A Study on Effect of Brand Credibility on Word of Mouth: With Reference to Internet Service Providers in Malaysia

Zahra Seyed Ghorban (Corresponding author)
Multimedia University
107-24-03, Bistari Condominium, Jalan 1/64D, Off Jalan Putra, 50350 Kuala Lumpur, Malaysia
E-mail: setareh.star@gmail.com

Hossein Tahernejad
University Technology Malaysia
107-24-03, Bistari Condominium, Jalan 1/64D, Off Jalan Putra, 50350 Kuala Lumpur, Malaysia
E-mail: h.tahernejad@gmail.com

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Abstract
Service industries have chosen the significance of customers’ satisfaction and loyalty in one side, and the retention of these customers in another side. Factors influencing the retention of customers in which brand credibility is one. Despite there have been studies targeting issues of brand, satisfaction and loyalty; this study included word of mouth to fill the existing gap in the Internet service providers in Malaysia. 120 respondents participated in this study, which all were customers of Internet services for at least 2 years. This study found that brand credibility has positive impact on word of mouth through customers’ satisfaction and loyalty.

Keywords: Brand credibility, Customer loyalty, Customer satisfaction, Word of mouth

1. Introduction
In today’s global market that World Bank tries to build a global free market for offering products and services, the high speed of exchange and communication leads to the creation of a very competitive market for companies which are working not only in the international scale, but also in the local one (Smith & Doyle, 2002). The survival path in this competitive market is trying to attract more customers and retain them (Sweeney & Swait, 2008). Therefore, the more a company attracts customers, the more it generates profit and value for company. Heskett, Jones, Loveman, and Sasser (1994) believed that attracting more customer is not a key factor to have a successful firm. Their notion was that in the new economics, managers have to focus more on the frontline staff and the technology, because they found that there is a way to make profit in the economy. Heskett et al., (1994) had drawn a chain for a victorious business company. Their chain included a linkage between firm profitability, customer loyalty and pleasure, and yield of employees of the firms. Based on Heskett et al., (1994) value and revenue are outcomes of customer loyalty. Besides, satisfied customer can create loyal customer and satisfaction is influenced by the quality of offered products and services. Heskett et al., (1994) mentioned that retaining customer create more profit and value that attract more new customers.

To write about the importance of customer retention of churn, suffice to say that researchers have worked on this issue during the years. Their studies have shown that preventing customer churn is a key competitive issue in financial and telecommunication industry (Teradata, 2004). Besides, these kinds of service providers must concentrate their efforts on customer retention. Bell, Auh and Smalley (2005) and Evans (2002) examined churn or retention on telecommunication industry and financial sector. There are factors that can influence the retention of customers. Offering product and services with vast names and brand targets today’s customers. Question will rise in this point that what the customers’ priority is to select these different products and services. This can open new issues such as brand of products and services.
Brand is defined as one of these factors. According to Erdem and Swait (1998) the brand is a summary statistic characterizing the swelling chronological relationship among two groups, the customer and the service provider. Based on Sweeney and Swait (2008) a firm can achieve more customers and keep them for a long time if it follows the trust way with its customers; otherwise, the relationship will be ruined. This explanation can open another meaning under brand name, which is brand credibility. Customers distinguish constructing credibility for a brand, which is considered as an investment to companies, as a long-term plan of companies to offer the products and service that are in major differences with other products and services. According to Erdem & Swait (1998) and Wernerfelt (1988) customers buy a brand because they trust it. Lacking the trust can lead to shift of customers to other brands. Therefore, credibility is the most important reasons that cause people to buy a brand and create a long-term relationship with a company.

This study will examine the role of brand credibility by referring to Sweeney and Swait (2008) paper as the basis for this study, while some changes are added to study in order to fit it with Malaysian customers. The role of brand credibility of the online Internet Service providers will be examined on the customer satisfaction and their loyalty. Besides, the consequences of satisfaction and loyalty are examined here. This consequence is the word of mouth. All these factors are explored between Malaysian customers of using Internet services. It will be the first research in Malaysia that tries to find the role of brand credibility on loyalty and satisfaction. The unique results of this study can be considered as leverage to managers of companies and corporation in order to increase the retention of customers in Malaysia.

By this introduction the aim of this study is exploring the brand credibility effect on customer satisfaction and customer loyalty and the consequences of this loyalty and satisfaction.

2. Literature review

For businesses that are offering products and services to the public, the customers are considered as one of the most important factors to be attended very carefully, since their wants and desires would have significant impacts on the way the businesses are run. Brand credibility, customer satisfaction, customer loyalty together with word of mouth as a consequence of satisfaction and loyalty are the cardinal issues in this study which have a strong relation with the retention of customer as a key success factor in today’s business world. These issues are discussed in details to allay concepts of these concerns here.

2.1 Brand credibility

Kotler and Keller (2008) described the brand as the name, term, sign, symbol, design, or combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Customers and users evaluate identical products and services based on their brands. One way to reach information about brands is past experiences by customers. Customers compare different brands to selected best ones according to their needs and requirements. Kotler and Keller (2008) believed that brands can make people life easier by simplifying their decision making process. Investigating pivotal effects of brands is not limited to the customer side. It is applicable from point view of companies. Kotler and Keller (2008) believed that brand could help to organize inventory and accounting records. Besides, the brand name can be protected through registered trademarks; manufacturing processes can be protected through patents; and packaging can be protected through copyrights and designs. These intellectual property rights ensure that the firm can invest in the brand in a safely manner and reach the benefits of a valuable assets. Following Kotler and Keller’s notion, brand can signal a specific level of quality; therefore, it can meet customers’ needs and satisfied customers will repeat using existing brand.

This repeating process of buying refers to brand loyalty, which is leverage for firms to stay in competitive market, such a barriers to new entry firms and other rivals.

Kotler and Keller (2008) offered another meaning to loyalty, which is pertaining to product and services price. It means that loyal customers have the willing to pay higher prices for their desired services and products. Therefore to companies, brands are legal weapons, which can influence customers’ behaviors. Moreover, brands can provide a sustainable competitive advantage for companies.

Importance of brand can be exploited from Wernerfelt’s (1988) study. He believed that firms’ brands today could guarantee firms’ future businesses.

These ideas about brand, which are formed by Wernerfelt (1988) and Kotler and Keller, have been investigated during the years by different studies include Herbig and Milewicz (1995). These two researchers in their unified study focused on two important subjects: reputation and credibility. Following their studies reputation refers to a
whole transaction of an entity through its lifetime and will be stabled by the exchange of information among
users.
Simonson, Itamar, Carmon, and O’Curry (1994) distinguished that choosing the brand can be dominated by
some factors that Simonson et al. (1994) justified them as unwanted features. Consumer interpretation about
product features, diminishing effects, low attribution of products or services, and confounded customers by
marketing apparatus is designated factors by Simonson et al. (1994).
In term of credibility, which is the central point here, Herbig and Milewicz (1995) pointed that credibility is
relying on a company commitments and promises in a specific time period. Herbig and Milewicz (1995) defined
some points for credibility. Time sensitive and firm’s intentions are two important characteristics of credibility
which firm must consider. Credibility will be concluded in customers mind when the behavior of firm in future is
predictable by its present actions.
Sobel (1985) believed that credibility must be prior to any action or signal so that it can influence customers in
an excellent way. Sobel (1985) recognized trust is the first and the most important factor which forces people to
make decisions. Uncertainty about a partner, a service provider, or retailers is a caused from lacking of trust
between different parties in a business processes. In Sobel’s (1985) view, people will trust different parties based
on their reliable behavior during a period of time. Credible person refers to a trustable person who has been
offered accurate and reliable information or services for the rest persons. Sobel (1985) speculated that credibility
is a key to have a long-term relationship in business environment. Moreover, Erdem, Swait, and Louviere (2002)
targeted brand credibility. They were in line with the prior definition and consequences of brand such as Kolter
and Keller. Erdem et al. (2002) wrote about brand as an important tool to direct customers decision making
processes by decreasing their uncertainty about specific brand and providing useful information; besides, by
referring to the precedent study of Erdem and Swait’s (1998), Erdem et al. (2002) considered two main aspects
for brand credibility which are expertise and trustworthiness. Erdem et al. (2002) recommended Erdem and
Swait (1998) study where they described trustworthy as the purpose of a credible brand, and expertise as
capacity to convey brand commitments. Erdem et al. (2002) indicated that there are negative relationships among
brand credibility of a product or service and customer’s supposed risks; besides, quality is another subject that is
influenced by credibility. As a whole, Erdem et al. (2002) highlighted brand credibility to includ two main
important factors which lead to raise customers’ expectation: swelling perceived quality and declining
perceived risks.
In addition to Erdem and Swait (2002, 2004), Alcaniz, Perez, and Garcia (2009) attempted to determine brand
credibility concept in cause-related marketing (CRM), in field, Alcaniz et al. (2009) described brand credibility
dimensions as the honesty and helpfulness of brands and company’s sufficient ability and knowledge as
trustworthiness and expertise. Alcaniz et al. (2009) refined their definition by relying on Erdem and Swait (2002,
2004) efforts.
Exploring the literatures makes it clear that that brand credibility plays important role in success of failure of a
company products or services. While the pivotal role of brand credibility is acceptable, prospecting the
sequences of credibility is a necessity to have a deep reliable research.
Therefore, the next part aims to find, explore and justify these consequences based on the existing literatures.
2.2 Consequences of brand credibility: satisfaction, loyalty
One effort to examine the influence of credibility of brand is Erdem et al.’s (2002) study. They tried to clear
relationship among price sensitivity and customers’ utility while brand credibility considered as a moderate
factors. Erdem et al. (2002) structured their investigation on finding the effects of brand credibility on customer
price sensitivity while there is an uncertainty about services or products’ quality.
Additionally, Erdem and Swait (2004) continued their investigation on brand credibility consequences by
exploring the role of brand credibility on brand choice and consideration. Their study emphasized on the strong
influences of brand credibility on choosing and considering brands through various categorized products from
fruit juices to buying computers devices. Besides, Edrem and Swait (2004) indicated that trustworthy which is
one construct of credibility could affect customer choice and consideration under uncertainty situation more than
expertise, which is another dimension under credibility definition.
Sweeney and Swait (2008) targeted loyalty as pivotal factor in today business environment. They justified their
notion by citing examples from Carroll’s (2002) study where he mentioned to a report by Yankee Group that
provided the wireless services for customers, the customer churn was the biggest problem faced this company in
2001. Sweeney and Swait (2008) claimed that most existing studies try to investigate the effect of insider factors
such as financial aspects on retention or churn of customer, while the brand of service company and its credibility level among customers was neglected.

Sweeney and Swait (2008) claimed that in terms of brand credibility in service industries, the degree of uncertainty is higher than other industries. Service industries include banks, telecommunication companies, and the Internet service fell under their commitments towards customers. Incapability to meet their commitments in one side and lacking face-to-face interaction with customers in other side, indicates customer churning for these service industries. Therefore, Sweeney and Swait (2008) considered loyalty as an important consequences of brand credibility and they considered asymmetry of information as an important reason of churning customers in service industries; in contrary, companies which support their users by perfect and accurate data and information move on an assurance line to keep their customers so as to create a long term relationship with users and reduce the switching cost of users. Sweeney and Swait (2008) showed that loyalty-brand credibility relationship is affected by satisfaction, and brand credibility influences satisfaction directly. They also found that brand credibility impacts word-of-mouth through creating customer satisfaction.

Andreassen and Lindestad (1998) conducted their study, which had followed studies such as Hallowell (1996) to explore relationship among customer satisfaction, and customer loyalty while the effect of company image and brand was considered as a factor which can influence satisfaction and loyalty of customers. Andreassen and Lindestad (1998) employed Oliver (1980) theory to describe customer loyalty as a consequence of customer satisfaction. They stayed in line with Oliver’s (1980) description about loyalty as rebuying process and tendency to support company by word-of-mouth. In terms of satisfaction, they mentioned satisfaction as consequences of customers’ prior experiences with specific brand. Andreassen and Lindestad (1998) claimed that quality; brand name and image are factors that form customer expectation of a brand. The negative experiences regarding to these factors can reduce customer satisfaction level. Andreassen and Lindestad (1998) defined loyalty as repeating buying process by customers. The loyal customer will build a substantial association with company, which certifies company future success.

Yong, Hernandez, and Minor (2010) showed the importance of services in people today’s life style. Yong, et al., (2010) prospected that customers are key success of service industry; therefore, preventing customer retention and keeping loyal customers are most important duty of companies’ managers and strategies makers. By following Kotler and Keller (2008), Yong et al., (2010) described customer satisfaction through the measuring the customer expectation of a product or service and him/her real experiences by that specific product or service. Consequently, companies have to increase customer satisfaction level by adding value to their products or services. Yong, et al., (2010) followed Gustafsson, Johnson, and Roos (2005) evidences in rewriting positive effect of customer satisfaction on brand loyalty, which can start process of tendency to re-buying product and service. Yong, et al., (2010) tried to use the existing link between satisfaction and loyalty, which is increasing in satisfaction level can lead to increase in loyalty level of customers. Yong, et al., (2010) ranked his study among literature, which is in agreement with this point that customer satisfaction will increase loyalty level and will affect word-of-mouth in a positive way. He prospected that quality and trust among companies product and services can increase satisfaction and loyalty level of customer.

Based on what we discussed in here, the hypothesis 1 and 2 of this study are formed as follows:

**Hypothesis 1:** There is a significant relationship between brand credibility and customers’ satisfaction in Malaysia’ Internet service providers.

**Hypothesis 2:** There is a significant relationship between brand credibility and customers’ loyalty in Malaysia’ Internet service providers.

### 2.3 Word of mouth

Word of mouth has been frequently addressed in the business literature especially in service literature. Classically, it has been viewed as an element in the framework that constructed from satisfaction-profit relationship. Satisfaction has been assumed to affect word of mouth, which consequently affects the profitability of the firms, the ultimate goals that companies are looking to increase (S’derlund & Rosengren, 2007).

The behavior that forms the word of mouth is considered as the informal sharing of any purchase or consumption related information among customers. Word of mouth is considered to consist of two general types: negative and positive word of mouth.

There has not been agreement over the content of the information in word of mouth that people transfer to each other; in conceptualizations and operationalizations of the word of mouth construct, some authors emphasize explicit recommendations (Fullerton & Taylor, 2002; Gremler & Brown, 1999; Hartline & J., 1996), while
others view word of mouth as an activity that contains sharing thoughts about a commercially-based experience (Maru, Cermak, & Prince, 1994; Mikkelsen, Van Durme, & Carrie, 2003; Westbrook, 1987). There have been other authors who agreed on the content of word of mouth based on both of the aspects mentioned above (Brown, Barry, Dacin, & Gunst, 2005; Reynolds & Arnold, 2000; Swan & Oliver, 1989). There has been defined another difference for word of mouth, which is occasionally observed as self-reported behavior (Bowman, Douglas, & Narayandas, 2001; Gremler & Brown, 1999; Reynolds & Arnold, 2000; Swan & Oliver, 1989; Westbrook, 1987) and it has been defined as occasionally as an opportunity to employ in word of mouth (Danaher & Rust, 1996; Fullerton & Taylor, 2002; Hartline & J., 1996; Maru, et al., 1994). The latter phase is principally prevailing in research on satisfaction-related. Moreover, in these kinds of research, it seems as common behavior to bulge together measurement elements that might reflect the word of mouth senders along with the elements indicating other different purposes. This approach, which is called cocktail, does not persuade such full appraisal of predecessor of word of mouth and outcomes of word of mouth; and it might be fairly accountable for the lack of theories in detail about the role that word of mouth plays in its homological net.

There is no general accordance between scholars on the nature and contents of the information that is being shared among customers. When authors want to operationalize the concept of word of mouth, some believed on unambiguous recommendation (Gremler & Brown, 1999). While other authors believed that word of mouth is an activity that comprises thoughts, ideas, and information being shared among customers from their personal incidents (Mikkelsen, et al., 2003).

East, Hammond, and Lomax (2008) defined word of mouth as an informal advice that is being transferred among customers. Authors saw word of mouth as an interactive, rapid, and deficient in business-related predisposition. Word of mouth is considered as a very powerful effect on the behavior that customers show regarding the decisions they are willing to take. Positive word of mouth is considered to be encouraging a choice like brand choice, while negative word of mouth is considered to be discouraging a brand choice. Word of mouth is believed to be influential in adopting new groupings and the brand selection in adult classifications. In mature groups, which this study is trying to concentrate, alterations take place largely due to switching between brands and interest falls on users of the classification, who may be a majority of the population when categories such as cell phones are considered. Among users of mature groupings, word of mouth takes action within a skeleton of acquired consumer beliefs, inclinations, habits, and commercial influences that may restrain response to the advice.

With regards to antecedents to transmitting word of mouth, many scholars focus on global evaluations such as satisfaction (Ranaweera & Prabhu, 2003; Westbrook, 1987), perceived service quality (Danaher & Rust, 1996; Fullerton & Taylor, 2002; Hartline & J., 1996) and perceived value (Sweeney, Soutar, & Johnson, 1999). This construct is a result from customer satisfaction and loyalty by referring to the prior studies experts Lee, Tsia, and Lanting (2011), which proves that satisfaction is not enough to predict loyalty. Sweeney and Swait (2008) and Erdem and Swait (2004) believed that word of mouth is a consequence of satisfaction and loyalty; in addition, Liao, Chung, Hung, and Widowati (2010) believed to the satisfaction-loyalty-WOM relationship. Again by referring to the Hjalte and Larsson’s (2004) study, the relationship among word of mouth and loyalty is acceptable. Kumar and Shah (2004) proved that there is positive behavior toward word of mouth among loyal customers.

Dissatisfied customers can expand their notions by using word-of-mouth in a negative manner, and most of them never back to company for repurchasing.

Loyal customers are the promoters of companies by employing word-of-mouth in positive way to help company to increase their customers.

Alam and Yasin (2010) investigated the role of trust in online brands among Malaysian online tickets’ buyers. Alam and Yasin (2010) pointed that customers’ trust on the brand could play important role for companies in both offline and online environment. Alam and Yasin (2010) described trust as people motivation to rely on a brand and willing to continue a long-term relation with that specific company and its related brand. Alam and Yasin (2010) followed the definition on trust as the most important tool to make a brand reliable for its users; therefore, customers’ can trust on this brand and will help to promote brand by word-of-mouth tool. Alam and Yasin (2010) found a strong relationship among word-of-mouth and trusted brands.

Additionally, Brown et al., (2005) speculated satisfaction effects on word-of-mouth. Brown et al. (2005) considered satisfaction as an antecedent on word-of-mouth in a positive direction. Brown et al. (2005) described word-of-mouth as information related to the service, products, firms, and stores, which are spread by satisfied customers. It can be a type of communication through individuals’ efforts. Brown et al. (2005) indicated that
Customer satisfaction effect on word-of-mouth can be in two directions: positive and negative. Brown et al. (2005) focused on the positive influence of word-of-mouth according to the Harrison and Walker’s (2001) definition of word-of-mouth as an informal communication tool among person to person. Brown et al. (2005) used satisfaction in their study prior to word-of-mouth. In a situation which firms know that customers are satisfied, they can expect that word-of-mouth works in a positive way.

Brown et al. (2005) proved that satisfaction is an antecedent to the word-of-mouth; moreover, commitment and identification affect word-of-mouth in a very significant positive manner.

Based on what we discussed here, the hypothesis 3 and 4 of this study are formed as follows:

**Hypothesis 3:** There is a significant relationship between customers’ satisfaction and word of mouth in Malaysia’s Internet service providers.

**Hypothesis 4:** There is a significant relationship between customers’ loyalty and word of mouth in Malaysia’s Internet service providers.

The following figure shows the hypotheses of the study.

![Insert Figure 1 here]

The purpose of this study is exploring the relationship among brand credibility, satisfaction, loyalty, and word-of-mouth among users of Internet service provider and telecommunication facilitators. While researches with this purpose have been done around the world by different investigators such as and Swait (2002), Erdem Sweeney and Swait (2008), and Liao et al. (2010), but no study has been done so far in Malaysia that covers the proposed topic in one study.

The number of service offering companies is increasing and it is essential to explore their success or failure by examining credibility of their brand. One of these service sectors that are popular in Malaysia is the Internet service providers sector. Internet was introduced in 1995 in Malaysia. Sharp expansion of using this new technology forced the Internet service providers (ISP) to introduce more new technologies to their customers and make them more satisfied. By this way a very competitive market was born in Malaysia between these ISPs. Celcom, Digi, and Maxis are the most popular brand of ISPs in Malaysia. Technologies such as 3G, 3.5G are offered by these brands.

### 3. Methodology

#### 3.1 Sampling

Based on the Sekaran (2008) sampling refers to the procedures of choosing a enough amount of elements from existing population, so that a research of the sample and a finding of its properties or features would make it possible to generalize such properties or features to the population elements.

Young and middle age people who are studying in Malaysian universities and using any kinds of Internet service providers are a targeted group to fulfill the instrument of this study. Most of these students have at least two-year experience by using mobile, the Internet facilities and broadband. Therefore, they consist the favorable group for this study. The samples for this study are randomly chosen among the targeted population. The total of 150 questionnaires were distributed to participants, of which 30 questionnaires were incomplete or there were missing data that could not be analyzed. So, a total of 120 questionnaires were analyzed and the findings are presented in the next part.

#### 3.2 Variable measurement

The instrument used in this study is presented in Table 1.

![Insert Table 1 here](image1.png)

A two-part questionnaire is employed here. The first part of this questionnaire tried to collect demographic background of respondents. Information including gender, age, level of income, the level of education, and duration of using Internet services are asked. Out of 120 respondents participated in this study, 76 respondents were female comprising of 63.3%, and 44 participants were male comprising of 36.7%; 21 participants or 17.5% were between 20 to 24 years old, 63 participants or 52.5% were 25 to 29 years old, 29 participants or 24.2% were 30 to 34 years old, 4 participant or 3.3% were 35 years old and above. Duration is an important item and the table below shows how the respondents are categorized based on their period of using Internet services.

![Insert Table 2 here](image2.png)
The second part of questionnaire asked about the constructs of study and ask respondent to show their level of agree and disagree to each question by using a 7-point Likert scale.

### 3.3 Reliability test

The test of reliability shows how reliable the instruments being used is in order to measure the concepts and constructs of the research. Reliability of measurement indicates that how stable and consistent the instrument is in order to analyze the concepts and construct involved in the research, and shows the extent of which the measurement is free from error. Reliability test helps to examine the goodness of measures. In order to test the reliability of the instrument used in this study the popular method of applying Cronbach’s Alpha is used. The reliability measurement of greater that 0.6 is deemed to be desirable for any concepts and constructs (Nunnally, 1978).

The following table shows the reliability of the instruments used in this study.

*Insert Table 3 here*

### 4. Data analysis and results

In this study we used SPSS 17.0 to analyze the data we collected. In the first stage the correlation between main variables were examined and based on the results (table 4) obtained, it was discovered that there are significant correlations between variables at the 0.01 significant levels.

*Insert Table 4 here*

In the second stage the four proposed hypotheses were analyzed by using Simple Linear Regressions. Simple Linear Regression was applied four times in order to analyze every single hypothesis. R-square was measured to be in the significant level for all the hypotheses, which indicates that all the variance can be explained.

*Insert Table 5 here*

The regression equations were measured to be as follows:

\[
\text{Customer’s satisfaction} = 0.615 + 0.726 \times \text{brand credibility} + \varepsilon \\
\text{Customer’s loyalty} = 0.489 + 0.891 \times \text{brand credibility} + \varepsilon \\
\text{Word of mouth} = 0.554 + 0.956 \times \text{customer’s satisfaction} + \varepsilon \\
\text{Word of mouth} = 1.813 + 0.654 \times \text{customer’s loyalty} + \varepsilon
\]

Based on the findings shown in the above table, the $\beta$ coefficient between brand credibility and customers’ loyalty is 0.891, which is higher than the $\beta$ coefficient between brand credibility and customers’ satisfaction that was measured to be 0.726. This indicates than brand credibility brings more loyal customers than satisfied ones.

The $\beta$ coefficient was measured to be 0.956 between customers’ satisfaction and word of mouth, whereas the $\beta$ coefficient between customers’ loyalty and word of mouth was measured to be 0.654, indicating that satisfied customers would be more influential on word of mouth by having positive word of mouth.

In this study, we tried to investigate the role of brand credibility on customers’ satisfaction and customers’ loyalty. At the same time in the same model, the affect of customers’ satisfaction and customers’ loyalty was explored on word of mouth. In order to find the above relationship in one model, Maxis was chosen the target subjects and the four hypotheses as mentioned. By using SPSS, the four mentioned hypotheses were analyzed and the above results and findings were discussed. It was shown that brand credibility has a significant relationship with customers’ satisfaction and customers’ loyalty by using Simple Linear Regressions method of analysis. Simultaneously, the relationship between customers’ satisfaction and customers’ loyalty with word of mouth was analyzed, by using Simple Linear Regressions, and it was shown that there exist significant relationships between customers’ satisfaction and word of mouth; and customers’ loyalty and word of mouth.

### 5. Conclusion

Nowadays, market leaders try to find a way to build such a free global market that will be able to offer products and services to customers in comparatively high-speed system. This high-speed medium of transaction and communication guide to generate such a competitive market for companies that operates both domestically and internationally. Scholars believe that attracting new customers is important, but what they believe is more important to be profitable is retaining those attracted customers, since the customer retention strategy is less costly for companies than investing huge amount of money in advertising and promoting their products and services in order to bring more new customers.
One way to attract new customers to buy the products and services is through creating brand credibility for companies. The volume of the credibility a brand might bear would attract customers, and consequently they would become customers to this particular brand. Companies, by satisfying their customers’ need, desires, and wants, would make these customers loyal to the products and services that customers are being offered. Satisfied and loyal customers, in turn, would do the same advertising strategy by their wording of a particular brand for companies that would have required companies to invest tremendous amount of money otherwise. Companies would take advantage of the word of mouth that their customers would bring to companies and could generate profitability for them.

This study tried to investigate the above-mentioned relationships in one model. First, the effects of brand credibility of companies on the customers’ satisfaction and customers’ loyalty were explored, which the results and findings obtained substantiate that there is a positive relationship between brand credibility and customers’ satisfaction and loyalty. On the other hand, this study found that customers’ satisfaction and loyalty are positively related to word of mouth. This study was the first in Malaysian context that examine the effect of brand credibility on word-of-mouth with reference to ISPs operating in Malaysian markets. It is highly advisable, by this study, that the concept of brand credibility is indeed an important factor for ISPs and generally for other service providers. The significant relationship between brand credibility and customers’ satisfaction and loyalty was found in which the relationship between brand credibility and customers’ loyalty showed to be more significant. This finding indicates that the greater the brand credibility is for the particular brand, the higher is the customers’ loyalty. On the other hand, in the second part of the model, the relationship between customers’ satisfaction and word-of-mouth found to be more significant than the relationship between customers’ loyalty and word-of-mouth, which indicates that the greater the customers are satisfied, the greater the chance is that they engage in the word-of-mouth activities.

6. Recommendation
Based on what was shown and discussed above, it can be argued that the brand credibility influences word of mouth through customers’ satisfaction and customers’ loyalty, the customers’ satisfaction was shown to be more influential on word of mouth than customers’ loyalty. By having satisfied customers companies can benefit from word of mouth. Companies in Malaysia should pay more attention on customers’ satisfaction and keep them satisfied with their services, this is due to the fact that customers satisfaction would impact greatly on word of mouth, which is considered to be one of the cheapest and easiest way of attracting new customers instead of spending a lot of money of TV ads, billboards, etc. This study will be useful for the managers in Internet service providers companies, especially the marketing managers to understand the market orientations in their decision making process, and train their employees in such a way that can create more satisfied customers with the provided services.

7. Limitation and future research
The same research needs to be conducted in other service industries that have long-term relationship with their customers such as banking industries. Other researches can include the word of mouth’s influence on financial aspects of corporation, which was not explored in this study.

Other scholars can include other factors that are not covered in this study (e.g. customers’ trust can be taken in to this model). Since this study showed that there is a significant relationship between brand credibility and customers’ satisfaction and loyalty, the future studies can focus on the relationship between CRM (customer relationship management) and brand credibility.

Other researches in the future can consider the customers’ profitability as well, since in this study the owners’ perspectives were only reflected.

Like any other studies, this study has it own limitation; one of which is the conduct of this study a developing country that people did not understand the significance of this study and required times to explain the process, some of which were worthless. Another limitation is that this study collected data at one round, called cross sectional. The longitudinal approach would result in more accurate findings.

References


Table 1. Instruments of the study

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand credibility</td>
<td>Erdem and Swait (2002)</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>Oliver (1998)</td>
</tr>
<tr>
<td>Loyalty</td>
<td>Sweeney and Swait (2008)</td>
</tr>
<tr>
<td>Word-of-Mouth</td>
<td>Sweeney and Swait (2008)</td>
</tr>
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</table>

Table 2. Duration of using Internet services among participants

<table>
<thead>
<tr>
<th>Duration</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
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<td>2 Years</td>
<td>73</td>
<td>60.8</td>
<td>60.8</td>
<td>60.8</td>
</tr>
<tr>
<td>3 Years</td>
<td>38</td>
<td>31.7</td>
<td>31.7</td>
<td>92.5</td>
</tr>
<tr>
<td>4 Years</td>
<td>9</td>
<td>7.5</td>
<td>7.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100.0</td>
<td>100.0</td>
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</tr>
</tbody>
</table>

Table 3. The reliability coefficient test

<table>
<thead>
<tr>
<th>Variable</th>
<th>No. of Items</th>
<th>Cronbach’s Alpha</th>
<th>Reliability status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of Mouth</td>
<td>3</td>
<td>0.77</td>
<td>Reliable</td>
</tr>
<tr>
<td>Customers’ Satisfaction</td>
<td>5</td>
<td>0.84</td>
<td>Reliable</td>
</tr>
<tr>
<td>Customers’ loyalty</td>
<td>6</td>
<td>0.80</td>
<td>Reliable</td>
</tr>
<tr>
<td>Brand Credibility</td>
<td>6</td>
<td>0.81</td>
<td>Reliable</td>
</tr>
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</table>

Table 4. Correlation between main variables

<table>
<thead>
<tr>
<th></th>
<th>Word of Mouth</th>
<th>Brand Credibility</th>
<th>Customers’ Satisfaction</th>
<th>Customers’ loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Word of Mouth Pearson</td>
<td>1</td>
<td>.991**</td>
<td>.922**</td>
<td>.849**</td>
</tr>
<tr>
<td>Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.002</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Brand Credibility</td>
<td>.991**</td>
<td>1</td>
<td>.896**</td>
<td>.818**</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.004</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Customers’ Satisfaction</td>
<td>.922**</td>
<td>.896**</td>
<td>1</td>
<td>.886**</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.001</td>
<td></td>
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<tr>
<td>N</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
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<tr>
<td>Customers’ loyalty</td>
<td>.849**</td>
<td>.818**</td>
<td>.886**</td>
<td>1</td>
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<tr>
<td>Pearson Correlation</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.002</td>
<td>.004</td>
<td>.001</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
Table 5. Hypothesis testing results

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
<th>B</th>
<th>$\beta$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis 1</td>
<td>Brand credibility and customer satisfaction</td>
<td>0.803</td>
<td>0.778</td>
<td>0.615</td>
<td>0.726</td>
</tr>
<tr>
<td>Hypothesis 2</td>
<td>Brand credibility and customer loyalty</td>
<td>0.668</td>
<td>0.627</td>
<td>0.489</td>
<td>0.891</td>
</tr>
<tr>
<td>Hypothesis 3</td>
<td>Customer satisfaction and WOM</td>
<td>0.850</td>
<td>0.831</td>
<td>0.554</td>
<td>0.956</td>
</tr>
<tr>
<td>Hypothesis 4</td>
<td>Customer loyalty and WOM</td>
<td>0.720</td>
<td>0.685</td>
<td>1.813</td>
<td>0.654</td>
</tr>
</tbody>
</table>

Figure 1. Hypotheses of the study