer (Ulaga, 2013). This way, consumers can not only link to the brand but this link benefits the brand in the long run as the consumer always returns to the same brand due to such unique satisfaction attained.

Social media, as a whole, requires innovation and creative strategies for companies to market themselves. Innovation is the only technique through which companies can gain a competitive advantage over others and gain new customers on this forum.

2.8   Conceptual Framework

In Foroudi et al. (2014) the influence of innovation capability over customer loyalty and influence of innovation over customer experience was tested. The present study uses the similar conceptual framework but now the study would provide the comparison of role of innovation for the two countries which was not offered by Foroudi et al. (2014). Similarly, the demographic perceptions were not tested by the author which have now been taken into account.

In the light of literature survey and the conceptual framework developed by Foroudi et al. (2016), the conceptual framework for this dissertation has been shown in figure 1:

Figure 2.1: Conceptual Framework

As shown above, the independent variables of this study are innovation (technical innovation capability, non-technical innovation capability), intellectual experience, affective experience, reputation, word of mouth and new market penetration & differentiation while the dependent is customer loyalty. The hypothesis states that the innovation due to the technical and non-technical innovation capability of the company results in offering it the benefits of differentiation, new market penetration. Furthermore, since innovation leads to the company having a highly positive word of mouth & reputation, it results in effecting the customer's experience, both the intellectual and affective. Moreover, the demographic perceptions of the customers about the brand are also influenced by the innovation strategies of the brand. Finally, the differentiation and customer experience lead to building customer loyalty. The above detailed framework will be tested in this study by analyzing the responses of the survey. Based on the conceptual framework and previous research studies, we have drawn the following hypotheses of the study:

$H1_o$: Technical innovation has no influence on customer loyalty.

$H1$: Technical innovation has influence on customer loyalty.

$H2_o$: Non-Technical innovation has no influence on customer loyalty.

$H2$: Non-Technical innovation has influence on customer loyalty.

$H3_o$: Intellectual experience has no influence on customer loyalty.

H3: Intellectual experience has influence on customer loyalty.

H4$_o$: Affective experience has no influence on customer loyalty.

H4: Affective experience has influence on customer loyalty.

H5$_o$: Reputation has no influence on customer loyalty.

H5: Reputation has influence on customer loyalty.

H6$_o$: Word of mouth has no influence on customer loyalty.

H6: Word of mouth has influence on customer loyalty.

H7$_o$: New Market Penetration and Differentiation has no influence on customer loyalty.

H7: New Market Penetration and Differentiation has influence on customer loyalty.

2.9   Chapter Summary

The chapter presented a detailed analysis of the previous scholarly work focused on the aspects of customer loyalty, innovation and the influences of various factors on these two. Moreover, this literature review presented many different scenarios regarding different situations that call for a different market strategy. Some examples of these are strategies for international new ventures, green marketing, the marketing mix, it discusses new product development and marketing strategies used by different companies in dissimilar setups which had varying objectives.

The case studies have been described where the companies could retain customers due to their innovative strategies. It has been found that innovation affects the customer experiences which in turn lead to the customer loyalty for the products. Finally, the conceptual framework has been developed in the light of literature survey. Next chapter presents the research methodology to be followed in the study.

3. RESEARCH DESIGN AND METHODOLOGY

Selecting an appropriate research methodology depends on appropriateness, development and assessment. The research method practiced should be applicable and apposite to the research context (Venkatesh et al., 2013). Research method should be complementary to the subject (Wind & Green, 2011). Assessment of quality of research methods to be utilized delivers the much needed validation to the cause and presents data from a more authenticated perspective. The present chapter details the aspects of the research design employed in this dissertation including the research design, research philosophy, research approach, research strategy, sampling approach, data collection and analysis methods and the ethical stance.

3.1 Research Design

There are 3 types of commonly used research designs often used by the social and business researchers. Exploratory research is the initial research undertaken by a researcher to find out more about a hypothetical idea, theory or observation. It is the groundwork that becomes the basis of further studies. In analytical research the researchers analyze the information that is already present to make a critical evaluation of the subject (Mitchell & Jolley, 2012). Descriptive research follows exploratory research as the researchers try to get additional information about the topic. The intention is to fill the missing parts by expanding our understanding of the topic.

For the present research, the analytical research design has been chosen. This is because there exists considerable research literature on the subject of assessing the role of innovation for customer loyalty. In this dissertation, the major focus of the study is to analyze the existing findings in the context of Turkish and German customers. Therefore, analytical design has been found to be the best-fit.

3.2   Research Philosophy

A way in which data about a phenomenon should be collected, studied and used is known as research philosophy, three major philosophies have been identified which includes positivism, realism and interpretivism (Flick, 2015). According to positivism, the beliefs of the researchers have no value in influencing the research study. The researchers collect data from a large sample of instead of focusing on the details of the research. On the other hand, in interpretivism, the research is focused on small sample of the population and their views are evaluated to understand the behavior of a larger population. Realism focuses on the reality and views that already exists in a situation.

The interpretivist philosophy has been used in this study because the responses have been collected from a small sample in both the countries and they are then generalized for all the population.

3.3   Research Approach

Research approach is the orientation of the research: type of data used and the mannerism in which research is approached (Saunders et al, 2012). Inductive research approaches move from a specific view point to a more general one. Regular patterns are detected and testable hypotheses are formed, from which theories are developed. An opposite is the deductive research approach which starts from a general view. The researcher has a theory, which is developed into a hypothesis and then data is collected to test the hypothesis. Thus, deductive research approach is used to validate theories (Bryman & Bell, 2015).

The present research utilized deductive approach as firstly the conceptual framework was developed in the light of the existing research about customer loyalty and the influence of innovation on it. Secondly, the developed framework was tested by conducting an online survey on the Turkish and German customers. Thus, the focus of the dissertation shifted from the general to specific view in which case the deductive approach is the most appropriate to be taken.

3.4 Research Strategy

Research strategy is a plan of action specifying research objectives, questions, and methodology leading to systematic execution. Case Studies are focused research strategies used to study a person or a phenomenon. They are used to gather in-depth information on any event/individual (Munhall, 2012). Surveys enable researches to collect data from a larger population sample where individuals are questioned about their opinions, views, and likes/dislikes. The tools of research used here include questionnaires, interviews, and focus groups.

The present research is based on the survey strategy as it offered the researcher an opportunity to collect responses from large number of participants. Unlike the case study of customers of specific brand or company, the findings of present research provided an insight about the general role of innovation for influencing the customer loyalty for the Turkish and German brands in a general context.

3.5 Research Method

The process of collecting data and converting it into numbers to facilitate deduction is called quantitative research method. Objectivity is the key to this method of doing research. Qualitative data is more subjective and is used to evaluate human experiences or the like. Unlike quantitative data, this research method is influenced by the characteristics of the researcher (Zikmund, 2010). The deductive research approach is used in quantitative methods, whereas inductive approach is used in qualitative methods.

The quantitative research method has been used in this dissertation as it is based on analysis of the quantitative responses collected from the survey participants.

3.6 Sampling Method

The process of collecting samples from a population is sampling method (Silverman, 2014). Probability sampling is a technique which provides all individuals in a population equal opportunity to be selected; it eliminates any systematic and sampling bias. Non-Probability sampling is centered upon subjective decision making instead of random

selection; it is time and cost proficient (Smith, 2001). For the present study, the probability sampling method of simple random sampling has been used.

The selection of a sample from a population is simple random sampling where each individual has identical odds to be selected from the group (Smith, 2001). Sampling with replacement is when a member (element) of population can be selected more than one time and sampling without replacement is when member (element) of population can be selected only once. Simple random sampling has been used to avoid the bias in the selection of respondents. In case non-probabilistic sampling is used, there is always a chance that people from similar thought group get majority of the portion of the responses which would introduce bias in the study. Therefore, through the selection of simple random sampling, it was avoidable. A sample size of 100 is used for the study because when a sample of 100 is used for any research, the margin of error falls to 10% or even less (Patel et al., 2003). Most statisticians agree that the minimum sample size to get any kind of meaningful result is 100. If your population is less than 100 then you really need to survey all of them (Martínez-Mesa et al., 2014). According to the theory, a good estimate of the margin of error is provided by $1/\sqrt{n}$, where 'n' is the sample size (Niles, 2006). For more accurate value, this formula $z^* \sqrt{\frac{p(1-p)}{n}}$, can be referred. Following graph shows, as sample size increases, the margin of error decreases.
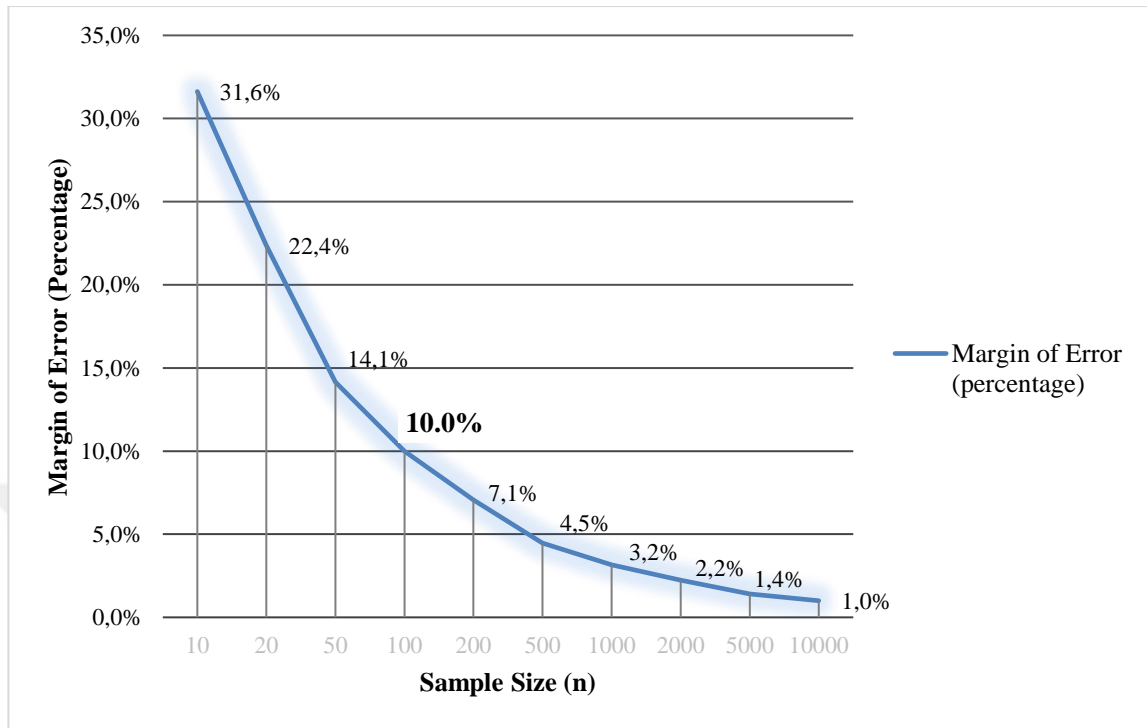
Figure 3.1:   Sample Size and Margin Error
Source: (Niles, 2006)

3.7   Data Collection and Analysis

For this research approximately 100 participants each from Turkey and Germany were selected for administering a questionnaire survey. The survey has been adopted from the article published by Foroudi et al. (2016). The questionnaire has been attached in the appendix and it offered the participants an opportunity to enter their responses using a 5-Point Likert scale (1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree & 5=Strongly Agree). Using the structured questionnaire facilitated the researcher by having a quick and comprehensive insight about the role of innovation for effecting the customer loyalty and satisfaction with the brands.

Statistical techniques of frequency distribution, Mann Whitney U, correlation co-efficient and regression analysis have been used for analyzing the survey responses.

3.8   Ethical Stance

When conducting research, it is important to address the ethical issues that arise. Participants have to be protected and it is necessary to uphold ethical values when doing collaborative work. Practicing ethics also causes the research to gain support of the public. To promote moral and social values in society it is important to abide by the ethical norms in society. Many of the ethical norms help to ensure that researchers can be held accountable to the public. For instance, federal policies on research misconduct, conflicts of interest, the human subjects' protections, and animal care and use are necessary in order to make sure that researchers who are funded by public money can be held accountable to the public. Some of the ethical norms in research are informed consent, confidentiality, right to withdraw and debriefing.

For the present research, the aims and objectives of the research were explained to the participants and they were also provided with a consent form. The confidentiality and anonymity of the participants was ensured as only the demographic data about their age, gender, qualification and income was collected which could not lead to revealing their identification by any means. The participants were allowed to leave the questions for which they were not comfortable; the questions were not made mandatory to answer as is the case with various online surveys. This was done to ensure that even if the participants were not interested to answer few of the questions, they were still able to get their responses recorded. Furthermore, it was clearly stated in the form that they had a chance to withdraw from the survey if they did not want to complete it at any stage.

4.   FINDINGS AND DISCUSSION

A survey questionnaire was presented to the general public in Turkey and Germany, considering no difference between genders, aging 20 onwards, however it was kept in mind the complexity of the marketing terms and concepts, hence educated enough public was approached to expect fair understanding and no ambiguities, as the questions are similar to each other. The name of the survey questionnaire is "Foroudi's Innovation and Loyalty", as it is adapted from Dr. Pantea Foroudi studies.

The questionnaire was designed in a way that it has eight categories. Each category has a different set of questions items, measuring different aspects of innovation, customer experience and loyalty. The first category measures the technical innovation capability of firm influencing the customer behavior towards loyalty. Following are the four question items in it.

1. I am impressed by the companies which use knowledge to engage in technical innovation.
2. I prefer purchasing from the companies which use skills for technical innovations.
3. The companies offering innovation in services inspire me.
4. The companies involved in services operations and technology attract me.

The second category measures the non-technical innovation capability of firm influencing the customer behavior towards loyalty. Following are the four question items in it.

1. I am impressed by the companies which use knowledge to engage in non-technical innovation.
2. I prefer purchasing from the companies which use skills for non-technical innovations.
3. Managerial innovations attract me.
4. Marketing innovations attract me.

The third category measures the intellectual experience of customer about innovative companies. Following are the four question items in it.

1. I am loyal to the companies which can offer me what I am looking for.

2. The innovation of companies lead them to reach the better decisions.

3. The companies which offer information about their products attract me.

4. The innovation of companies lead them to be good at problem solving

The fourth category measures the affective experience of customer about innovative companies. Following are the three question items in it.

1. The companies using innovation provide better entertainment.

2. The innovative companies have the capability to influence my feelings and sentiments about their products and services.

3. It is pleasurable to purchase from the innovative companies.

The fifth category measures the reputation of innovative companies among the customers. Followings are the five question items in it.

1. I respect and admire the innovative companies.

2. I have trust in the companies which innovate.

3. I believe that innovative companies offer products which are a good value for money.

4. Innovative companies offer services & products of high quality.

5. Innovative companies have good sense of corporate social responsibility.

The sixth category measures the word of mouth effect influence about innovative companies. Followings are the two question items in it.

1. People often talk about the innovative companies in a positive way.

2. I encourage my friends and family to purchase from the innovative companies.

The seventh category measures the new market penetration and differentiation effect for innovative companies. Following are the three question items in it.

1. Innovation offers the companies with an opportunity to enter new market easily.

2. Through innovation, companies become able to compete in the new markets.

3. The innovative companies offer differentiated products and services as compared to the competing companies.

The eighth category measures the loyalty of customer to the innovative companies. Following are the two question items in it.

1. I always purchase from the innovative companies.
2. I go for purchasing from the innovative companies even if the substitute products are cheaper.

The descriptive and statistical analysis for the survey findings have been presented in this chapter. The frequency distribution for each of the responses has been discussed.

The comparison of the responses received in Turkey and Germany has been provided for each question through the survey responses. Subsequently, the correlation co-efficient and regression analysis have been provided for the survey responses.

4.1 Demographics

Table 4.1: Gender of the Respondents for Turkey and Germany

Country	Gender	Respondents	Percentage
Turkey	Male	53	46
	Female	61	54
Germany	Male	62	58
	Female	44	42

The results display the fact that 46% of all respondents from Turkey were male, with the remaining 54% being female. On the other hand, among the respondents surveyed from Germany, 58% were male and others were female.

Table 4.2: Age of the Respondents for Turkey for Germany

Country	Age	Respondents	Percentage
Germany	20-30 Years	57	50
	31-40 Years	29	25
	41-50 Years	13	11
	Above 50 Years	7	6
Turkey	20-30 Years	64	60
	31-40 Years	41	39
	41-50 Years	6	6
	Above 50 Years	3	3

The results show that the majority of the respondents were between 20 to 30 years old. 56% of the results fall into this category. 36% of results were 31 to 40 years old, 6% of results were 41 to 50 years old, and 3% of the respondents remaining were above 50 years old. On the other hand the ages of the sample respondents from Germany. The participants were mostly of the median age from 20-30 years accounting for 54% of the whole sample. The next big sub-group was of the ages between 31 and 40 years making up 27% of the sample. Ages 41 to 50 made up 12% of the sample while the ages 50 and above made up the rest.

Table 4.3: Location of the Respondents for Turkey and Germany

Country	Respondents	Percentage
Turkey	116	52
Germany	114	48

The results displayed the points of views of citizens from only two countries. Geographically speaking, the respondents from Turkey are 52%, while respondents from Germany lie at 48%.

4.2 Variable Tested: Impact of Innovation Capability on Customer Loyalty

4.2.1 Technical innovation capability

Table 4.4: Responses about Being Impressed by the Innovative Companies for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	2	40	55	17
	0%	2%	35%	48%	15%
Germany	2	8	23	29	44
	2%	8%	22%	27%	42%

The survey respondents were asked for their perceptions about the innovative companies. 0% strongly disagreed that they were impressed by the companies which used knowledge to engage in technical innovation; 2% disagreed; 35% were neutral; 48% agreed and 15% strongly agreed. This response clearly reveals that the customers in Turkey were impressed by the technical innovation capabilities of the companies. For the respondents

of Germany, 27% agreed; 41% strongly, 22% were indifferent to knowledge driven innovation. 8% disagreed while 2% were in strong objection.

Table 4.5: Responses about Preferred Company for Technological Innovations for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	3	37	58	16
	0%	3%	32%	51%	14%
Germany	0	4	37	46	19
	0%	4%	35%	43%	18%

When asked the questions about whether the respondents prefer to purchase from companies that use skills for technological innovations, the results imply that most are in agreement. 14% of the results strongly agree with the statement, while 51% of the results agree, 32%, is neutral on the topic. 3% disagree with the statement, while 0% of the results gathered strongly disagree with the statement. The respondents in Germany also preferred the technical innovations. 43% agreed with skills driven tech innovation while another 18% did so strongly. 4% in total were in disagreement as 35% remained took no stance and remained neutral. Overall, skill based technical innovations received much favor from the sample.

Table 4.6: Responses about Innovation Companies that Inspire for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	5	56	37	16
	0%	4%	49%	32%	14%
Germany	2	5	32	40	27
	2%	5%	30%	38%	25%

When asked whether the companies that offer innovation in services inspire the respondent, 0% of the results strongly disagree, while 4% of the results disagree with the statement. 49% of the respondents are neutral, and the remaining majority, again, lie in agreement, while 33% agreeing and 14% strongly agree. This shows a slight bias towards companies that innovate for inspiring an individual. For Germany, 30 were uninterested in innovative services from companies while another 5% disagreed with the notion. 38%

agreed and 25% agreed strongly. The rest 7% of the respondents were in disagreement. Clearly, for Germany the role of innovation for inspiring the customers was more significant.

Table 4.7: Responses about Companies that attract for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	0	43	55	16
	0%	0%	38%	48%	14%
Germany	1	10	38	34	23
	1%	9%	36%	32%	22%

On the subject of whether the companies involved in operations and technology attract the respondent, the results again led to the implication that the majority of the respondents were more attracted to companies that were involved in technology and service operations. 14% of the results strongly agreed, while 48% of the results agreed. 38% of the results were neutral on the topic. 0% disagreed with the statement.

It indicates technological services inspired more respondents in Germany, as compared to the previous question which used innovative to describe the phenomenon. 32% agreed and another 22% strongly agreed. The disapproval was only from 10% people, whereas others 36% were indifferent.

Therefore, it can be implied from the analysis that respondents from both countries attract towards the companies engaged in operational and technological innovation.

4.2.2 Non-technical innovation capability

Table 4.8: Responses about Companies that Engage in Non-Technological Innovation that Impress Respondent for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	4	47	47	16
	0%	4%	41%	41%	14%
Germany	1	4	52	30	19
	1%	4%	49%	28%	18%

Regarding whether the companies using knowledge to engage in non-technological innovation impress any given individual, the majority of the respondents did not have a strong opinion on the matter, with 41% of results being neutral. 0% of the results strongly disagreed, while 4% of the results disagreed with the statement. At the other extreme, 41% agreed, while 14% strongly agreed with the notion brought up in the question. For Germany, the response about the above question gained a high number of respondents who acquired a neutral stance (49%). While 28% agreed and 18% did so strongly, around 5% didn't like knowledge based non-tech innovation.

Table 4.9: Responses about Preferred Non-Technological Innovative Companies for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	15	68	24	7
	0%	13%	60%	21%	6%
Germany	9	23	37	21	16
	8%	22%	35%	20%	15%

When asked whether the respondents prefer purchasing from companies which use skills for non-technological innovations, the majority, again, lay in neutral territory, with 60% of the results displaying no opinion on the matter. 21% of the results agreed, and 6% of the results strongly agreed with the statement. 13% disagreed, however, and 0% of the respondents strongly disagreed on the topic. In accordance with the table which shows the results for Germany, it has been revealed that for the sample of Germany, one-third of the population again seemed indifferent to skill based non-tech innovation. 20% agreed and 15% agreed strongly. 22% disagreed in which 8% disagreed strongly.

Table 4.10: Responses about whether Respondent is Attracted to Managerial Innovation for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	2	35	58	19
	0%	2%	31%	51%	17%
Germany	0	24	45	23	14
	0%	23%	42%	22%	13%

On the subject of whether managerial innovations attract a given individual, there is a strong majority in agreement with the question posed. 16% of the results strongly agreed with the subject, while a significant 51% agreed. 31% of respondents remained neutral, while those who disagreed lay in the minority. 2% of results appeared to disagree with the statement, while 0% strongly disagreed. For Germany, 23% of the sample disagreed, and 42% stood neutral and the 22% agreed, 13% strongly agreed that managerial innovations attracts them. While 0% strongly disagreed.

Table 4.11: Responses about whether Respondent is Attracted to Managerial Innovation for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	4	43	45	22
	0%	4%	38%	39%	19%
Germany	4	4	29	40	29
	4%	4%	27%	38%	27%

On the subject of whether managerial innovations attract a given individual, there is a strong majority in agreement with the question posed. 19% of the results strongly agreed with the subject, while a significant 39% agreed. 38% of respondents remained neutral, while those who disagreed lay in the minority. 4% of results appeared to disagree with the statement, while 0% strongly disagreed. Similarly for Germany, marketing innovations which allows the consumer to interact with brand garnered the highest agreement rating with 38% agreeing and 27% doing so strongly. Only 4% strongly disagreed and 4% disagreed. And 27% people remained neutral.

4.3   Variable Tested: Impact of Innovation on Customer Loyalty

4.3.1   Intellectual experience

Table 4.12: Responses about Loyalty to Companies that Provide Satisfaction for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	5	43	41	25
	0%	4%	38%	36%	22%

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Germany	5	6	22	30	43
	5%	6%	21%	28%	41%

This question relates to whether the respondents were loyal to companies that offer the respondents what they are looking for, 22% strongly agreed, while 36% agreed with the topic. 38% were neutral on the subject. 4% of respondents disagreed with the statement, while a further 0% strongly disagreed. This displays a tendency to remain loyal to companies that satisfy client needs. In contrast for Germany, it was found that good proportion of respondents agreed and strongly agreed mounting up to 68% of the whole sample. 6% disagreed while 5% strongly disagreed with loyalty on the basis of satisfaction through offer. 21% remained neutral.

Table 4.13: Responses about Whether Innovation Leads to Better Decisions for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	3	31	57	23
	0%	3%	27%	50%	20%
Germany	0	4	15	45	42
	0%	4%	14%	42%	40%

Regarding whether the innovation of companies tends to lead to better decision, the results again implied a strong tendency to agree with the notion. A significant 20% strongly agreed with the statement, while 50% agreed with the notion. 27% appeared neutral on the subject. 3% of the results displayed disagreement, while 0% strongly disagreed with the idea innovation led to better corporate decisions. For Germany, it was found that innovation helps decide better is believed to be true by 78% people while not even a single person strongly disagrees. 15% chose to remain neutral.

Table 4.14: Responses about whether Companies Offering Product Information Attract Respondent for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	2	5	29	53	25
	2%	4%	25%	46%	22%
Germany	5	8	10	48	35
	5%	8%	9%	45%	33%

When asked whether the companies that offer innovative products attract respondents, there was a clear bias towards agreement on the topic, with 47% of respondents agreeing, while 22% of respondents strongly agreed with the topic. The smallest percentage of respondents was strongly disagree, at 2%, while a slightly larger 4% of respondents disagreed, while 25% stood neutral on the topic. Clearly, most find such companies attractive.

Information about products attracts consumers in Germany is shown at influence more as compared to those in Turkey. As shown in the table, 45% of the sample agreed while another 33% agreed strongly. Only 9% remained neutral. 8% disagreed while 5% disagreed strongly. Information according to this research helps consumers decide.

Table 4.15: Responses about Perception of Innovation Leading to Problem Solving Ability for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	7	25	61	21
	0%	6%	22%	54%	18%
Germany	4	10	23	44	25
	4%	9%	22%	42%	24%

When asked whether the innovation of companies tend to lead them to be good at problem solving, 18% of respondents strongly agreed, while 54% of respondents agreed with the statement. 22% of the results showed a neutral position. 6% of respondents were in disagreement, while 0% strongly disagreed with the notion. The results show that the majority of individuals find innovative companies to be good at problem solving.

For the respondents in Germany, most had a neural connection between problem solving and innovation as 41% agreed and 24% strongly agreed to the statement. Again, one-fifth picked no side. While 9% of respondents were in disagreement, while 4% strongly disagreed with the notion.

4.3.2 Affective experience

Table 4.16: Responses about Using Innovation to Provide Better Entertainment for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	2	7	52	40	13
	2%	6%	46%	35%	11%
Germany	6	13	28	39	20
	6%	12%	26%	37%	19%

Regarding whether companies that use innovation provides better entertainment, the results are more divided. 11% of the results strongly agreed with the notion, while 35% agreed with the statement. 46% of the results were neutral, and so chose no strong position. 6% disagreed, while 2% strongly disagreed with the statement. This shows that a slight majority believe innovative companies provide better entertainment.

Innovative companies are better entertainers in general according to the respondents in Germany. 37% agreed, 19% strongly agreed, 6% strongly disagreed and 12% disagreed. It is important to note however that 26% did not find any link between innovation and entertainment.

Table 4.17: Responses about the Ability of Companies to Influence Feelings and Sentiments about Products for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	1	6	59	35	13
	1%	5%	52%	31%	11%
Germany	5	9	24	37	31
	5%	8%	23%	35%	29%

On the subject of whether innovative companies have the capability to influence one's feelings and sentiments about one's products and services. 11% of the results strongly agreed, while 31% agreed on the subject. 52% of the respondents remained neutral on the topic, while 5% disagreed and 1% strongly disagreed on the matter. This shows a small inclination of innovative companies being able to influence one's feelings.

As indicated in table, Affectual experiences are influenced by innovative companies greatly so as communicated by 64% of the sample population in Germany which is significantly higher as compared to the respondents of Turkey. A fifth of the sample had no view on the subject while the rest disagreed.

Table 4.18: Responses about Feelings about Purchasing about Innovative Companies for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	1	8	24	51	30
	1%	7%	21%	45%	26%
Germany	9	9	11	28	49
	8%	8%	10%	26%	46%

Regarding whether or not it is pleasurable to purchase from the innovative companies, most were in agreement with the statement. 26% of respondents strongly agreed, while a significant 45% agreed on the topic. 21% were neutral on the topic. 7% of the results lay in disagreement, while 1% were in strong disagreement with the statement. This displays a clear majority finding it pleasurable to purchase from innovative companies.

For Germany, 26% strongly agreed and 45% agreed that they derive pleasure from purchases made through innovative companies. 21% were indifferent. 7% disagreed of which 1% did so strongly.

4.3.3   Reputation

Table 4.19: Responses about Whether Respondents Respect and Admire Innovative Companies for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	3	19	61	31
	0%	3%	17%	54%	27%
Germany	2	6	16	33	49
	2%	6%	15%	31%	46%

When asked whether the respondents respect and admire the innovative companies they come across, the results showed a strong agreement with the topic. 27% strongly agreed with the topic, while 53% agreed. 17% were neutral on the matter. 3% disagreed with the

notion, while 0% were in strong disagreement. Most people, therefore, both respect and admire innovative companies.

Innovative companies earned the respect and admiration of 77% of the sample in Germany. However, it failed to convince 8% which disagreed. Rest of the sample was neutral. This response again revealed higher degree of inclination for innovation in the German consumers as compared to Turkish.

Table 4.20: Responses about Perceived Trust in Innovative Companies for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	4	6	47	37	20
	4%	5%	41%	32%	18%
Germany	4	12	18	37	35
	4%	11%	17%	35%	33%

Regarding whether or not the companies that innovate are trusted by the respondent, there is, again, clear agreement on the matter. 18% of the results strongly agreed on the matter, while 32% agreed. 41% remained neutral on the topic. 5% disagreed on the statement, while 4% strongly disagreed with the statement. This displays that most individuals trust innovative companies.

Innovative companies garner trust from most consumers in Germany, as depicted by the 35% who agreed and 33% who strongly agreed. Almost a fifth reminded neutral while the rest disagreed.

Table 4.21: Responses about whether Innovative Companies Offer Good Value Products for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	1	5	54	41	13
	1%	4%	47%	36%	11%
Germany	8	18	16	34	30
	8%	17%	15%	32%	28%

When asked whether respondents do or do not believe that innovative companies offer products are a good value for money, 12% of respondents strongly agree, but 36% agreed

51

with the statement at hand. There was a significant 47% neutral on the topic. 4% of respondents disagreed with the subject, while 1% strongly agreed. This displays strong belief that innovative companies provide good value for their money.

As depicted in the table, value for money is judged by Germans on far more elaborate terms than innovation. 17% disagreed while another 8% strongly disagreed and 15% had no opinion. Even though half of the sample agreed with the effects of innovation on monetary value, it is not enough to conclude results.

Table 4.22: Responses about whether Companies offer High Quality Goods and Services for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	5	9	58	24	18
	4%	8%	51%	21%	16%
Germany	5	1	26	29	45
	5%	1%	25%	27%	42%

When asked whether innovative companies offer high quality products and services, the majority of respondents had no strong opinion on the matter, as 51% of the respondents remained neutral. 16% of respondents strongly agreed, and 21% of respondents agreed on the matter. Meanwhile, 8% disagreed, and 4% strongly disagreed with the statement. It is therefore inferred that the customers have positive perceptions about the quality of the products developed by innovative companies.

The responses for this question for the German sample are shown in figure 24(b). Disagreements were stark but low at 6% when asked about high quality offerings. 69% agreed while 25% picked no side and remained neutral.

Table 4.23: Responses about Corporate Social Responsibility in Companies for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	2	16	53	33	10
	2%	14%	46%	29%	9%
Germany	7	18	23	32	26
	7%	17%	22%	30%	25%

On the subject of whether companies have a good sense of corporate social responsibility, 9% of respondents strongly agreed with the statement, while 29% agreed. A significant 46% of results chose to be neutral on the matter. 14% disagreed with the notion, while a further 2% strongly disagreed. This shows that, by a small margin, people tend to agree with the idea that companies that innovate have a good sense of corporate social responsibility.

For the German sample, 7% strongly disagreed for the linkage between the CSR and innovativeness of the companies, 17% disagreed, 22% were neutral, whereas 30% agreed and 25% strongly agreed.

4.3.4 Word of mouth

Table 4.24: Responses about Positive Perception of Innovative Companies for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	3	3	30	52	26
	3%	3%	26%	46%	23%
Germany	2	11	11	39	43
	2%	10%	10%	37%	41%

Regarding the idea of whether respondents had a positive perception of companies that innovate, and talk about them as such, the results cited a strong agreement in the matter. A large 45% agreed with the statement, with an additional 23% strongly agreeing with the notion. 26% of the respondents chose a neutral position. 3% of the results lay in disagreement, and 3% strongly disagreeing with the statement.

Most of the German respondents agreed for the relationship between innovativeness and word of mouth for the products. As shown in the table, only 2% strongly disagreed for the statement and 10% disagreed, 10% were neutral. On the other hand, the strong perception of the German population about the innovation and positive word of mouth was revealed as majority of 37% and 41% agreed and strongly agreed respectively.

Table 4.25: Responses about Encouraging People to Purchase from Innovative Companies for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	2	9	37	47	19
	2%	8%	32%	41%	17%
Germany	4	11	24	34	33
	4%	10%	23%	32%	31%

When asked whether or not the respondents would encourage their family and friends to purchase from said innovative companies, a striking majority of 41% agreed with the statement, with a further 17% in strong agreement. 32% were neutral about the topic. 8% disagreed with the notion, and again, 2% strongly disagreed with the idea of encouraging their friends and family to purchase from innovative companies.

From the German sample, 32% agreed and 31% agreed strongly to this statement. 14% overall did not agree while the rest 23% remained neutral. This shows that in comparison to the consumers in Turkey, there is higher proportion of customers in Germany who refer the innovative products to others.

4.3.5   New market penetration & differentiation

Table 4.26: Responses about whether Innovation helps Companies Enter New Markets for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	1	3	30	59	21
	1%	3%	26%	52%	18%
Germany	12	23	30	24	17
	11%	22%	28%	23%	16%

Regarding the notion of whether innovation offers companies with an opportunity to enter new markets easily, again the majority of the respondents are in agreement, with 52% merely agreeing and a 18% strongly agreement. 26% of respondents are neutral on the concept, while 3% disagree and 1% strongly agree with the statement placed. This means the majority of the response implies a belief that innovation leads to easier market penetration.

Innovation for new market penetration is a debatable topic for Germans according to the results. 28% remained neutral, 23% agreed and 16% strongly agreed while other did not agree with the statement.

Table 4.27: Responses about Innovation letting Companies Compete in New Markets for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	3	6	24	63	18
	3%	5%	21%	55%	16%
Germany	8	21	23	38	16
	8%	20%	22%	36%	15%

On the subject of whether companies using innovation are better able to compete in new market, the trend of agreement followed. 55% of the respondents agreed with the statement at hand, and 16% of respondents strongly agreed with the matter. 21% are assuming a neutral stance. The ones disagreeing lie in a small majority. 5% of the results disagree, while 3% strongly disagree on the notion of whether innovation aids in competition in new markets.

Competitiveness is bought by innovation according to the 36% of German sample which agreed and 15% who agreed strongly. 22 % chose to remain neutral while others disagreed.

Table 4.28: Responses about whether Innovative Companies offer Relatively Differentiated Products for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	3	5	26	60	20
	3%	4%	23%	53%	18%
Germany	12	19	28	28	19
	11%	18%	26%	26%	18%

In relation to whether innovative companies offer differentiated products and services as compared to the competing companies, the results appeared rather divided. 17% strongly agreed with the issue, while 53% of the respondents agreed with said statement. 23% of

results were neutral on the matter. A relatively smaller 4% disagreed with the notion, while 3% of the results strongly disagreed with the question.

The responses for German population have been shown in the table. 26% agreed that differentiated products come through innovative companies while another 18% strongly agreed. 27% remained neutral while the rest disagreed.

4.3.6 Loyalty

Table 4.29: Responses about Respondents Purchasing from Innovative Companies for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	1	32	54	27
	0%	1%	28%	47%	24%
Germany	3	9	20	42	32
	3%	8%	19%	40%	30%

When asked about whether the respondents always purchased from innovative companies, the majority of respondents lay in agree territory, with a significant 47%. 0% strongly disagreed with the matter, while 1% disagreed, while on the other side, 28% stood neutral with the statement, and 24% strongly agree with the matter. While more people purchase from innovative companies than those who don't' the difference is not particularly significant. The responses for German population are 40% agreed that they purchase form innovative companies while another 30% strongly agreed. 19% remained neutral while the rest disagreed.

Table 4.30: Responses about Purchasing Innovative Products despite Cheaper Substitutes for Turkey and Germany

Country	Strong Disagree	Disagree	Neutral	Agree	Strongly Agree
Turkey	0	20	43	39	12
	0%	18%	38%	34%	11%
Germany	6	20	36	29	15
	6%	19%	34%	27%	14%

On the subject of whether respondents prefer to purchase innovative products, even if substitute products are available, 10% of the respondents strongly agreed with the matter,

while 34% agreed. A larger 38% were neutral on the issue. 18% of the respondents disagreed with the statement, and a further 0% strongly disagreed with the statement. This shows a slight inclination to purchase innovative products while cheaper substitutes are available. The responses for German sample population are 27% agreed that they purchase innovative companies even if the substitutes are cheaper while another 14% strongly agreed. 34% remained neutral while 19% disagreed and 6% Strongly disagreed the notion.

4.4 Comparing Influence of Innovation in Turkey and Germany

Three question items from questionnaire including last two question items were used to compare the influence of innovation on brand loyalty in Turkey and Germany.

Table 4.31: Responses about the inspiration posed by the innovation capability of the company

Country	Agree	Strongly Agree	Total	Percentage
Turkey	37	16	53	44%
Germany	40	27	67	56%

The above graph depicts the differences in the perspectives of German and Turkish respondents, respectively, regarding how inspired they felt by the innovation capability of the company. As can be observed, Germany seems more inspired by this factor, given that 56% of German respondents agree with the above statement. In contrast, the Turkish respondents that agreed with the above statement made up only 44% of the sample. Therefore, it is inferred from these findings that German respondents are more likely to be positively influenced by the innovative aspects of a firm than Turkish respondents, which makes this feature a strong determinant of brand loyalty.

Table 4.32: Responses about desire to purchase from innovative firms

Country	Agree	Strongly Agree	Total	Percentage
Turkey	54	27	81	52%
Germany	42	32	74	48%

On the subject of whether the earlier mentioned inspiration derived from innovative firms translates into actual purchases for these companies, the results follow the same pattern. A 48% of German citizens from the sample expressed an interest for purchasing goods and services from companies that were believed to be innovative, and 52% of Turkish respondents, on the other hand, express a similar interest of consumption from these companies.

Table 4.33: Responses about whether respondents always purchase from innovative companies

Country	Agree	Strongly Agree	Total	Percentage
Turkey	39	12	51	54%
Germany	29	15	44	46%

Regarding the question of whether or not the respondents always purchase their goods and services from innovative companies, the percentage of German respondents that agree with the above statement is 46%, while the percentage of Turkish respondents that always purchased from innovative companies is 54%. It appears that the desire to purchase from innovative companies exist in the purchase behavior both countries. This also calls into question the idea that perhaps culture plays a role in how open citizens are to innovative firms and products.

4.5 U-Test and Correlation Co-Efficient Analysis

The following coding plan was used in SPSS for simplifying the analyses that were run:

- Variables with their labels and values are as follows.

Gender: 1 for male, 2 for female.

Age: 1 for 20-30 years, 2 for 31-40 years, 3 for 41-50 years, 4 for above 50.

Location: 1 for Turkey, 2 for Germany.

Scale: 1 for Strongly Disagree, 2 for Disagree, 3 for Neutral, 4 for Agree, 5 for Strongly Agree.

Technical Innovation Capability: TIC1 for question item 1, TIC2 for question item 2, TIC3 for question item 3, TIC4 for question item 4, TIC for mean of all TIC questions.

Non-Technical Innovation Capability: NTIC1 for question item 1, NTIC2 for question item 2, NTIC3 for question item 3, NTIC4 for question item 4, NTIC for mean of all TIC questions.

Intellectual Experience: IE1 for question item 1, IE2 for question item 2, IE3 for question item 3, IE4 for question item 4, IE for mean of all IE questions.

Affective Experience: AE1 for question item 1, AE2 for question item 2, AE3 for question item 3, AE for mean of all AE questions.

Reputation: RT1 for question item 1, RT2 for question item 2, RT3 for question item 3, RT4 for question item 4, RT5 for question item 5, RT for mean of all RT questions.

Word of mouth: WOM1 for question item 1, WOM2 for question item 2, WOM for mean of all WOM questions.

New Market Penetration and Differentiation: NPMD1 for question item 1, NPMD2 for question item 2, NPMD for question item 3, NPMD4 for question item 4, NPMD for mean of all NPMD questions.

All the means of variables category wise are taken as LT for Loyalty, NMPD for New Market Penetration and Differentiation, WOM for Word Of Mouth, RT for Reputation, AE for Affective Experience, IE for Intellectual Experience, NTIC for Non-Technical Innovation Capability and TIC for Technical Innovation Capability.

Following, the Mann Whitney U Test for non-parametric variables with mean loyalty, and correlation of other variables has been analyzed one by one with loyalty (Items 26-27).

4.5.1 Mann Whitney U Tests

Following are the results of Mann Whitney U tests for non-parametric data with Loyalty.

4.5.1.1 Mann Whitney U Test for gender with loyalty of Turkey

Following are the results of Mann Whitney U tests for Gender with Loyalty.

Table 4.34: U Test for Gender with Loyalty in Turkey Ranks

	Gender				Z	p
	Female		Male			
	N	Mean Rank	N	Mean Rank		
LT	61	62.99	53	51.18	-1.938	0.026

Mann Whitney U Test   *p<0.05(1 tailed)*

A Mann Whitney U Test indicates, on average, that the loyalty of the female participants (mean rank = 62.99, n =61) significantly exceeded those of the male participants (mean rank 51.18, n=53). There is evidence to support a difference between the loyalty of the two gender groups, U=0.001282, n1=53, n2=61, p = .026 as p-value is significant, 1 tailed.

4.5.1.2 Kruskal-Wallis H-Test for age with loyalty of Turkey

Following are the results of Kruskal-Wallis H tests for Age with Loyalty.

Table 4.35: Kruskal-Wallis H Test for Age with Loyalty Ranks

	Age								χ^2	P
	20-30		31-40		41-50		Above 50			
	N	Mean Rank	N	Mean Rank	N	Mean Rank	N	Mean Rank		
LT	64	60.38	41	55.45	6	62.67	3	13.83	6.248	0.100

Kruskal-Wallis H Test   *p<0.05*

There is no significant difference between the loyalty scores of age groups according to the research result (p=0,100>0,05). The rank table indicates, on average, that the loyalty of the participants from age 41-50 is the highest, whereas the lowest is of the age group 50 and above years.

4.5.1.3 Mann Whitney U Test for gender with loyalty of Germany

Following are the results of Mann Whitney U tests for Gender with Loyalty.

Table 4.36: Mann Whitney U Test for Gender with Loyalty in Germany Ranks

	Female		Male		Z	p
	N	Mean Rank	N	Mean Rank		
LT	44	53.48	62	53.53	-0.010	0.992

Mann Whitney U Test   **p<0.05*

A Mann Whitney U Test indicates, on average, that the loyalty of the male participants (mean rank = 53.48, n =62) significantly is equal those of the female participants (mean rank 53.53, n=44)

There is no evidence to support a difference between the loyalty of the two gender groups, U=0.001362, n1=62, n2=44, p = .992 as p value is not significant neither 1tailed nor 2 tailed.

4.5.1.4 Kruskal- Wallis Test for age with loyalty of Germany

Following are the results of Kruskal-Wallis tests for Age with Loyalty.

Table 4.37: Kruskal-Wallis Test for Age with Loyalty in Germany Ranks

	20-30		31-40		41-50		Above 50		χ^2	P
	N	Mean Rank	N	Mean Rank	N	Mean Rank	N	Mean Rank		
LT	57	48.54	29	55.76	13	60.08	7	72.29	5.048	0.168

Kruskal-Wallis H Test   **p<0.05*

There is no significant difference between the loyalty scores of age groups according to the research result (p=0,168>0,05). The rank table indicates, on average, that the loyalty of the participants from age 50 and above is the highest, whereas the lowest is of the age group 20-30 years.

4.5.1.5 Mann Whitney U Test for gender with loyalty of both countries combined

Following are the results of Mann Whitney U tests for Gender with Loyalty.

Table 4.38: U Test for gender with loyalty ranks

	Gender				Z	p
	Female		Male			
	N	Mean Rank	N	Mean Rank		
LT	105	116.30	115	105.20	-1.315	0.095

Mann Whitney U Test   *p<0.05(1 tailed)*

A Mann Whitney U Test indicates, on average, that the loyalty of the female participants (mean rank = 116.3, n =105) significantly exceeded the loyalty male participants (mean rank 105.20, n=115). There is no evidence to support a difference between the loyalty of the two gender groups, U=0.005428, n1=115, n2=105, with p values not significant neither 1tailed nor 2 tailed.

4.5.1.6 Kruskal-Wallis Test for age with loyalty of both countries combined

Following are the results of Kruskal-Wallis tests for Age with Loyalty.

Table 4.39: Kruskal-Wallis Test for age with loyalty ranks

	Age								χ^2	P
	20-30		31-40		41-50		Above 50			
	N	Mean Rank	N	Mean Rank	N	Mean Rank	N	Mean Rank		
LT	121	107.81	70	110.97	19	123.24	10	115.55	1.080	0.782

Kruskal-Wallis H Test   *p<0.05*

There is no significant difference between the loyalty scores of age groups according to the research result (p=0,782>0,05). The rank table indicates, on average, that the loyalty of the participants from age 41-50 is the highest, whereas the lowest is of the age group 20-30 years.

4.5.1.7 Mann Whitney U-Test for location with loyalty of both countries combined

Following are the results of Mann Whitney U tests for Location with Loyalty.

Table 4.40: U Test for Location with Loyalty Ranks

| | **Location** | | | | | |
| | **Turkey** | | **Germany** | | **Z** | **p** |
	N	**Mean Rank**	**N**	**Mean Rank**		
LT	114	111.49	106	109.44	-.234	0.405

Mann Whitney U Test   *p<0.05(1 tailed)

A Mann Whitney U Test indicates, on average, that the loyalty of the participants from Turkey (mean rank = 111.49, n =114) is almost equal those of the participants from Germany (mean rank 109.44, n=106). There is no evidence to support a difference between the loyalty of the two location groups, U=0.005930, as both p values are not significant, either 1tailed or 2 tailed.

4.5.2 Correlation analysis of Turkish data

The following are the correlation tests results of data gathered from public in Turkey.

4.5.2.1 Technical innovation capability with loyalty

Table 4.41: Correlation of TIC with Loyalty

		TIC1	TIC2	TIC3	TIC4	LT1	LT2
TIC1	r	1	.488**	.283**	.407**	.485**	.304**
	p		.000	.002	.000	.000	.001
TIC2	r	.488**	1	.268**	.335**	.485**	.469**
	p	.000		.004	.000	.000	.000
TIC3	r	.283**	.268**	1	.316**	.467**	.262**
	p	.002	.004		.001	.000	.005
TIC4	r	.407**	.335**	.316**	1	.407**	.364**
	p	.000	.000	.001		.000	.000
LT1	r	.485**	.485**	.467**	.407**	1	.619**
	p	.000	.000	.000	.000		.000
LT2	r	.304**	.469**	.262**	.364**	.619**	1

| | | p | .001 | .000 | .005 | .000 | .000 |

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients between LT1 and TICs variables are 0.485, 0.485, 0.467, 0.407 respectively and highly significant. This means that they are moderately correlated, i.e. all items measuring the technical innovation capability, are determinants of customer loyalty. Whereas LT2 and TICs variables are 0.304, 0.469, 0.262, 0.364 respectively and highly significant. This means that they are moderately correlated except TIC3 which is weakly correlated, still all items measuring the technical innovation capability, are determinants of customer loyalty.

4.5.2.2 Non-technical innovation capability with loyalty

Table 4.42: Correlation of NTIC with Loyalty

		LT1	LT2	NTIC1	NTIC2	NTIC3	NTIC4
LT1	r	1	.619**	.321**	.263**	.294**	.534**
	p		.000	.000	.005	.002	.000
LT2	r	.619**	1	.229*	.270**	.282**	.305**
	p	.000		.014	.004	.002	.001
NTIC1	r	.321**	.229*	1	.170	.245**	.490**
	p	.000	.014		.071	.009	.000
NTIC2	r	.263**	.270**	.170	1	.365**	.367**
	p	.005	.004	.071		.000	.000
NTIC3	r	.294**	.282**	.245**	.365**	1	.227*
	p	.002	.002	.009	.000		.015
NTIC4	r	.534**	.305**	.490**	.367**	.227*	1
	p	.000	.001	.000	.000	.015	

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The correlation coefficients between LT1 and NTICs variables are 0.321, 0.263, 0.294, 0.534 respectively and highly significant. This means that they are weakly correlated but NTIC4 is moderately correlated, i.e. all items measuring the non-technical innovation capability, are determinants of customer loyalty. Whereas LT2 and NTICs variables are 0.229, 0.270, 0.282, 0.305 respectively and are significant. This means that they are

weakly correlated, still all items measuring the non-technical innovation capability, are determinants of customer loyalty as they are significant.

4.5.2.3 Intellectual experience with loyalty

Table 4.43: Correlation of IE with Loyalty

		LT1	LT2	IE1	IE2	IE3	IE4
LT1	r	1	$.619^{**}$	.074	.050	$.185^{*}$	.178
	p		.000	.433	.601	.049	.058
LT2	r	$.619^{**}$	1	$.275^{**}$	.108	$.318^{**}$	.184
	p	.000		.003	.251	.001	.050
IE1	r	.074	$.275^{**}$	1	$.534^{**}$	$.544^{**}$	$.376^{**}$
	p	.433	.003		.000	.000	.000
IE2	r	.050	.108	$.534^{**}$	1	$.551^{**}$	$.500^{**}$
	p	.601	.251	.000		.000	.000
IE3	r	$.185^{*}$	$.318^{**}$	$.544^{**}$	$.551^{**}$	1	$.515^{**}$
	p	.049	.001	.000	.000		.000
IE4	r	.178	.184	$.376^{**}$	$.500^{**}$	$.515^{**}$	1
	p	.058	.050	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

The correlation coefficients between LT1 and IEs variables are 0.074, 0.050, 0.185, 0.178 respectively and only IE3 is significant. This means that they are weakly correlated, but all items measuring the intellectual experience, are determinants of customer loyalty. Whereas LT2 and IEs variables are 0.275, 0.108, 0.318, 0.184 respectively and significant except IE2 and IE4. This means that they are weakly correlated, still all items except IE2 measuring the intellectual experience, are determinants of customer loyalty as they are highly significant.

4.5.2.4 Affective experience with loyalty

Table 4.44: Correlation of AE with Loyalty

		LT1	LT2	AE1	AE2	AE3
LT1	r	1	$.619^{**}$	$.203^{*}$	.108	$.238^{*}$
	p		.000	.031	.254	.011
LT2	r	$.619^{**}$	1	$.237^{*}$	$.210^{*}$	$.303^{**}$
	p	.000		.011	.025	.001
AE1	r	$.203^{*}$	$.237^{*}$	1	$.504^{**}$	$.303^{**}$
	p	.031	.011		.000	.001
AE2	r	.108	$.210^{*}$	$.504^{**}$	1	$.268^{**}$
	p	.254	.025	.000		.004
AE3	r	$.238^{*}$	$.303^{**}$	$.303^{**}$	$.268^{**}$	1
	p	.011	.001	.001	.004	

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients between LT1 and AEs variables are 0.203, 0.108, 0.238 respectively but AE1 and AE3 are significant. This means that they are weakly correlated, but all items measuring the affective experience, are determinants of customer loyalty and their values are positive. Whereas LT2 and AEs variables are 0.237, 0.210, 0.303 respectively and all AEs are significant. This means that they are weakly correlated, measuring the affective experience, are determinants of customer loyalty and the values are positive.

4.5.2.5 Reputation with loyalty

Table 4.45: Correlation of RT with Loyalty

		LT1	LT2	RT1	RT2	RT3	RT4	RT5
LT1	r	1	.619**	.263**	.234*	.040	-.054	-.040
	p		.000	.005	.012	.669	.568	.671
LT2	r	.619**	1	.237*	.321**	.092	.005	.062
	p	.000		.011	.000	.329	.955	.510
RT1	r	.263**	.237*	1	.470**	.347**	.313**	.167
	p	.005	.011		.000	.000	.001	.076
RT2	r	.234*	.321**	.470**	1	.442**	.414**	.364**
	p	.012	.000	.000		.000	.000	.000
RT3	r	.040	.092	.347**	.442**	1	.572**	.569**
	p	.669	.329	.000	.000		.000	.000
RT4	r	-.054	.005	.313**	.414**	.572**	1	.551**
	p	.568	.955	.001	.000	.000		.000
RT5	r	-.040	.062	.167	.364**	.569**	.551**	1
	p	.671	.510	.076	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The correlation coefficients between LT1 and RTs variables are 0.263, 0.234, 0.040, -0.54, -0.040 respectively and only RT1 and RT2 are significant. This means that RT1 and RT2 are very weakly correlated and RT4, RT3 and RT5 are negatively correlated with LTs. Whereas LT2 and RTs variables are 0.237, 0.321, 0.092, 0.005, 0.062 respectively and only RT1 and RT2 are significant. This means that they are very weakly correlated, and RT1 and RT2 items measuring the reputation, are determinants of customer loyalty as they are significant.

4.5.2.6 Word of mouth with loyalty

Table 4.46: Correlation of WOM with loyalty

		LT1	LT2	WOM1	WOM2
LT1	r	1	.619**	.051	.109
	p		.000	.593	.246
LT2	r	.619**	1	.100	.203*
	p	.000		.288	.030
WOM1	r	.051	.100	1	.408**
	p	.593	.288		.000
WOM2	r	.109	.203*	.408**	1
	p	.246	.030	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The correlation coefficients between LT1 and WOMs variables are 0.051, 0.109 respectively and none is highly significant. This means that they are very weakly correlated, none of the items measuring the word of mouth, are determinants of customer loyalty. Whereas LT2 and WOMs variables are 0.100, 0.203 respectively and WOM2 is significant. This means that they are very weakly correlated, WOM1 item measuring the word of mouth, is non-determinant of customer loyalty and is not even significant.

4.5.2.7 New market penetration and differentiation with loyalty

Table 4.47: Correlation of NMPD with Loyalty

		LT1	LT2	NMPD1	NMPD2	NMPD3
LT1	r	1	.619**	.135	.290**	.168
	p		.000	.151	.002	.073
LT2	r	.619**	1	-.028	.183	.128
	p	.000		.768	.052	.174
NMPD1	r	.135	-.028	1	.578**	.399**
	p	.151	.768		.000	.000
NMPD2	r	.290**	.183	.578**	1	.541**
	p	.002	.052	.000		.000
NMPD3	r	.168	.128	.399**	.541**	1
	p	.073	.174	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients between LT1 and NMPDs variables are 0.135, 0.290, 0.168 respectively and only NMPD2 is significant. This means that they are very weakly correlated. Whereas LT2 and NMPDs variables are -0.028, 0.183, 0.128 respectively and none of them is significant. This means that they are very weakly correlated.

4.5.3 Correlation analysis of German data

The following are the correlation tests results of data gathered from the public in Germany.

4.5.3.1 Technical innovation capability with loyalty

Table 4.48: Correlation of TIC with Loyalty

		TIC1	TIC2	TIC3	TIC4	LT1	LT2
TIC1	r	1	.682**	.660**	.741**	.730**	.620**
	p		.000	.000	.000	.000	.000
TIC2	r	.682**	1	.587**	.474**	.608**	.556**
	p	.000		.000	.000	.000	.000
TIC3	r	.660**	.587**	1	.438**	.635**	.530**
	p	.000	.000		.000	.000	.000
TIC4	r	.741**	.474**	.438**	1	.533**	.432**
	p	.000	.000	.000		.000	.000
LT1	r	.730**	.608**	.635**	.533**	1	.753**
	p	.000	.000	.000	.000		.000
LT2	r	.620**	.556**	.530**	.432**	.753**	1
	p	.000	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients between LT1 and TICs variables are 0.730, 0.608, 0.635, 0.533 respectively and highly significant. This means that they are highly correlated, i.e. all items measuring the technical innovation capability, are determinants of customer loyalty. Whereas LT2 and TICs variables are 0.620, 0.556, 0.530, 0.432 respectively and highly significant. This means that they are highly correlated, and all items measuring the technical innovation capability, are determinants of customer loyalty.

4.5.3.2 Non-technical innovation capability with loyalty

Table 4.49: Correlation of NTIC with Loyalty

		LT1	LT2	NTIC1	NTIC2	NTIC3	NTIC4
LT1	r	1	.753**	.307**	.258**	.334**	.741**
	p		.000	.001	.008	.000	.000
LT2	r	.753**	1	.305**	.268**	.328**	.536**
	p	.000		.001	.005	.001	.000
NTIC1	r	.307**	.305**	1	.551**	.326**	.349**
	p	.001	.001		.000	.001	.000
NTIC2	r	.258**	.268**	.551**	1	.563**	.416**
	p	.008	.005	.000		.000	.000
NTIC3	r	.334**	.328**	.326**	.563**	1	.436**
	p	.000	.001	.001	.000		.000
NTIC4	r	.741**	.536**	.349**	.416**	.436**	1
	p	.000	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients between LT1 and NTICs variables are 0.307, 0.258, 0.334, 0.741 respectively and significant. This means that they are weakly correlated but NTIC4 is highly correlated, i.e. all items measuring the non-technical innovation capability, are determinants of customer loyalty. Whereas LT2 and NTICs variables are 0.305, 0.268, 0.328, 0.536 respectively and significant. This means that they are weakly correlated except NTIC4 which is moderately correlated, still all items measuring the non-technical innovation capability, are determinants of customer loyalty as they are highly significant.

4.5.3.3 Intellectual experience with loyalty

Table 4.50: Correlation of IE with Loyalty

		LT1	LT2	IE1	IE2	IE3	IE4
LT1	r	1	.753**	.612**	.696**	.616**	.733**
	p		.000	.000	.000	.000	.000
LT2	r	.753**	1	.551**	.642**	.529**	.585**
	p	.000		.000	.000	.000	.000
IE1	r	.612**	.551**	1	.810**	.829**	.719**
	p	.000	.000		.000	.000	.000
IE2	r	.696**	.642**	.810**	1	.783**	.763**
	p	.000	.000	.000		.000	.000
IE3	r	.616**	.529**	.829**	.783**	1	.745**
	p	.000	.000	.000	.000		.000
IE4	r	.733**	.585**	.719**	.763**	.745**	1
	p	.000	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients between LT1 and IEs variables are 0.612, 0.696, 0.616, 0.733 respectively and all are highly significant. This means that they are highly correlated, and all items measuring the intellectual experience, are determinants of customer loyalty. Whereas LT2 and IEs variables are 0.551, 0.642, 0.529, 0.585 respectively and highly significant. This means that they are highly correlated, and all items measuring the intellectual experience, are determinants of customer loyalty as they are highly significant.

4.5.3.4 Affective experience with loyalty

Table 4.51: Correlation of AE with Loyalty

		LT1	LT2	AE1	AE2	AE3
LT1	r	1	.753**	.703**	.714**	.694**
	p		.000	.000	.000	.000
LT2	r	.753**	1	.607**	.631**	.649**
	p	.000		.000	.000	.000
AE1	r	.703**	.607**	1	.831**	.834**
	p	.000	.000		.000	.000
AE2	r	.714**	.631**	.831**	1	.795**
	p	.000	.000	.000		.000
AE3	r	.694**	.649**	.834**	.795**	1
	p	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients between LT1 and AEs variables are 0.703, 0.714, 0.694 respectively and all of them are highly significant. This means that they are highly correlated, and all items measuring the affective experience, are determinants of customer loyalty. Whereas LT2 and AEs variables are 0.607, 0.631, 0.649 respectively and all are highly significant. This means that they are highly correlated, and all are measuring the affective experience, as determinants of customer loyalty.

4.5.3.5 Reputation with loyalty

Table 4.52: Correlation of RT with Loyalty

		LT1	LT2	RT1	RT2	RT3	RT4	RT5
LT1	r	1	.753[**]	.672[**]	.752[**]	.711[**]	.707[**]	.725[**]
	p		.000	.000	.000	.000	.000	.000
LT2	r	.753[**]	1	.628[**]	.669[**]	.599[**]	.630[**]	.667[**]
	p	.000		.000	.000	.000	.000	.000
RT1	r	.672[**]	.628[**]	1	.800[**]	.820[**]	.844[**]	.832[**]
	p	.000	.000		.000	.000	.000	.000
RT2	r	.752[**]	.669[**]	.800[**]	1	.848[**]	.824[**]	.777[**]
	p	.000	.000	.000		.000	.000	.000
RT3	r	.711[**]	.599[**]	.820[**]	.848[**]	1	.818[**]	.843[**]
	p	.000	.000	.000	.000		.000	.000
RT4	r	.707[**]	.630[**]	.844[**]	.824[**]	.818[**]	1	.810[**]
	p	.000	.000	.000	.000	.000		.000
RT5	r	.725[**]	.667[**]	.832[**]	.777[**]	.843[**]	.810[**]	1
	p	.000	.000	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients between LT1 and RTs variables are 0.672, 0.752, 0.711, 0.707, 0.725 respectively and all are highly significant. This means that all are highly correlated. And all items measuring the reputation, as determinants of customer loyalty. Whereas LT2 and RTs variables are 0.628, 0.669, 0.599, 0.630, 0.667 respectively and all are highly significant. This means that they are highly correlated, and all items measuring the reputation, are determinants of customer loyalty as they are highly significant.

4.5.3.6 Word of mouth with loyalty

Table 4.53: Correlation of WOM with Loyalty

		LT1	LT2	WOM1	WOM2
LT1	r	1	.753**	.643**	.703**
	p		.000	.000	.000
LT2	r	.753**	1	.612**	.695**
	p	.000		.000	.000
WOM1	r	.643**	.612**	1	.754**
	p	.000	.000		.000
WOM2	r	.703**	.695**	.754**	1
	p	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients between LT1 and WOMs variables are 0.643, 0.703 respectively and only both are highly significant. This means that they are highly correlated, both items measuring the word of mouth, are determinants of customer loyalty. Whereas LT2 and WOMs variables are 0.612, 0.695 respectively and both are highly significant. This means that they are highly correlated, both items measuring the word of mouth, are determinants of customer loyalty as they are highly significant.

4.5.3.7 New market penetration and differentiation with loyalty

Table 4.54: Correlation of NMPD with Loyalty

		LT1	LT2	NMPD1	NMPD2	NMPD3
LT1	r	1	.753**	.692**	.600**	.703**
	p		.000	.000	.000	.000
LT2	r	.753**	1	.645**	.611**	.699**
	p	.000		.000	.000	.000
NMPD1	r	.692**	.645**	1	.624**	.595**
	p	.000	.000		.000	.000
NMPD2	r	.600**	.611**	.624**	1	.489**
	p	.000	.000	.000		.000
NMPD3	r	.703**	.699**	.595**	.489**	1
	p	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The correlation coefficients between LT1 and NMPDs variables are 0.692, 0.600, 0.703 respectively and all are highly significant. This means that they are highly correlated. Whereas LT2 and NMPDs variables are 0.645, 0.611, 0.699 respectively and all of them are highly significant. This means that they are highly correlated and are determinants of customer loyalty.

4.5.4 Combined correlation analysis of Turkey and Germany

4.5.4.1 Technical innovation capability with loyalty

Table 4.55: Correlation of TIC with Loyalty

		TIC1	TIC2	TIC3	TIC4	LT1	LT2
TIC1	r	1	.593**	.523**	.610**	.633**	.487**
	p		.000	.000	.000	.000	.000
TIC2	r	.593**	1	.438**	.413**	.553**	.516**
	p	.000		.000	.000	.000	.000
TIC3	r	.523**	.438**	1	.374**	.555**	.403**
	p	.000	.000		.000	.000	.000
TIC4	r	.610**	.413**	.374**	1	.490**	.408**
	p	.000	.000	.000		.000	.000
LT1	r	.633**	.553**	.555**	.490**	1	.700**
	p	.000	.000	.000	.000		.000
LT2	r	.487**	.516**	.403**	.408**	.700**	1
	p	.000	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The combined correlation coefficients of Turkish and German data between LT1 and TICs variables are 0.633, 0.553, 0.555, 0.490 respectively and highly significant. This means that they are highly and moderately correlated, i.e. all items measuring the technical innovation capability, are determinants of customer loyalty. Whereas LT2 and TICs variables are 0.487, 0.516, 0.403, 0.408 respectively and highly significant. This means that they are moderately correlated except TIC4 which is highly correlated, and all items measuring the technical innovation capability, are determinants of customer loyalty, both in the case of Turkey and Germany. This can be affirmed from the individual results of Turkey and Germany presented above.

4.5.4.2 Non-technical innovation capability with loyalty

Table 4.56: Correlation of NTIC with Loyalty

		LT1	LT2	NTIC1	NTIC2	NTIC3	NTIC4
LT1	r	1	.700**	.313**	.260**	.316**	.658**
	p		.000	.000	.000	.000	.000
LT2	r	.700**	1	.274**	.269**	.312**	.437**
	p	.000		.000	.000	.000	.000
NTIC1	r	.313**	.274**	1	.403**	.290**	.407**
	p	.000	.000		.000	.000	.000
NTIC2	r	.260**	.269**	.403**	1	.482**	.394**
	p	.000	.000	.000		.000	.000
NTIC3	r	.316**	.312**	.290**	.482**	1	.323**
	p	.000	.000	.000	.000		.000
NTIC4	r	.658**	.437**	.407**	.394**	.323**	1
	p	.000	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The combined correlation coefficients of Turkish and German data between LT1 and NTICs variables are 0.313, 0.260, 0.316, 0.658 respectively and highly significant. This means that they are weakly correlated but NTIC4 is moderately high correlated, i.e. all items measuring the non-technical innovation capability, are determinants of customer loyalty. Whereas LT2 and NTICs variables are 0.274, 0.269, 0.312, 0.437 respectively and highly significant. This means that they are weakly and moderately correlated, and all items measuring the non-technical innovation capability, are determinants of customer loyalty as they are highly significant.

4.5.4.3 Intellectual experience with loyalty

Table 4.57: Correlation of IE with Loyalty

		LT1	LT2	IE1	IE2	IE3	IE4
LT1	r	1	.700[**]	.408[**]	.406[**]	.443[**]	.530[**]
	p		.000	.000	.000	.000	.000
LT2	r	.700[**]	1	.432[**]	.382[**]	.435[**]	.427[**]
	p	.000		.000	.000	.000	.000
IE1	r	.408[**]	.432[**]	1	.690[**]	.715[**]	.578[**]
	p	.000	.000		.000	.000	.000
IE2	r	.406[**]	.382[**]	.690[**]	1	.675[**]	.620[**]
	p	.000	.000	.000		.000	.000
IE3	r	.443[**]	.435[**]	.715[**]	.675[**]	1	.645[**]
	p	.000	.000	.000	.000		.000
IE4	r	.530[**]	.427[**]	.578[**]	.620[**]	.645[**]	1
	p	.000	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The combined correlation coefficients of Turkish and German data between LT1 and IEs variables are 0.408, 0.406, 0.443, 0.530 respectively and all are highly significant. This means that they are moderately correlated, and all items measuring the intellectual experience, are determinants of customer loyalty. Whereas LT2 and IEs variables are 0.432, 0.382, 0.435, 0.427 respectively and are highly significant. This means that they are moderately correlated, and all items measuring the intellectual experience, are determinants of customer loyalty as they are highly significant.

4.5.4.4 Affective experience with loyalty

Table 4.58: Correlation of AE with Loyalty

		LT1	LT2	AE1	AE2	AE3
LT1	r	1	.700**	.516**	.484**	.532**
	p		.000	.000	.000	.000
LT2	r	.700**	1	.456**	.451**	.513**
	p	.000		.000	.000	.000
AE1	r	.516**	.456**	1	.703**	.639**
	p	.000	.000		.000	.000
AE2	r	.484**	.451**	.703**	1	.606**
	p	.000	.000	.000		.000
AE3	r	.532**	.513**	.639**	.606**	1
	p	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The combined correlation coefficients of Turkish and German data between LT1 and AEs variables are 0.516, 0.484, 0.532 respectively all are highly significant. This means that they are moderately correlated, and all items measuring the affective experience, are determinants of customer loyalty as the values are positive. Whereas LT2 and AEs variables are 0.456, 0.451, 0.513 respectively and all are highly significant. This means that they are moderately correlated, measuring the affective experience, are determinants of customer loyalty

4.5.4.5 Reputation with loyalty

Table 4.59: Correlation of RT with Loyalty

		LT1	LT2	RT1	RT2	RT3	RT4	RT5
LT1	r	1	.700**	.520**	.534**	.491**	.354**	.445**
	p		.000	.000	.000	.000	.000	.000
LT2	r	.700**	1	.468**	.507**	.414**	.313**	.423**
	p	.000		.000	.000	.000	.000	.000
RT1	r	.520**	.468**	1	.665**	.661**	.601**	.591**
	p	.000	.000		.000	.000	.000	.000
RT2	r	.534**	.507**	.665**	1	.689**	.639**	.615**
	p	.000	.000	.000		.000	.000	.000
RT3	r	.491**	.414**	.661**	.689**	1	.682**	.751**
	p	.000	.000	.000	.000		.000	.000
RT4	r	.354**	.313**	.601**	.639**	.682**	1	.689**
	p	.000	.000	.000	.000	.000		.000
RT5	r	.445**	.423**	.591**	.615**	.751**	.689**	1
	p	.000	.000	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The combined correlation coefficients of Turkish and German data between LT1 and RTs variables are 0.520, 0.534, 0.491, 0.354, 0.445 respectively and all are highly significant. This means that all of them are very moderately correlated and all of the items measuring the reputation, are determinants of customer loyalty. Whereas LT2 and RTs variables are 0.468, 0.507, 0.414, 0.313, 0.423 respectively and all of them are highly significant. This means that they are very moderately correlated, and all items measuring the reputation, are determinants of customer loyalty as they are highly significant.

4.5.4.6 Word of mouth with loyalty

Table 4.60: Correlation of WOM with Loyalty

		LT1	LT2	WOM1	WOM2
LT1	r	1	.700**	.398**	.467**
	p		.000	.000	.000
LT2	r	.700**	1	.382**	.483**
	p	.000		.000	.000
WOM1	r	.398**	.382**	1	.607**
	p	.000	.000		.000
WOM2	r	.467**	.483**	.607**	1
	p	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The combined correlation coefficients of Turkish and German data between LT1 and WOMs variables are 0.398, 0.467 respectively and both are highly significant. This means that they are very weakly and moderately correlated, and both of the items measuring the word of mouth, are determinants of customer loyalty. Whereas LT2 and WOMs variables are 0.382, 0.483 respectively and both are highly significant. This means that they are very weakly and moderately correlated, and both items measuring the word of mouth, are determinants of customer loyalty as they are highly significant.

4.5.4.7 New market penetration and differentiation with loyalty

Table 4.61: Correlation of NMPD with Loyalty

		LT1	LT2	NMPD1	NMPD2	NMPD3
LT1	r	1	.700**	.493**	.484**	.509**
	p		.000	.000	.000	.000
LT2	r	.700**	1	.398**	.443**	.479**
	p	.000		.000	.000	.000
NMPD1	r	.493**	.398**	1	.631**	.570**
	p	.000	.000		.000	.000
NMPD2	r	.484**	.443**	.631**	1	.534**
	p	.000	.000	.000		.000
NMPD3	r	.509**	.479**	.570**	.534**	1
	p	.000	.000	.000	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

The combined correlation coefficients of Turkish and German data between LT1 and NMPDs variables are 0.493, 0.484, 0.509 respectively and all are highly significant. This means that they are very moderately correlated. Whereas LT2 and NMPDs variables are 0.398, 0.443, 0.479 respectively and all of them are highly significant. This means that they are moderately correlated.

4.6 Regression Analysis

Regression Analysis was performed using Customer Loyalty variables mean and group of best model fit variables (items) to predict LT accordingly. The stepwise method was used to select the variables entering and existing the model. The significance criterion was set at 0.05.

Step 1

$$LT_1 = b_0 + b_1 TIC + b_2 NTIC + e_i$$

Step 2

$$LT_2 = b_0 + b_1 IE + b_2 AE + e_i$$

Step 3

$$LT_3 = b_0 + b_1 RT + b_2 WOM + b_2 NMPD + e_i$$

Step 4

$$LT_4 = b_0 + b_1 TIC + b_2 NTIC + b_3 IE + b_4 AE + b_5 RT + b_6 WOM + b_7 NMPD + e_i$$

Step 1 is the regression among mean loyalty with means of technical and non-technical innovation capability items. Step 2 is the regression among mean loyalty with means of intellectual and affective experience items. Step 3 is the regression among mean loyalty with means of reputation, word of mouth and new market penetration & differentiation items. Step 4 is the regression among mean loyalty with means of all other variables; technical and non-technical innovation capabilities, intellectual experience, affective

experience, reputation, word of mouth and new market penetration and differentiation items.

The same set of step by step regression models has been used first for Turkey, then for Germany and then for combined data of both countries.

4.6.1 Regression analysis of Turkish data

The following are the regression analysis of data gathered from public in Turkey.

4.6.1.1 Linear regression of means of TIC and NTIC independent variables onto mean LT_1

The regression analysis has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

Table 4.62: Linear Regression of means of TIC and NTIC Variables onto mean LT_1

	Model Summary		ANOVA	
Indicators	**R-Square**	**Adjusted R-square**	**F-Value**	**Sig.**
NTIC, TIC	.386	.375	34.930	.001*

Mean of all items for independent variables TIC, NTIC were selected because these were the final variables selected in the model. As in the BEST model for predicting LT_1 is one which uses all items of these variables. This table shows that this model has the R square value of 0.386. This means the model performs good i.e. the model helps explaining 38.6% of the variation in the dependent variable LT, caused by independent variables. The model indicates the F value 34.930, which is statistically significant because p value is less than 5%.

Table 4.63: Co-efficient for Linear Regression of TIC and NTIC Variables onto LT_1

Model	B	Beta	t	Sig.
TIC	.825	.581	5.197	.000*
NTIC	.070	.053	.475	.636

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variable TIC included in the model is significant since its p-value is less than 0.05. TIC has positive impact on LT_1 with the co-efficient of 0.825, whereas NTIC is in-significant and has weak positive impact with the co-efficient of 0.070. Therefore, we reject the null hypothesis of $H1_0$ and accept H1 for technical

83

innovation, whereas, $H2_0$ is accepted and H2 is rejected for non-technical innovation. Therefore, our accepted hypotheses are;

H1: Technical innovation has influence on customer loyalty.

$H2_o$: Non-Technical innovation has no influence on customer loyalty.

4.6.1.2 Linear regression of means of IE and AE independent variables onto mean LT_2

The regression analysis has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

Table 4.64: Linear Regression of means of IE and AE Variables onto mean LT_2

Indicators	Model Summary		ANOVA	
	R-Square	Adjusted R-square	F-Value	Sig.
IE, AE	.339	.099	7.195	.001*

Mean of all items for independent variables IE, AE were selected because these were the final variables selected in the model. As in the BEST model for predicting LT_2 is one which uses all items of these variables. This table shows that this model has the R square value of 0.115. This means the model performs good i.e. the model helps explaining 11.5% of the variation in the dependent variable LT, caused by independent variables. The model indicates the F value 7.195, which is statistically significant because p value is less than 5%.

Table 4.65: Co-efficient for Linear Regression of AE and IE Variables onto LT_2

Model	B	Beta	t	Sig.
AE	.309	.269	2.538	.013
IE	.121	.106	1.004	.318

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variable AE included in the model is significant since its p-value is less than 0.05. AE has positive impact on LT_2 with the co-efficient of 0.309, whereas IE is in-significant and has positive impact with the co-efficient of 0.121. Therefore, we reject the null hypothesis of $H4_0$ and accept alternative hypothesis H4 for AE, whereas $H3_0$ is accepted and H3 is rejected for IE. Thus, our accepted hypotheses are;

$H3_o$: Intellectual experience has no influence on customer loyalty.

H4: Reputation has influence on customer loyalty.

4.6.1.3 Linear regression of means of RT, WOM and NMPD independent variables onto mean LT_3

The regression analysis has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

All items for independent variables NMPD, WOM and RT were selected because these were the final variables selected in the model. As in the BEST model for predicting LT_3 is one which uses all items of these variables.

Table 4.66: Model summary for Linear Regression of Mean Model Variables onto LT_3

Indicators	Model Summary		ANOVA	
	R-Square	Adjusted R-square	F-Value	Sig.
NMPD, WOM, RT	.048	.022	1.859	.141

This table shows that this model has the R square value of 0.048. This means the model performs okay i.e. the model helps explaining 4.8% of the variation in the dependent variable LT_3, caused by independent variables. The model indicates the F value 1.859, which is statistically insignificant because p value is greater than 5%.

Table 4.67: Co-efficient for Linear Regression of Mean Model Variables onto LT_3

Model	B	Beta	t	Sig.
RT	.077	.067	.547	.585
WOM	.064	.066	.574	.567
NMPD	.143	.134	1.215	.227

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variable RT included in the model is insignificant since its p-value is greater than 0.05. WOM has weak positive and insignificant impact on LT_3 with the co-efficient of 0.064, whereas NMPD is in-significant and has positive impact with the co-efficient of 0.143.

As per the model, null hypotheses are accepted.

$H5_o$: Reputation has no influence on customer loyalty.

$H6_o$: Word of mouth has no influence on customer loyalty.

$H7_o$: New Market Penetration and Differentiation has no influence on customer loyalty.

4.6.1.4 Linear regression of all mean variables onto LT4

The regression analysis has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

Table 4.68: Linear Regression of All Mean Model Variables onto LT4

	Model Summary		ANOVA	
Indicators	**R-Square**	**Adjusted R-square**	**F-Value**	**Sig.**
NMPD, TIC, WOM, IE, AE, NTIC, RT[a]	.408	.369	10.452	.000

Mean of all items for independent variables NMPD, TIC, WOM, IE, AE, NTIC and RT were selected because these were the final variables selected in the model. As in the BEST model for predicting LT4 is one which uses all items of these variables. This table shows that this model has the R square value of 0.408. This means the model performs good i.e. the model helps explaining 40.8% of the variation in the dependent variable LT4, caused by independent variables. The model indicates the F value 10.452, which is statistically significant because p value is less than 5%.

Table 4.69: Co-efficients for Linear Regression of All Mean Model Variables onto LT4

Model	B	Beta	t	Sig.
TIC	.819	.577	5.076	.000
NTIC	.006	.005	.040	.968
IE	.000	.000	-.006	.995
AE	.275	.240	1.978	.051
RT	-.133	-.116	-.935	.352
WOM	-.044	-.046	-.456	.649
NMPD	-.014	-.013	-.130	.897

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variable TIC included in the model is significant since its p-value is less than 0.05. TIC has positive impact on LT4 with the co-efficient of 0.819, whereas the other variables are insignificant. Therefore, we reject the null hypothesis of $H1_0$ and accept H1 for TIC and rests of them reject the alternative hypotheses. Our accepted hypotheses are;

H1: Technical innovation has influence on customer loyalty.

$H2_0$: Non-Technical innovation has no influence on customer loyalty.

$H3_o$: Intellectual experience has no influence on customer loyalty.

$H4_o$: Affective experience has no influence on customer loyalty.

$H5_o$: Reputation has no influence on customer loyalty.

$H6_o$: Word of mouth has no influence on customer loyalty.

$H7_o$: New Market Penetration and Differentiation has no influence on customer loyalty.

4.6.1.5 Regression findings

In a nutshell, all the models are statistically significant except LT_3 and selected variables have an impact on customer loyalty. When LT_1 is regressed against technical and non-technical factors, the regression result shows that TIC has positive impact on LT_1 with the co-efficient of 0.825, whereas NTIC is in-significant and has weak positive impact with the co-efficient of 0.070. Similarly, AE has positive impact on LT_2 with the co-efficient of 0.309, whereas IE is in-significant and has positive impact with the co-efficient of 0.121 when LT_2 is taken as repressor. However, LT_3 is predicted through RT, WOM and NMPD has statistically insignificant effect on it. Similarly, only TIC has statistically significant impact on LT_4 with the co-efficient of 0.819, when all the variables are regressed together.

4.6.2   Regression Analysis of German data

The following are the regression analysis of data gathered from public in German.

4.6.2.1 Linear regression of means of TIC and NTIC variables onto LT_1

The regression analysis has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

Table 4.70: Linear Regression of means of TIC and NTIC variables onto LT_1 Variables Entered/Removed[b]

	Model Summary		ANOVA	
Indicators	**R-Square**	**Adjusted R-square**	**F-Value**	**Sig.**
NTIC, TIC	.517	.508	55.160	.000

All items for independent variables TIC, NTIC were selected because these were the final variables selected in the model. As in the BEST model for predicting LT_1 is one which uses all items of these variables. This table shows that this model has the R square value of 0.517. This means the model performs good i.e. the model helps explaining 51.7% of

the variation in the dependent variable LT_1, caused by independent variables. The model indicates the F value 55.160, which is statistically significant because p value is less than 5%.

Table 71: Co-efficients for Linear Regression of means of TIC and NTIC variables onto LT_1

Model	B	Beta	t	Sig.
TIC	.797	.625	7.045	.000
NTIC	.177	.136	1.527	.130

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variable TIC included in the model is significant since its p-value is less than 0.05. TIC has positive impact on LT_1 with the co-efficient of 0.797, whereas NTIC variable is insignificant. Thus, TIC rejects the null hypothesis and NTIC accepts the null hypothesis. The following hypotheses are accepted;

H1: Technical innovation has influence on customer loyalty.

$H2_o$: Non-Technical innovation has no influence on customer loyalty.

4.6.2.2 Linear regression of means of IE and AE variables onto LT_2

The regression analysis has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

Table 4.72: Linear Regression of means of IE and AE variables onto LT_2 Variables Entered/Removed[b]

| Indicators | Model Summary | | ANOVA | |
	R-Square	Adjusted R-square	F-Value	Sig.
AE, IE[a]	.578	.570	70.503	.000

All items for independent variables AE and IE were selected because these were the final variables selected in the model. As in the BEST model for predicting LT_2 is one which uses all items of these variables. This table shows that this model has the R square value of 0.578. This means the model performs good i.e. the model helps explaining 57.8% of the variation in the dependent variable LT_2, caused by independent variables. The model indicates the F value 70.503, which is statistically significant because p value is less than 5%.

88

Table 4.73: Co-efficients for Linear Regression of means of IE and AE variables onto LT_2

Model	B	Beta	t	Sig.
IE	.172	.160	.983	.328
AE	.555	.611	3.762	.000

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variable AE included in the model is significant since its p-value is less than 0.05. AE has positive impact on LT_2 with the co-efficient of 0.555, whereas IE variable is insignificant. AE rejects the null hypothesis and IE accepts the null hypothesis. The following hypotheses are accepted;

$H3_o$: Intellectual experience has no influence on customer loyalty.

H4: Affective experience has influence on customer loyalty.

4.6.2.3 Linear regression of means of RT, WOM and NPMD variables onto LT_3

The regression analysis has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

Table 4.74: Linear Regression of means of RT, WOM and NPMD variables onto LT_3

	Model Summary		ANOVA	
Indicators	R-Square	Adjusted R-square	F-Value	Sig.
NMPD, WOM, RT	.709	.700	82.803	.000

All items for independent variables NPMD, WOM and RT were selected because these were the final variables selected in the model. As in the BEST model for predicting LT_3 is one which uses all items of these variables. This table shows that this model has the R square value of 0.709. This means the model performs good i.e. the model helps explaining 70.9% of the variation in the dependent variable LT_3, caused by independent variables. The model indicates the F value 82.803, which is statistically significant because p value is less than 5%.

Table 4.75: Co-efficients for Linear Regression of means of RT, WOM and NPMD variables onto LT_3 Coefficients[a]

Model	B	Beta	t	Sig.
RT	.064	.068	.504	.616
WOM	.174	.177	1.605	.112
NMPD	.604	.626	5.100	.000

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variable NMPD included in the model is significant since its p-value is less than 0.05. NMPD has positive impact on LT_3 with the co-efficient of 0.604, whereas other variables are insignificant. Only NMPD rejects the null hypothesis. The following hypotheses are accepted;

$H5_o$: Reputation has no influence on customer loyalty.

$H6_o$: Word of mouth has no influence on customer loyalty.

H7: New Market Penetration and Differentiation has influence on customer loyalty.

4.6.2.4 Linear regression of mean variables onto LT_4

The regression has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

Table 4.76: Linear regression of mean variables onto LT_4

Indicators	Model Summary		ANOVA	
	R-Square	Adjusted R-square	F-Value	Sig.
NMPD, NTIC, TIC, WOM, IE, AE, RT[a]	.723	.704	36.605	.000[a]

All items for independent variables TIC, NTIC, IE, AE, RT, WOM and NPMD were selected because these were the final variables selected in the model. As in the BEST model for predicting LT_4 is one which uses all items of these variables. This table shows that this model has the R square value of 0.723. This means the model performs good i.e. the model helps explaining 72.3% of the variation in the dependent variable LT_4, caused by independent variables. The model indicates the F value 36.605, which is statistically significant because p value is less than 5%.

Table 4.77: Co-efficients for linear regression of mean variables onto LT_4

Model	B	Beta	t	Sig.
TIC	.174	.137	1.389	.168
NTIC	.050	.038	.497	.620
IE	-.298	-.277	-1.662	.100
AE	.064	.071	.410	.683
RT	.101	.107	.574	.567
WOM	.233	.236	1.774	.079

NMPD	.567	.587	4.743	.000

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variable NPMD included in the model is significant since its p-values is less than 0.05. NPMD has positive impact on LT_3 with the co-efficient of 0.567, whereas the other variables are insignificant. Only NPMD rejects the null hypothesis whereas other variables accept the null hypotheses. The following hypotheses are accepted;

$H1_o$: Technical innovation has no influence on customer loyalty.

$H2_o$: Non-Technical innovation has no influence on customer loyalty.

$H3_o$: Intellectual experience has no influence on customer loyalty.

$H4_o$: Affective experience has no influence on customer loyalty.

$H5_o$: Reputation has no influence on customer loyalty.

$H6_o$: Word of mouth has no influence on customer loyalty.

H7: New Market Penetration and Differentiation has influence on customer loyalty.

4.6.2.5 Regression findings

In a nutshell, all the models are statistically significant and selected variables have an impact on customer loyalty. When LT_1 is regressed against technical and non-technical factors, the regression result shows the variable TIC included in the model is significant since its p-value is less than 0.05. TIC has positive impact on LT_1 with the co-efficient of 0.797, whereas NTIC variable is insignificant. Similarly, AE has positive impact on LT_2 with the co-efficient of 0.555, whereas IE variable is insignificant when LT_2 is taken as dependent variable. However, the variable NMPD included in the model is significant since its p-value is less than 0.05 and has positive impact on LT_3 with the co-efficient of 0.604, whereas other variables are insignificant. Similarly, only NPMD has statistically significant impact on LT_4 with the co-efficient of 0.567, when all the variables are regressed together.

4.6.3 Combined regression analysis of Turkey and Germany

The following are the regression analysis of data gathered from public in both countries.

4.6.3.1 Linear regression of technical and non-technical capability variables onto LT_1

The stepwise regression has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

Table 4.78: Linear Regression of Technical and Non-Technical Capability Variables onto LT_1

Indicators	Model Summary		ANOVA	
	R-Square	Adjusted R-square	F-Value	Sig.
NTIC, TIC	.464	.459	93.785	.000[a]

All items for independent variables TIC, NTIC were selected because these were the final variables selected in the model. As in the BEST model for predicting LT_1 is one which uses all items of these variables. This table shows that this model has the R square value of 0.464. This means the model performs good i.e. the model helps explaining 46.4% of the variation in the dependent variable LT_1, caused by independent variables. The model indicates the F value 93.785, which is statistically significant because p value is less than 5%.

Table 4.79: Co-efficients of Linear Regression of Technical and Non-Technical Capability Variables onto LT_1

Model	B	Beta	t	Sig.
TIC	.780	.589	8.875	.000
NTIC	.168	.128	1.934	.054

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variable TIC included in the model is significant since its p-value is less than 0.05. TIC has positive impact on LT_1 with the co-efficient of 0.780, whereas NTIC variable has insignificant impact. TIC accepts the alternative hypothesis and NTIC accepts the null hypothesis. The following hypotheses are accepted;

H1: Technical innovation has influence on customer loyalty.

$H2_o$: Non-Technical innovation has no influence on customer loyalty.

4.6.3.2 Linear regression of intellectual and affective experiences variables onto LT$_2$

The stepwise regression has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

Table 4.80: Linear Regression of Affective and Intellectual Experience Variables onto LT$_2$

Indicators	Model Summary		ANOVA	
	R-Square	**Adjusted R-square**	**F-Value**	**Sig.**
IE, AE[a]	.382	.376	66.980	.000[a]

All items for independent variables IE, AE were selected because these were the final variables selected in the model. As in the BEST model for predicting LT$_2$ is one which uses all items of these variables. This table shows that this model has the R square value of 0.382. This means the model performs good i.e. the model helps explaining 38.2% of the variation in the dependent variable LT$_2$, caused by independent variables. The model indicates the F value 66.980, which is statistically significant because p value is less than 5%.

Table 4.81: Co-efficients of Linear Regression of Linear Regression of Affective and Intellectual Experience Variables onto LT$_2$

Model	B	Beta	t	Sig.
AE	.473	.484	5.425	.000
IE	.173	.158	1.774	.077

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variable AE included in the model is significant since its p-value is less than 0.05. AE has positive impact on LT$_2$ with the co-efficient of 0.473, thus rejecting the null hypothesis, whereas IE has insignificant impact on LT$_2$ and accepting the null hypothesis. The following hypotheses are accepted;

H3$_o$: Intellectual experience has no influence on customer loyalty.

H4: Affective experience has influence on customer loyalty.

4.6.3.3 Linear regression of Reputation, New market penetration and Word of mouth variables onto LT$_3$

The stepwise regression has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

Table 4.82: Linear Regression of RT, NMPD, WOM Variables onto LT_3

Indicators	Model Summary		ANOVA	
	R-Square	**Adjusted R-square**	**F-Value**	**Sig.**
RT, NMPD, WOM	.410	.402	49.996	.000[a]

All items for independent variables RT, NMPD and WOM were selected because these were the final variables selected in the model. As in the BEST model for predicting LT_3 is one which uses all items of these variables. This table shows that this model has the R square value of 0.410. This means the model performs good i.e. the model helps explaining 41% of the variation in the dependent variable LT_3, caused by independent variables. The model indicates the F value 49.996, which is statistically significant because p value is less than 5%.

Table 4.83: Co-efficients of Linear Regression of RT, NMPD, WOM Variables onto LT_3

Model	B	Beta	t	Sig.
WOM	.139	.142	1.726	.086
NMPD	.354	.373	5.099	.000
RT	.200	.200	2.244	.026

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variable NMPD and RT included in the model are significant since its p-value is less than 0.05. NMPD and RT have positive impact on LT_3 with the co-efficient of 0.354 and 0.200 respectively which reject the null hypotheses, whereas WOM is insignificant and accepts the null hypothesis. The following hypotheses are accepted;

H5: Reputation has influence on customer loyalty.

$H6_o$: Word of mouth has no influence on customer loyalty.

H7: New Market Penetration and Differentiation has influence on customer loyalty.

4.6.3.4 Linear regression of all independent variables onto LT_4

The stepwise regression has been performed and relevant variables are used in the model to obtain the desire results. The significance criterion was set at 0.05.

Table 4.84: Linear Regression of all independent variables onto LT_4

Indicators	Model Summary		ANOVA	
	R-Square	Adjusted R-square	F-Value	Sig.
NMPD, NTIC, WOM, TIC, IE, AE, RT[a]	.537	.522	35.109	.000[a]

All items for independent variables TIC, NTIC, WOM, AE, IE, NMPD and RT were selected because these were the final variables selected in the model. As in the BEST model for predicting LT_4 is one which uses all items of these variables. This table shows that this model has the R square value of 0.537. This means the model performs good i.e. the model helps explaining 53.7% of the variation in the dependent variable LT_4, caused by independent variables. The model indicates the F value 35.109, which is statistically significant because p value is less than 5%.

Table 4.85: Co-efficients for Linear Regression of all independent variables onto LT_4

Model	B	Beta	t	Sig.
TIC	.568	.429	5.869	.000
NTIC	.050	.038	.564	.573
IE	-.098	-.089	-.965	.336
AE	.177	.181	1.630	.105
RT	-.025	-.025	-.221	.825
WOM	.038	.039	.486	.627
NMPD	.253	.267	3.827	.000

This table shows whether the variables included in a model are significantly impactful or not. According to this table, the variables TIC and NMPD included in the model are significant since their p-values are less than 0.05. TIC and NMPD have positive impact on LT_4 with the co-efficient of 0.568 and 0.253 respectively, thus accepting the alternative hypotheses, whereas the other variables are insignificant and accepting the null hypotheses. The following hypotheses are accepted;

H1: Technical innovation has influence on customer loyalty.

H2$_o$: Non-Technical innovation has no influence on customer loyalty.

H3$_o$: Intellectual experience has no influence on customer loyalty.

H4$_o$: Affective experience has no influence on customer loyalty.

H5$_o$: Reputation has no influence on customer loyalty.

$H6_o$: Word of mouth has no influence on customer loyalty.

H7: New Market Penetration and Differentiation has influence on customer loyalty.

4.6.3.5 Regression findings

In a nutshell, all the models are statistically significant and selected variables have an impact on customer loyalty. When LT_1 is regressed against technical and non-technical factors, the regression result shows that the variable TIC included in the model is significant since its p-value is less than 0.05 and has positive impact on LT_1 with the co-efficient of 0.780, whereas NTIC variable has insignificant impact. Similarly, the variable AE included in the model is significant since its p-value is less than 0.05 and has positive impact on LT_2 with the co-efficient of 0.473, whereas IE has insignificant impact when LT_2 is taken as dependent variable. However, LT_3 is predicted and the variable NMPD and RT included in the model are significant since its p-value is less than 0.05. NMPD and RT have positive impact on LT_3 with the co-efficient of 0.354 and 0.200 respectively, whereas WOM is insignificant. Similarly, TIC and NPMD have statistically significant impact on LT_4 with the co-efficient of 0.568 and 0.253 respectively, when all the variables are regressed together.

4.7   Chapter Summary

This chapter presented a detailed descriptive and statistical analysis for the survey findings conducted over the consumers of Turkey and Germany to identify the role of innovation for the consumer loyalty. The analysis was conducted for Turkey and Germany separately as well as on the combined data from both the countries. According to the correlation coefficient analysis, all of the 28 items measuring independent variables TIC, NTIC, IE, AE, RT, WOM and NMPD were strongly related to the two items measuring dependent variable LT representing customer loyalty. Variable groups that are correlated with customer loyalty included Technical Innovation Capability, Non-Technical Innovation Capability, and Reputation. This is because all of their Pearson Correlation Coefficients are moderately correlated and statistically significant. Comparison of Turkey and Germany for the influence of innovation capability of a company over loyalty revealed that the customers in Germany are more influenced by the innovation as their purchase

decision is largely based on this. On the other hand, the customers in Turkey also prefer to purchase from the innovative companies.

The multiple regression analysis produced models which help in identifying variables that were the most meaningful in predicting customer loyalty. Four separate regressions were run, where LT_1, LT_2, LT_3 and LT_4 each of this representing customer loyalty: (1) I always purchase from innovative companies, and (2) I buy from innovative companies even if the substitute products are cheaper. The regression analysis was also conducted for Turkey and Germany separately as well as on the combined data from both the countries. The results of Turkey regression show that TIC has positive impact on LT_1 with the co-efficient of 0.825. Therefore, Technical innovation has influence on customer loyalty. Similarly, AE has positive impact on LT_2 with the co-efficient of 0.309. Likewise, only TIC has statistically significant impact on LT_4 with the co-efficient of 0.819, when all the variables are regressed together. Similarly, results of Germany regression shows that TIC has positive impact on LT_1 with the co-efficient of 0.797. Similarly, AE has positive impact on LT_2 with the co-efficient of 0.555 when LT_2 is taken as dependent variable. However, the variable NMPD has significant positive impact on LT_3 with the co-efficient of 0.604. Similarly, only NPMD has statistically significant impact on LT_4 with the co-efficient of 0.567, when all the variables are regressed together. Under combined data, that the variable TIC has significant positive impact on LT_1 with the co-efficient of 0.780. AE has positive impact on LT_2 with the co-efficient of 0.473 when LT_2 is taken as dependent variable. NMPD and RT have positive impact on LT_3. TIC and NPMD have statistically significant impact on LT_4 with the co-efficient of 0.568 and 0.253 respectively, when all the variables are regressed together.

5. CONCLUSION AND RECOMMENDATIONS FOR FUTURE STUDIES

5.1 Conclusions

One of the most important organizational goals is to achieve customer's loyalty and their satisfaction. Loyal customers are no doubt the back bone of any business' growth or survival due to which no organization ever wants to lose them. Various empirical studies have established the fact that there is a strong relation between customers' loyalty and the commercial performance of the company. The creation of a new product, process or service to improve efficiency, competitive advantage or effectiveness is called innovation. This can be technical or non-technical innovation that leads to these improvements by product and process innovation or organizational and marketing innovations like branding respectively. These are highly interconnected and when used effectively can result in first-hand distinguished products.

When company introduces any innovative product or service, it achieves the satisfaction of customer and loyalty by influencing their perceptions in a positive way. Innovation remains the essential condition for the success of the business through growth and sustainability. While this broad concept entails many interpretations and theories off its application, it is overall vital to sustain a competitive advantage in the integrated market of today. Knowledge and its diffusion are the key factors that contribute to the technology transfer process which result in better product, service or process for the tech savvy customers. This sharing of skills and intellect enable technological developments to the end users who can further develop them continuing the progress. Growth necessitates innovation whether this growth is measured by the productivity or profit of individual firm or the whole industry or economy wide effects.

The conceptual framework developed for the dissertation tested the influence of technical and non-technical innovation over the differentiation and new market penetration which

99

in turn affects the customer intellectual and affective experience leading to customer loyalty. As per the previous scholarly literature, a new product with technical product functionality entertains the customer as the product is a unique compared to the rest of the market offerings. This differentiates the product from other rival products lending great motivation for the ultimate buying decision. This expands the customer base as the innovative products inspire more customers to buy it, hence resulting in market penetration. The success of innovation depends on the brands capacity to match customer expectations and value to the expansion that the company receives by presenting an innovation.

The reliability of the product or service offered translates to the grander customer's perception of the brand and increases customer satisfaction. Customer loyalty is built upon customer satisfaction which is the degree of meeting customer expectations. While the foundation of satisfaction is the superiority of primary product offering, it is further constructed by the customer's intellectual and affective experience and the customer's demographic perceptions. Customer's perception about the company is related to their experience with the company. They must be associated either through tactic, inventive measures that appeal to the mind or connect emotionally to gain some effective satisfaction after consumption. These behaviors affect the customer's identification with the organization and build demographic perceptions. The level to which the company influences these perceptions determines its position in the market and retention of customer loyalty. Positive perceptions retain customer loyalty.

The focus of the present dissertation is on assessing the role of technical and non-technical innovation of Turkish and German companies over the customer loyalty and perceptions. The research gap has been identified to investigate the role of innovation for affecting the customer loyalty. This has been selected as the topic for study as it could help the companies at both the countries to innovate based on the customer perceptions in order to attain success in the competitive market. Clearly, the companies could suffer huge losses in case they invest in innovative measure without taking the customer opinion into account. Therefore, the findings of this study which are based on real world primary data would be helpful for the companies to achieve customer loyalty and increase their profits.

The conceptual framework indicating the variables of study was developed using the recent scholarly research as the basis; hence, both primary and secondary research methods have been adopted in the study. The findings of the study are based on the responses received as a result of surveying 114 customers from Turkey and 106 from Germany. To avoid biasness in the findings, the customers were chosen using simple random sampling. Statistical techniques of frequency distribution analysis, u-test analysis, correlation co-efficient analysis and linear regression analysis have been utilized to reach the study findings.

It has been found as a result of survey that mostly the customers were impressed by the technical and non-technical innovation of the companies. The companies which have technical knowledge and which innovate based on their knowledge attract customers to the greater extent as compared to the companies which do not have such capability. The customers reported to mostly purchase from the companies which innovate and which integrate technology with their services. In addition to the technical innovation capabilities of the companies, the non-technical innovation capabilities have also found to be in association with the customer loyalty.

Firstly the impact of technical and non-technical innovation on the customer loyalty is studied and it has been found that the customer loyalty increases to the companies which use knowledge to engage in technical innovation and attract the customers who involved in service operations technology. Customers believe that the innovation capability of the companies has an influence over the decisions a company makes and therefore, the companies which are better in their innovation capabilities ought to be better in market penetration and product differentiation. Majority of the customers reported to be attracted by the companies which provide them with the required information about the offered products/ services; this is because the customers trust the companies which provide the necessary information instead of hiding the facts or only providing the vague details.

The correlation results indicate that technical innovation and non-technical innovation has significant and positive correlation with customer loyalty in both countries. However, technical innovation has greater correlation as compare to non-technical innovation. The result is supported by Foroudi et al. (2016) and Naveed et al. (2012). The regression results

101

indicate that technical innovation has positive and significant impact on customer loyalty in both countries. The Foroudi et al. (2016) also reported that technical innovation modifies the loyalty. Ipek Krom (2015) and Kazmacı and Ekiyor (2015) also reported that innovation impacts positively on loyalty.

As the customers are highly found to be satisfied by the performance of innovative companies, they reported that people often talk about such companies in a positive way leading to positive word of mouth marketing for them. Similarly, the customers reported that they encourage their friends and family to purchase from the innovative companies which reveal their degree of customer loyalty. The companies could therefore, make use of innovation in a way that could trigger positive word of mouth for them. Word of mouth help consumers regulates their emotions. External factors impact emotions and emotion regulation is the way people manage their emotions. Sharing their experience about a product or service, people can better manage their emotions and reduce their stress and anxiety. By sharing their experience, consumers feel part of the brand and some may also share reviews to help others to make a better decision. Word of mouth marketing helps consumers to create a brand image of a product by expressing their emotions verbally.

Customers also believe that it is easier for the innovative companies to penetrate in the new markets. The reason behind this belief of the customers is that the innovative companies are able to compete with others due to their technical and non-technical innovation which assists them to develop innovative products. Finally, the customer loyalty was tested and it was found that a significant majority purchase from the innovative companies. However, the customers also reported to purchase substitute products in case the innovative products are cheaper. The correlation coefficient analysis showed strong correlation between all the variables. Variable groups that were the most correlated with customer loyalty included Technical Innovation, Non-Technical Innovation, and New Market Penetration and Differentiation. Similarly, the linear regression analysis was performed to identify the variables most closely associated with the customer loyalty. The regression results show that Technical innovation and reputation influence on customer loyalty in Turkey, whereas, Technical innovation, Affective experience and New Market Penetration and Differentiation influence on German customer loyalty.

When comparing the effect of innovation on loyalty for Turkey and Germany, it has been found that the majority of the customers from both the countries are loyal to the innovative companies. Similarly, affective experience and New Market Penetration and Differentiation influence on customer loyalty. In conclusion, the innovation of the companies has been found to have a significant influence over the customer loyalty. The findings of this dissertation comply with those of previous studies; however it extends the literature by contributing the perceptions of Turkish and German customers.

5.2   Research Contribution

As discussed above, the present study is an extension to the work done by previous scholars such as those of Cheng et al.(2014), Hervas-Oliver et al.(2014), Seng and Ping (2016) and particularly of Foroudi et al.(2016). As already explained in the literature review section, all of these studies were related to the role of innovation but did not directly study the topic selected for this dissertation. For example, Cheng et al.(2014) evaluated the role of 3 types of innovation for the business performance. These innovations were related to eco-organizational context and also their influence was evaluated for the business performance not for customer loyalty.

Similarly, the study by Hervas-Oliver et al.(2014) evaluated the role of product innovation for the SMEs. The present dissertation clearly differs from this as the focus in on assessing the role of innovation for the customer loyalty for two different countries. Seng and Ping (2016) studied the influence of product innovation on the consumer behavior and particularly on the consumer purchase decision whereas the present study discusses the influence of innovation on customer loyalty.

Finally, Foroudi et al. (2014) tested the influence of innovation capability over customer loyalty and innovation over customer experience. The present study has evaluated the role of innovation on the loyalty. The present study can therefore be regarded as an extension to the work of Foroudi et al. (2014) as it has enhanced the analysis for Turkey and Germany and thus provided an insight on how can the different demographic characteristics influence the customer perceptions about innovation.

5.3 Recommendations

In the light of the survey findings, the following recommendations have been suggested for the companies to improve their technical and non-technical innovation:

- The companies in both countries should bring constant improvements and innovations in their existing products or services along with introducing new varieties. For this, the companies should invest in research and development to foster innovations in functionality of products or services through technological advancement, creativity etc.

- The companies in both countries should inform the customers about their innovation in the product or service. This is because the surveyed customers reported to be more satisfied and loyal to the innovative companies specially in Germany. This is only possible when the companies would inform the customers about the innovation in order to make them differentiate between the available products.

- The innovation must be inculcated in such a way as to avoid any negative change in customer loyalty. As per the previous scholar research and the survey findings, any innovation introducing strategy should be implemented keeping in mind the company's capabilities and the position and strength of the company's product and those of the rival's existing product. Any strategic or technological innovation should be induced keeping in mind the image of not only the product on the customer but image of the whole company on the consumer.

- Due to the prevalence of social media, there has been an evolution in the way that Customer relationship management (CRM) practices are being carried out. This new technologically advanced world has revolutionized the way in which producers and consumers communicate with each other. The relationship between marketers and customers has become more intimate due to the existence of social media. Marketers need to take advantage of the excessive amounts of customer, opinions and feedback present on social media websites such as Facebook or Twitter. These opinions and feedbacks should then be used to make any future decisions regarding marketing strategy. As mentioned above, it is important for

the companies to communicate their innovative strategies and practices to them. For this purpose, using social media can be one of the most cost-effective ways for the companies. The companies should therefore, maintain their social media pages containing information about their products and services. If the company focuses on innovation, the page should contain all the updates regarding them. It would not only assist the company in marketing itself through innovation, but would also provide a platform for the word of mouth marketing.

- The innovation should not be confined to the product itself but the overall brand experience i.e. the companies should try to bring innovative ways to enrich the experience of customers by identifying the prevailing trends, potential prospects and emerging needs of the customers. The avenues it can tap to bring innovation can include brand positioning, brand identity, brand engagement etc. However it must be ensured that customers shouldn't be bombarded with entirely new elements as it can cause confusion and brand dilution therefore within the existing umbrella new interesting elements and themes can be introduced which are consistent with the brand mantra, are relevant and well synchronized

- Apart from the functionality of products, innovation can be brought in the aesthetics of brand including its packaging to increase the appeal as boredom often influences brand switching

- Innovation can also be tapered in the way brand is promoted i.e. its communication on social media, advertisements etc. as the creativity would keep the brand active and energized.

- The brands should also endeavor to instill innovative techniques through which the customers can be facilitated in unique ways like effective mechanisms to deal with their queries, complaints etc. This would increase their satisfaction and commitment with the brand.

- The companies should be well aware of market trends to bring innovations in the aforementioned domains therefore effective market research should be promoted constantly and various innovation stimulating activities should be conducted like brain storming sessions

- The companies should also keep track of the innovations that are being introduced by competitors and their practices to ensure that they are not lagging behind.

- The companies should also focus upon ideas of disruptive innovation i.e. an innovation that beats the existing competition and creates new market.

- The companies must identify and thoroughly research upon the needs of the customers particularly its target audience from time to time. This would help the companies to cope up with the requirements and expectations of the customers by pitching new innovative products and improvements that keep them delighted with the brand. Moreover, understanding the business environment and identifying the factors for success is a major step towards adopting innovative strategies and planning for technology development

- Feedback and ideas for innovation should be gathered from customers and products can be co-created with them as it would lead to greater brand engagement and customer satisfaction which would in turn help in augmenting customer loyalty. It was found in the survey that customers are influenced by the word of mouth regarding the innovative products and they also refer their friends and family to the innovative products. Therefore, it is important the companies innovate by taking suggestions of customers into account. This would not also increase the customer loyalty but would also result in indirect marketing (through customer referrals).

- In order to foster innovation technical experts as well as competent and creative people should be hired in all domains.

- Innovation can also be encouraged by working upon the human capital of the organization and employees should be trained and motivated to think creatively and their skill set should be improved so that they can bring novel ideas.

- Organization should provide more flexibility and opportunities to employees to incorporate innovation in their work, processes etc. in order to incorporate a culture of innovation in the organization.

- Culture can strengthen innovation, as well as company performance, or it could also be an obstacle for both of them, depending on the values fostered by the culture. Therefore, the companies should communicate to the employees the need

and importance for innovation as well as the customer expectations. Cross functional teams can be used when designing a new product or in innovation projects as diversity would aid in bringing innovative and different ideas.

- Innovation at workplace and in the process of working should also promoted by encouraging the employees as it would lead to greater efficiency and employees would be able to serve customers more quickly and effectively.

- Although the customers were found to be strongly impressed by the innovation of the companies, there was a negative influence of the price. The customers reported that they prefer purchasing from the innovative companies because of numerous reasons; however, in case the substitute products are available at the cheaper price, they purchase those substitutes. This shows that the price has a negative role for the innovative companies. Therefore, the companies should not blindly invest in the innovations which could lead to a price increases and declining sales. Instead, it is the need for the companies to develop the products using the technology which could cut the cost, for example, by reducing the human resource costs. By providing the innovative products at lower than the substitute price, the companies could ensure high degree of customer loyalty.

5.4   Future Work

In recent years, many organizations have come to understand that innovation is a substantial issue in sustainable business management. The findings of this study would offer considerable help to the business managers to innovate and make the customers satisfied. However, the present work can be extended in various directions to achieve a greater advantage of business innovation. For example, the study evaluated the role of technical and non-technical innovation over the customer loyalty by surveying the customers in Turkey and Germany. Similar study can be conducted in other parts of the world, for example in the Middle East and then compare the impact of innovation on the customers who belong from different locations. Another possible direction for extending this research is to conduct survey for assessing the role of innovation over the customer perceptions regarding different products; for example, a survey could be conducted to see the influence of innovation for the technology products versus food products. Such studies

would bring to light the factors which influence the customer loyalty of the products based on their innovation.

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APPENDICES

APPENDIX A: Questionnaire

The following survey questionnaire was presented to the general public in Turkey and Germany, considering no difference between genders, aging between 20 to 60, however it was kept in mind the complexity of the marketing terms and concepts, hence educated enough public was approached to expect fair understanding and no ambiguities, as the questions are similar to each other. The name of the survey questionnaire is "Foroudi's Innovation and Loyalty".

Guidelines:

Please answer this questionnaire to gauge how well the concept of innovation and customer loyalty is understood, adopted and practiced. Given below are various statements which attempted to evaluate the influence of innovation on customer loyalty. To respond these, you need to tick mark in the appropriate box (on a 5-point scale as given below) against each statement that best represents your view point.

Scale:

5=Strongly Agree, 4=Agree, 3=Neither Agree nor Disagree, 2=Disagree, 1=Strongly Disagree

S.No.	Question	1	2	3	4	5
	Technical Innovation Capability					
1	I am impressed by the companies which use knowledge to engage in technical innovation					

2	I prefer purchasing from the companies which use skills for technical innovations					
3	The companies offering innovation in services inspire me					
4	The companies involved in services operations and technology attract me					
	Non-technical Innovation Capability					
5	I am impressed by the companies which use knowledge to engage in non-technical innovation					
6	I prefer purchasing from the companies which use skills for non-technical innovations					
7	Managerial innovations attract me					
8	Marketing innovations attract me					
	Intellectual Experience					
9	I am loyal to the companies which can offer me what I am looking for					
10	The innovation of companies lead them to reach the better decisions					
11	The companies which offer information about their products attract me					
12	The innovation of companies lead them to be good at problem solving					
	Affective Experience					
13	The companies using innovation provide better entertainment					
14	The innovative companies have the capability to influence my feelings and sentiments about their products and services					
15	It is pleasurable to purchase from the innovative companies					
	Reputation					

16	I respect and admire the innovative companies					
17	I have trust in the companies which innovate					
18	I believe that innovative companies offer products which are a good value for money					
19	Innovative companies offer services & products of high quality					
20	Innovative companies have good sense of corporate social responsibility					
	Word of Mouth					
21	People often talk about the innovative companies in a positive way					
22	I encourage my friends and family to purchase from the innovative companies					
	New Market Penetration & Differentiation					
23	Innovation offers the companies with an opportunity to enter new market easily					
24	Through innovation, companies become able to compete in the new markets					
25	The innovative companies offer differentiated products and services as compared to the competing companies					
	Loyalty					
26	I always purchase from the innovative companies					
27	I go for purchasing from the innovative companies even if the substitute products are cheaper					

Same questionnaire in German language:

Ordnungsnu mmer	Frage	1	2	3	4	5
	Technische Innovationsfähigkeit					
1	Ich bin beeindruckt von den Firmen, die Wissen nutzen, um technische Innovationen zu betreiben					
2	Ich bevorzuge in Unternehmen einzukaufen, die technisch innovetiv sind.					
3	Unternehmen, die Innovationen in Dienstleistungen anbieten, inspirieren mich diese zu kaufen.					
4	Die an Dienstleistungsbetrieben und Technologie beteiligten Unternehmen ziehen mich an					
	Nicht-technische Innovationsfähigkeit					
5	Ich bin beeindruckt von Unternehmen, die Wissen nutzen, um in nicht-technische Innovation zu inrestieren					
6	Ich bevorzuge in Unternehmen einzukaufen, die nicht-technisch innovetiv sind.					
7	Innovationen ziehen mich an					
8	Marketing-Innovationen locken mich an					
	Intellektuelle Erfahrung					
9	Ich bin loyal gegenüber den Firmen, die mir das anbieten können, was ich suche					
10	Innovative Unternehmen, können leichter marktgerechte Entscheidungen treffen					
11	Die Unternehmen, die Informationen über ihre Produkte anbieten, ziehen mich an					
12	Innovative Unternehmen, entwickeln gute Problemlösungstrategien					
	Affektive Erfahrung					
13	Die Unternehmen, die Innovationen einsetzen, bieten bessere Unterhaltung					
14	Innovative Unternehmen beeinflussen, meine Emotionen und meine Haltung zu deren Dienstleistungen und Produkte					

15	Es ist angenehm, in innovativen Unternehmen einzu kaufen					
	Ruf					
16	Ich respektiere und bewundere innovative Unternehmen					
17	Ich habe Vertrauen in die Unternehmen, die innovativ sind					
18	Ich glaube, dass innovative Unternehmen Produkte anbieten, die ein gutes Preis-Leistungs-Verhältnis haben					
19	Innovative Unternehmen bieten Dienstleistungen und Produkte von hoher Qualität an					
20	Innovative Unternehmen haben gute soziale Verantwortung					
	Wort des Mundes					
21	Die Leute sprechen oft über die innovativen Unternehmen positiv					
22	Ich ermutige meine Freunde und Familie, von innovativen Firmen zu kaufen					
	Neue Marktdurchdringung & Differenzierung					
23	Innovationen bieten Unternehmen die Möglichkeit, neue Märkt leicht zu betreten					
24	Durch Innovationen können Unternehmen in neuen Märkten sich dem Wettbewerb stellen.					
25	Innovative Unternehmen bieten differenziertere Produkte und Dienstleistungen im Vergleich zum Wettbewerb an.					
	Loyalität					
26	Ich kaufe immer in innovativen Firmen					
27	Ich bevorzuge innovative Unternehmen, selbst wenn Produkte anderer Unternehmen billiger sind.					

Same questionnaire in Turkish language:

Seri numarası	Soru	1	2	3	4	5
	Teknik Yenilik Yeteneği					
1	Teknik yeniliğe girmek için bilgi kullanan şirketler beni etkiledi.					
2	Teknik yenilikler için beceri kullanan firmalardan satın almayı tercih ederim					
3	Hizmetlerde yenilik sunan şirketler bana ilham Verdi					
4	Hizmetler operasyonlarında ve teknolojide yer alan şirketler beni çekiyor					
	Teknik Olmayan Yenilik Yeteneği					
5	Teknik olmayan yeniliğe dahil olmak için bilgi kullanan şirketler beni etkiledi					
6	Teknik olmayan yenilikler için becerileri kullanan şirketlerden satın almayı tercih ederim					
7	Yönetsel yenilikler beni cezbetiyor					
8	Pazarlama yenilikleri beni çekiyor					
	Zihinsel Deneyim					
9	Bana ne aradığımı teklif edebilecek şirketlere sadıkım					
10	Şirketlerin yeniliği onları daha iyi kararlara ulaştırmaya yönlendiriyor					
11	Ürünleri ile ilgili bilgi veren şirketler beni etkiler					
12	Şirketlerin yeniliği onları problem çözme konusunda iyi olmaya yönlendiriyor					
	Etkili Deneyim					
13	İnovasyonu kullanan şirketler daha iyi eğlence sunar					
14	Yenilikçi şirketler, ürün ve hizmetleri hakkındaki duygularımı ve hislerimi etkileme kabiliyetine sahiptir					
15	Yenilikçi şirketlerden satın almak çok zevkli.					
	İtibar					

122

16	Yenilikçi şirketlere saygı duyuyorum ve onları severim					
17	Yenilikçi şirketlere güveniyorum					
18	İnovatif şirketlerin para değeri yüksek ürünler sunduğuna inanıyorum					
19	Yenilikçi şirketler yüksek kalitede hizmet ve ürünler sunmaktadır					
20	Yenilikçi şirketlerin kurumsal sosyal sorumluluk bilinci vardır					
	Ağızdan ağıza pazarlama					
21	İnsanlar çoğu zaman yenilikçi firmalar hakkında olumlu bir şekilde konuşurlar					
22	Arkadaşlarıma ve aileme yenilikçi şirketlerden satın almalarını öneriyorum					
	Yeni Pazara gome ve Farklılaşma					
23	Yenilik, şirketlere yeni pazarlara kolayca girme fırsatı sunuyor					
24	Yenilik sayesinde, şirketler yeni pazarlarda rekabet edebilecek hale geliyor					
25	Yenilikçi şirketler, rakip firmalara kıyasla farklı ürünler ve hizmetler sunmaktadır					
	Sadakat					
26	Her zaman yenilikçi şirketlerden satın alıyorum					
27	Muadil ürünler daha ucuz olsalar bile yenilikçi şirketlerden satın almaya gidiyorum					

T.C.
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    Bilgilerinize rica ederim.

Prof. Dr. Özer KANBUROĞLU
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RESUME

PERSONAL INFORMATION	Mirza Imran Ul Haque 📍 11/5, Koyum Sk, Zafer Mah, Bahclievler, Istanbul (Turkey) 📱 +90 5051525549 ✉ imran.ulhaq@gmail.com 🌐 https://www.facebook.com/ICouture-THOT-144494252235300/?ref=h1 Sex Male | Date of birth 29 May 1981 | Nationality Pakistani
PERSONAL STATEMENT	I am a Design graduate doing MBA from Istanbul Aydin University, currently enrolled in Hochschule der Wirtschaft für Management as Erasmus exchange student, in Mannheim. I have been working in Pakistan in textiles and Fashion industry for 9 years. My last job was to head a product line of a RTW brand Kayseria Pret as a Product Manager / Assistant Brand Manager. The core area of my job was GTM, range plans, overview of design team, supply chain team, retail and brand management. I am looking for opportunities to excel in my product / business management pursuits.
WORK EXPERIENCE	
22 Sep 2012 – 3 Oct 2015	Product Manager / Asst Brand Manager Sefam Pvt Ltd, Lahore (Pakistan) www.kayseria.com Product management / Asst Brand Manager: Range / Budget Plans, product design, development and management, Retail assortments plans.
1 Seo 2006 – 1 Oct 2015	Commercial designer Myself, Lahore (Pakistan) Self Employed, Designer wear boutique in Lahore. Main area was bridals and formals for Pakistani women.
EDUCATION AND TRAINING	
1 Aug 2002 – 1 Sep 2006	Bachelors in Fashion Design EQF level 6 Pakistan institute of Fashion & Design, Lahore (Pakistan)

	www.pifd.edu.pk Bachelors in Fashion Design, affiliated with Ecole de La Chambre Syndicale de La Couture Paris France.
10 Oct 2015 - Present	MBA (ongoing 2 years programme ending in March 2018) EQF level 7 4th Semester: Erasmus+ exchange student at Hochschule der Wirtschaft Für Management, Mannheim http://hdwm.de 1st three semesters: Istanbul Aydin University, Istanbul (Turkey) http://int.aydin.edu.tr/ Executive MBA Program is constituted to train the professional executives who are looking for perfect career. The Program provides an efficient and interactive educational atmosphere to accommodate the changing world's dynamics and to develop abilities in finding constructive solutions for the management problems. The program is a 120 ECTS credit program with a duration of 2 academic years, each with 2 semesters. The regular program consists of 8 courses of 21 local credits, a seminar and a thesis work of 60 ECTS credits with a normal duration of 2 semesters.

PERSONAL SKILLS

Mother tongue(s)	Urdu				
Other language(s)	**UDERSTANDING**		**SPEAKING**		**WRITING**
	Listening	Reading	Spoken interaction	Spoken production	
English	B2	B2	B2	B2	B2

Communication skills	Good communication skills gained through my experience as Product Manager
Organizational / managerial skills	- e- Leadership (I was responsible for a team of 7 people) - Good organisational skills gained as a Product Manager, responsible for range plans, budgeting, product management. - Good team-leading skills gained as Product Manager
Job-related skills	- Good command of Product & Brand Management, Quality control processes (was responsible for Product Idea to retail in my last job as Product / Asst Brand Manager) - Mentoring skills (as senior product manager, I was responsible for the training and induction of designers and supply chain personnel)

	SELF-ASSESSMENT				
Digital competence	Information processing	Communication	Content creation	Safety	Problem solving
	Independent user	Independent user	Independent user	Independent user	Independent user

	MS Office Adobe Photoshop
AWARDS AND MEMBERSHIPS	
Honors and awards	• Awarded Erasmus+ study and work mobility in MBA program, Istanbul Aydin University. • I was awarded 100% Scholarship, in my final year of bachelors of Fashion Design program, at Pakistan Institute of Fashion & Design.
Memberships	I was an external Member of Board of Studies at GIFT University Pakistan (Gujranwala Institute of Fashion and Technology) for 3 years., for its Bachelors of Fashion and textiles Design Degree Courses.
Courses	Awarded a short study trip to Ecole des la Chambre Syndicale de la Couture Paris at our main school to which PIFD is affiliated with. Awarded on the basis of three years aggregated score, at the degree program Pakistan Institute of Fashion Design.