EMPATHY AND CUSTOMERS LOYALTY IN BUSINESS-TO-BUSINESS RELATIONSHIP: A CASE OF AIRTEL NIGERIA’S BUSINESS PARTNERS

Shedrack Chinwuba Moguluwa shedrack.moguluwa@unn.edu.ng

Christable Nkechi Isitor cofuasia@gmail.com

Janet Adoyi Janetadoyi15@yahoo.com

Aondowase Daudu aondowasedaudu55@yahoo.com

Ogbru-Nwali Ogonna Emmanuela ogonna.ogbru@unn.edu.ng

Chinwendu Linda Amadi chinwendulynda3@gmail.com

Chiemelie Benneth Iloka iloka.benneth@esut.edu.ng (corresponding author)

**Affiliation**: Faculty of Business Administration, Marketing Department, University of Nigeria, Enugu Campus (UNEC)

**ABSTRACT**

In today’s business world, sustainable customer-business relationship is considered pivotal because it is the bridging stone for sustainable competitiveness and performance. There are numerous factors that can help companies grow loyalty towards their brands, but the focus of this paper is on empathy within the service sector. To attain this aim, cross-sectional data was gathered with the aid of structured questionnaire, from Airtel’s business partners in Nigeria. From the data analysis, it is evidenced that the independent variable yield significant influence on the dependent variables. It was found that for every unit increase in empathy, there will be a resulting unit increase (0.276) in the customer loyalty. Thus, empathy was found to yield positive and significant influence on loyalty of Airtel’s business partners.

**Keyword**: Customer, Competitiveness, Empathy, Loyalty, Service
1. INTRODUCTION

The history of telecommunication in Nigeria can be traced back to 1985 when the Nigerian Telecommunication Limited (NITEL) was established as an institution that will help the country to develop its telecom sector. However, the telecommunication industry in Nigeria still remained underdeveloped until 1992, when the sector was deregulated and a regulatory body known as the Nigerian Communications Commission established to oversee the entire sector (Nkordeh et al., 2017). Following this, Nigerian market witnessed the entrance of mobile telecommunication in 1993 with NITEL starting to offer services across the nation together with Mobile Telecommunications Service (MTS) offering its services in Lagos. These companies offered services such as voicemail, voice services, and paging over the Extended Total Access Communication System (E-TACS) analogue network. The inability of MTS to pay interconnection charges to NITEL brought about its eventual failure and eventual closure.

Following the deregulation of the telecom sector, Global System for Mobile Communication came into Nigeria in 2001. The year 2021 marks the 20th year of GSM services in the Nigerian market and since it was introduced into the Nigerian market, there has been unprecedented exponential growth in terms of the number of subscribers which has increased from about a million to over hundred million subscribers (Nkordeh et al., 2017).

It has been documented in studies, such as in the work of Nkordeh et al. (2017), that the concurrent launching of four service providers (Airtel, MTN, Globacom and 9Mobile) in the GSM market resulted to growth opportunities that are similar with the rapid growth experienced in many of the industrialized markets. These growth opportunities also created intense competition, which resulted in expansion of packages that the network providers were offering and the prices became better as well as the introduction of value added services that came together with these strategies, all geared towards booting their competition by attracting and retaining customers.

Currently, the Nigeria telecommunication industry is very competitive because of the established network operators (MTN, Airtel, Globacom and 9Mobile) and the mature status of the market. With tele-density paralleling 91% (Okafor, 2014), the Nigeria telecommunication is nearly saturated (Ford, 2013) just as its Korean (Hur et al., 2010), Chinese (Lai et al., 2009) and Taiwanese (Chen & Chen, 2012) counterparts. In markets with such enormous rate of development, organizations are expected to stay competitive by executing customer loyalty
programs that prevents their customers switching to other brands but the reverse may seem to be the case between network operators and their business partners in Nigeria. An explanation to this will be that network operators are not well informed on the possible ways to drive customer loyalty in their firms due to insufficient studies.

Service quality has become a focused concept in service research following the global competitiveness of business environment. It is virtually impossible for a business organization to survive without building customer satisfaction and loyalty (Panda, 2003). This implies that for a sustainable and profitable business in today’s world, organizations must ensure that their products and services are driven towards customer loyalty. Many scientific research have empirically proven that service quality significantly influences the performance of firms (Portela & Thanassoulis, 2005), improves profit margin (Kish, 2000; Duncan & Elliot, 2002) and market share (Fisher, 2001), boost brand image (Caruana, 2002; Ehigie, 2006) and promote customer loyalty (Qadri & Khan, 2014).

Service quality has been widely discussed since 20th century and its idea is still relevant to help today’s organization in creating differentiation and gaining competitive advantage in an era of borderless world and globalization (Ali et al. 2016; Fotaki, 2015; Karatepe, 2016). In quality management literature, service quality is often seen as a multi-dimensional construct. Take for example, Nordic school of thought suggest that techniques and quality are two important dimension of an effective service quality which is to say that technically service quality is what customers receive from service provided by the organization and how an organization delivers service to their customers describes the quality aspect of the dimension of service quality (Brady & Cronin 2001, Gronroos, 1984). The service quality construct was later modified and made simply where it was proposed that effective service quality should have 5 specific dimension by the US school of thought. The 5 dimensions are namely; tangible which describes physical facilities, equipment and appearance of workers, reliability which also describes the ability to perform the promised service dependably and accurately, responsiveness which explains willingness to help customers and provide prompt services, assurance which explains the knowledge and courtesy of workers and their ability to inspire trust and confidence. Finally, empathy which describes caring, individualized attention that the organization provides its

In view of the above understanding, this study is focused on assessing the importance of empathy in building sustainable customer loyalty in business-to-business relationship, by focusing on Airtel Nigeria’s business partners. Empathy is one of the components of service quality and the reason for choosing it is because it can easily lead to emotional connection.

2. LITERATURE REVIEW

2.1. Empathy

The empathy dimension of service quality is used to reference how the company cares about the individual customers and accord them personalized attention to their needs, making the consumers develop the feeling of being extremely valued by and special to the company. It encompasses access, understanding and communication with respect to the needs of the consumers. The main concern is on offering individual attention and care to the customers. In line with this dimension, the company in question understands the problems being faced by the customer and acts in their favour, and at the same time, providing personalized care and attention. The emphatic organizations are the ones that don’t lose the touch of what it feels like to be their customer. As such, they have developed comprehensive understanding of the needs of the customers and always ensure that their services are accessible to these customers. The definition offered by Parasuraman et al. (1988) is that empathy is the caring and personalized attention that a firm accords its customers. It is all about giving the customers individualized attention and also attaching employees that understand their needs to them, and making the business hours convenient for their customers.

Empathy has also been defines as the caring individualized attention that the service providers accord customers (Andaleeb et. al., 2016). In this case, each customer is treated as if special and unique, and there are numerous ways through which the company can be empathic to the customer such as: knowing their names, preferences, and needs. It is also commonly for companies in the service sector to adopt the ability to provide customized services as a competitive edge over other competitors. This dimension is also more critical in the telecommunication sector where there is a great need to build relationships with the customers in order to ensure sustainable performance for brands as opposed to what is obtainable in the transactional sectors (Andaleeb et. al., 2016). It is
common for the customers to also feel that the company is prioritizing them in the course of their service delivery. Therefore, empathy has been conceptualized as the act of caring, according personal attention, and providing services to the customers with the core element of empathy being that the company should convey the feeling of each customer being special and unique. Parasuraman et al. (1988) went further on this by stating that quantitative studies have that have identified numerous dimensions of service quality have employed crediting, access and security to measure empathy.

Empathy is also expected to be critical within the telecommunication sector where it is necessary to create competitive edge to customer loyalty. In this context, empathy is demonstrated by showing concern during service failure and providing service recovery measures or actually going extra mile to meet the needs of the customer. Normally, empathy works in line with the service recovery process. If the main element of service marketing is to earn the confidence of customers, then, it is expected that the second would be to ensure that this confidence is restored in the event that the said service fails. The expectations of the consumers intensify, rather than decline, once a mistake occurs in the service, and this implication is that consumers become more sensitive to further failure (Gong & Yi, 2017).

Additionally, empathy works in line with responsiveness and they together form an intriguing factor. There are also empirical evidence showing that empathy is significantly related to the satisfaction of customers (Otemba, 2012). Empathy is achieved through goo communication and clear understanding of the needs of customers, as well as friendly behaviour towards these customers. The resulting effect would be increased satisfaction of the consumers through the extra care they receive and enhanced understanding of their needs. On the same note, understanding the expectations of customers will help the brand to improve its performance among competitors (Otemba, 2012).

One of the critical factors for any business endeavour is to understand the needs of customers. It is widely acknowledged that successful business owners understand what their customers want as well as the most effective ways to make their products and/or services available to the right customer segment. Another crucial understanding is that the company need to go beyond just knowing their names, income, and age. For business owners, knowing the hobbies, interest and taste of the consumers alongside what they read and watch could create desired competitive edge.
This is based on the understand that when consumers know what their customers want, together with their expectations, they will be able to deliver customized offerings based on customer experience in order to create increase satisfaction, repeat purchase and overall customer loyalty. Simply put, by extending the length of interactions companies maintain with their customers, they will be able to access higher opportunities for creating positive experiences and building strong relationship. Therefore, empathy demands that the brand be able to listen to the feedback of customers and provide quality services, even if such outcome calls for them to direct their customers to other sources from time to time (Ismail et al., 2016).

Osarenkhoe et al. (2017) stated that in individualized service offerings, there is a strong disconnection between what the customers and firms view as a good customer support system, and this can have significantly influence on overall performance of the company. In evaluating the state of customer service, firms seem to focus their attention more on the entire situation. Therefore, they implement policies that are applicable across the entire support teams, with top-down approach employed to fix issues as they arise. On the other hand, customers see support in the form of series of interaction that exist between themselves and the service provider. Thus, their own conclusion of service performance is reached case-by-case, with each encounter considered as evidence about the success of failure of the business in attending to their needs. Eventually, quality services to them are a series of personal, singular interaction that they have with the business. Each of their experiences is considered part of a whole, and handling them from such angle would allow the company to provide desired happiness and engagement to the customers (Osarenkhoe et al., 2017).

In customer services, the need for personalization has become more pronounced in the present market sphere where customers are now more fastidious and demanding. The new breed of customers expected that they should be treated well and accorded individualized attention with enhanced service choices and numerous companies offering the similar services. They are aware that companies will always comply to their need in order to stay competitive. On the same note, customers vary and no two customers are alike, further demonstrating the need why they shouldn’t be served under the same “umbrella” kind of service, and this calls for further personalization. Customers have evolved and they continue to become more involved, having wider base of knowledge and unwilling to compromise their own standard with the standard being offered by
companies. Following such experience and wisdom with respect to their relationship with companies, it is now tough for companies to offer them anything lesser than the best. These higher expectations in services have also pushed companies to focus more on personalizing their offerings and interactions with each individual customer. The resulting impact of personalization in the service sector is that the customers feel more connected and engaged with the service provider. Through this feeling, their changes of strife is reduced with customer churn being proud to be associated with companies that go far to ensure they have happy experience. Once satisfied, through empathy, the customer will likely develop positive word-of-mouth, which would attract other potential customers to explore their business relationships with the company, bringing about higher purchases and improved performance. Once companies are able to personalize their customer services, they gain enhanced understanding of the expectations and needs of the customers. Through greater understanding of these expectations and needs, the company will be able to create more individualized services for its customer base, and this would definitely increase the demand for such services, leading to increased sales and profitability for the service provider (Osarenkhoe et al., 2017).

Essentially, empathy entails adopting the customers’ point of view and this will help companies to enhance their overall support efforts. Focusing on the individualized services experienced by the customers does go a long way in highlighting what can then be applied in order business strategies. With each of these experiences changing from negative to positive – or probably, sustaining the positive experience -, more customers become satisfied. It was suggested by Xu (2017) that convenience is inherent in the service, not the individual, and this convenience is broken along the five dimensions of service: place, time, use, acquisition, and execution. It has also been found in research that convenience, in the case of retailing for instance, is driven by reducing the cost of space, time, and effort. On the same note, it also considers the cost of the actual experience, a clear understanding of the experience stage, and an understanding of how the needs and behaviours of customers change from a given context to the other (Hizam & Ahmed, 2019).

Essentially, when customers have higher expectations of complexity they are more likely to view a service as convenient or simple. When the customers are provided with the tools to control and engage their experiences more deeply, the service provider might be creating the perception of improved convenience, when in actuality, the convenience of customers has decreased by giving
them more workload (Hizam & Ahmed, 2019). Therefore, there is a strong link between convenience of customers and personalization, in view of relevance at least. The convenience of customers can be boosted through communication with the individual customers; and this is key for service providers seeking to deliver the stream of message at the right moment through the right communication medium. Understanding the customer begins with actually knowing what the customers want and need. Harnessing these preferences is one time, while it is another to understand the customers that the company is able to attend to their needs even before they realise such needs exist. In this digital era, there are numerous measures that can be employed to keep in touch with the customer, making it pivotal for the company to select the right stream of communication in order to deliver desired messages (Agyei et al., 2020).

2.2. The Antecedents of Empathy

Empathy, a well-thought view in the relationship marketing literature, is viewed as a critical variable when it comes to how individuals consider and view their interactions with other people (Jones & Shandiz, 2015; Lee et al., 2011; Markovic et al., 2015). This is featured more in the service literatures, with empathy being viewed as an important element for employee performance and communication with the consumers likely to yield altruistic motivation, altruistic and pre-social behaviour among the consumers (Aksoy, 2013; Daniels et al., 2014; Itani & Inyang, 2015). As defined earlier, it is the ability of someone to sense the thoughts, experience, and feelings of others, sharing their emotional experiences, and exerting necessary reactions in relation to these experiences (Wieseke et al., 2012, p. 317). Thus, the expectation is that when employees are empathic about their interaction with the customers, they are in better position to understand their pains and enact necessary measures geared towards easing these pains. A painless customer is definitely a happy one, and a happy customer will return to the service provider that brought about such happiness. In researches, empathy has been defined to entail cognitive and emotional dimensions (Jones & Shandiz, 2015; Smith, 2006; Wieseke et al., 2012). When viewed from the cognitive sphere, empathy is said to be the potential of the service employee to view the customers by understanding their thoughts, mind, and intentions (Daniels et al., 2014). From the emotional sphere, it is all about the capability of the employee to enact helpful actions towards the customers, like showing personal concerns and being contagious to the emotions of the said customer (Mayshak et al., 2017). Thus, when viewed from either the cognitive or emotional dimension,
empathy brings about increased understanding of the customers’ needs, enacting necessary measures geared towards the fulfilment of these needs, and eventually bringing about enhanced happiness from the side of the customer.

Empathy can also be viewed from the side of mutual or social perspective, and in this case, it is related to gaining a given insight from the experience of a given individual, while also distinguishing it to be another person’s experience and not one’s own (Itani & Inyang, 2015; Meneses & Larkin, 2012, 2017; Ratcliffe, 2012). The view held in the work of Bahadur et al. (2018) is that for better service quality, employees will need to understand and deal with the customers from their own side of the experience (Puccinelli et al., 2013), and the outcome of such is increased understanding of customers’ needs and satisfaction of these needs.

2.3. The Consequences of Empathy

Empathy, as earlier stated, is related to the aptitude understanding that the employees have from the customers’ perspective and feelings in the course of their service interactions (Hwang & kim, 2016; Markovic et al., 2015), and this understanding brings about positive emotions from the customers toward the services being offered (Lee et al., 2011). Bahadur et al. (2018) highlighted the main consequence of empathy to be affective commitment from the customers. Affective commitment is one of the three forms of organizational commitment (normative and continuance are the other two). Discussions have shown that the affective commitment of customers is a product of the emotional connection they have toward a given brand, and this is created through their brand recognition (Iglesias et al., 2011). The outcome of this commitment is that the committed customers attach less significance to the variation in prices when comparing the said service with that of other alternatives (from competing brands), because to them, the relational aspects of brand and attributes of service failure are external factors that influence deficiency of brands (Drollinger & Comer, 2013; Story & Hess, 2010).

On the same note, the empathy employees show toward the customers function to line the customers’ service experience and how they evaluate service quality. Perceived service quality is also a critical variable that influence how customer adapt to service because it influences how the customers’ perception and intention about a given brand or company is defined (Nyadzayo & Khajehzadeh, 2016; Zeithaml et al., 1996). In another study, it was documented by Puccinelli et al. (2013) perceived service quality is influence by the capability of the employees to recognize
and address the needs of the customers, while Wieseke et al. (2012) stated that customers evaluate employee empathy positively, and this brings about a radical influence on their perception of the services offered by a brand.

Most importantly, in order to recognize and service the needs of customers, it is crucial that the employee be empathic in the course of their communications with the customers (Markovic et al., 2015). The ability of employees to visualize, recognize and understand customers’ emotions, sense their expectations, and accordingly react to these observations has direct influence on improvements and coordination of the right interactive behaviour which the customers value and utilize in the course of enhancing their overall satisfaction (Jones & Shandiz, 2015). It is said that the empathic employees, on the general, recognizes the needs of their customers and make necessary adjustments in their behaviour towards satisfying the specific needs of these customer, giving these customers personalized assistance (Wieseke et al., 2012) and this brings about increase in the satisfaction of customers. Therefore, the consequences of employee empathy are customer commitment and satisfaction, which bring about increased loyalty (Agnihotri & Krush, 2015; Itani & Inyang, 2015; Bahadur et al., 2018).

2.4. Customer Loyalty

Abu-Alhaija et al. (2018) presented a comprehensive review of customer loyalty where it was pointed out that customer loyalty has received a significant attention from the marketing domain (Wu & Lin, 2016), as a result of the fact that its implication cannot be overestimated in modern business. To be precise, customers’ loyalty is seen as a long-term asset (Kandampully et al., 2015), and a pivotal determinant of business outcome (Ali et al., 2016; Kim et al., 2016). This is based on the understanding that possession of loyal customers is a prerequisite for measuring performance in numerous companies as it plays a crucial role on the ability of the company to create sustainable competitive edge (Wu & Lin, 2016). Within the marketing world, marketers also exhibit high motivation towards the development of loyal customers for their businesses because it plays a central role in the overall success of such business within the market where they maintain operations (Kandampully et al., 2015). The essence of loyal customers is more prominent in saturated markets where companies are being motivated to shift their focus towards customer’s loyalty in order to be able to preserve their loyal customers (Kim et al., 2016). For service providers, loyalty of the consumers is also viewed as critical because the industry is highly
competitive (Ali et al., 2016; El-Adly & Eid, 2016; Wu & Lin, 2016), as these loyal customers would normally recommend their preferred services to other customers in the market (Kim et al., 2016) with a resulting positive influence on the performance of the business. There are numerous economic benefits that come with customer loyalty (Murali et al., 2016), and they include: premium pricing (Kim et al., 2016), cost advantage (Murali et al., 2016), and enhanced revenue from sales.

Thus, the study of customer loyalty is viewed as a vital attempt in research as a result of the fact that is increasingly becoming significant in the global business of today (Haryanto, Moutinho & Coelho, 2016). In view of this importance, marketing scholars have been able to develop different models that can be used to enhance the loyalty of customers. In a recent review of literatures, it was documented that marketing scholars have strengthened their investigations towards customer’s loyalty from different views and facets (e.g., Casidy & Wymer, 2016; El-Adly & Eid, 2016; Jiang & Zhang, 2016; Campón-Cerro et al., 2016). In any case it is important to attend to the fact that understanding customer’s loyalty has geared limited attention from other perspectives (such as religious and cultural factors). However, this doesn’t fall within the purpose of this research as the assessment of customer loyalty within the context of this project is from the angle of service quality.

For many companies, customer’s loyalty is an important intangible asset (Jiang & Zhang, 2016). Varied conceptualizations of customer’s loyalty have been offered by numerous scholars (Ali et al., 2016). As a result of that, different definitions of customer’ loyalty have emerged from marketing researches based on the contexts and objectives of such research. A good example is the work of Casidy and Wymer (2016), where customer loyalty was conceptualized as “one having a feeling that is devotedly attached to a given object, one that is not ignited by repeated commercial transactions”. On the other hand, attitudinal loyalty was conceptualized by Thakur (2016) as “the intention of a customer to remain committed to certain brand within a given market by repeating their purchase experience with the said brand”. Oliver (1999) defined customers’ loyalty to be “a commitment to re-buy or repurchase a given (preferred) brand that is deeply held by a customer, which the person consistently repeat in the future; thus, resulting repeatedly purchasing the same brand or same brand-set, irrespective of the situational influences or marketing efforts that have
the power to potentially bring about a switch in their behaviour. This definition by Oliver has been adopted by numerous other researchers (e.g. Haryanto et al. 2016).

Till today, the subject of customer loyalty is still gaining high interest from scholars as a result of its obvious significance. Therefore, realizing the antecedent factors that influence customer’s loyalty and the relationship between these factors is still an interesting research direction (El-Adly & Eid, 2016). On the same note, marketing researchers have been advised to keep a tab on customers within the marketplace by assessing their wants, needs, and the factors that could potentially influence their evaluations, choices, attitude, and numerous purchasing behaviours. In line with the work of Jiang and Zhang (2016), customer’s loyalty represents a crucial source of competitive edge for numerous corporations. However, the concept is also considered a challenging issue for these corporations, especially when they maintain operation in a highly competitive market (Nyadzayo & Khajehzadeh, 2016) where imitation and similar alternatives abound. Adding to this challenge is the fact that determining customer’s loyalty might vary in relation to the nature of the business and the type of goals developed by the customers. To demonstrate this, it was advised by Jiang and Zhang (2016) that scholars and experts should consider these differences existing between leisure and business passengers when assessing the factors that contribute to their satisfaction and loyalty as there are different preferences and values desired (or possessed) by these customers. In another discussion, it was stated by Murali et al. (2016) that corporations need to continuously observe the satisfaction of customers, their loyalty, and word-of-mouth. In particular, customer’s loyalty is deemed as one of the crucial measurement of success adopted by varied businesses in the marketplace (Nyadzayo & Khajehzadeh, 2016), and those in the marketing profession would normally embrace the right marketing approaches and strategies in order to sustain the loyalty of customers towards their businesses (Zhang et al., 2016).

3. RESEARCH METHOD

The study was based on cross-sectional data gathered from Airtel Business partners across Nigeria, with the aid of structured questionnaire. Using the Taherdoost’s (2017) formula for determining sample size from an unknown population, a total of 350 responses were gathered through convenience-based sampling method. To validate the data gathering instrument, content and face validity were adopted; where marketing lecturers from the researchers’ departments (face validity)
validated the data instrument that was adopted from past work of Markovic et al. (2015) (content validity). Gathered data were analyzed with the aid of IBM’s SPSS statistical tools version 25.

4. RESULT

4.1. Respondents’ demographics

In total, 200 were males while 150 were female. Majority of the respondents were aged between 20-30 years old (45%), followed by those aged 31-40 years old (30%), those aged below 20 years old (15.6%) and finally those aged above 40 years old (9.4%). Majority of the respondents (79%) have been working with Airtel for at least 5 years, and the implication is that they are in good position to address the questionnaire raised in this study.

4.2. Factor Analysis and Construct Reliability

In order to assess the reliability and validity of the constructs, a two step-approach as proposed by Hair et al (2014) was adopted in both instances. First, factor analysis was used to examine the reliability of the instrument, followed by establishment of the construct validity. In order to assess the reliability of the instrument, the researcher made use of two methods of measure: Cronbach’s Alpha and composite reliability. The reason for adopting the two measures is because it is believed that the former is more of a conservative measure (Hair et al, 2014), as such, the need for composite reliability.

Based on the provisions above, the 10 scale items were of the latent constructs were factorized simultaneously with the aid of IBM’s SPSS Statistical Tool. All the factorized items loaded above the acceptable limit (Table 1) of 0.5 (Hair et al., 2010). All the constructs returned alpha value higher than the recommended 0.7 (Hair et al., 2011). Also, it is shows that the values are far above the recommended 0.7 for composite reliability (Bagozzi & Yi, 1988). This indicates internal consistency of the scale items of each latent constructs, an indication that the research instrument meets the required criterion for reliability.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicators</th>
<th>Factor Loading</th>
<th>t-value</th>
<th>Cronbach alpha (α)</th>
<th>Composite reliability</th>
<th>AVE</th>
</tr>
</thead>
</table>

Table 1: Factor Loadings of Items, t-statistics, Reliability and Validity (AVE)
In order to obtain construct validity, one must attain both discriminant and convergent validity (Hair et al., 2014; Fornell & Larcker, 1981). An instrument is said to have attained convergent validity “if 50 percent or above is obtained for the average variance extracted (AVE)” (Bagozzi & Yi, 1988; Fornell & Larcker, 1981), and there is a significant loading for the reflective indicators (Gefen & Straub, 2005) (which imply that the t-value statistics should be at least 1.96). Still referencing the Table (1), it can be seen that all the constructs loaded above the recommended minimum, and they have AVE of 0.4955 and above, with all the variables having significant p>0.005 level. In order to generate the t-value, the researcher made use of a bootstrapping resample technique of 5000 sub-samples based on the recommendation from extant literatures (see Hair et al., 2011). Thus, the output from this analysis does support convergent validity. The implication is that more than one-half of the observed variations in the reflective indicators were accounted for by their theorized factors instead of measuring error (Fornell & Larcker, 1981), and this is a typical way of showing that the research meets convergent validity (Bagozzi & Yi, 1988).

Table 2: Construct Correlation and Discriminant Validity

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicator</th>
<th>Correlation</th>
<th>Average Variance</th>
<th>Average Variance</th>
<th>Average Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empathy</td>
<td>Empathy1</td>
<td>0.780</td>
<td>25.972</td>
<td>0.7246</td>
<td>0.8300</td>
</tr>
<tr>
<td></td>
<td>Empathy2</td>
<td>0.533</td>
<td>7.322</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Empathy3</td>
<td>0.701</td>
<td>10.34</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Empathy4</td>
<td>0.800</td>
<td>19.34</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Empathy5</td>
<td>0.741</td>
<td>19.010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>Loyalty1</td>
<td>0.801</td>
<td>26.158</td>
<td>0.8106</td>
<td>0.8989</td>
</tr>
<tr>
<td></td>
<td>Loyalty2</td>
<td>0.823</td>
<td>33.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loyalty3</td>
<td>0.788</td>
<td>23.61</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loyalty4</td>
<td>0.813</td>
<td>28.688</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Loyalty5</td>
<td>0.812</td>
<td>24.39</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Significant levels are denoted as *p < 0.05
The researcher went further by examining the discriminant validity of the research model, in order to establish stronger validity. For discriminant validity, the criterion is that each construct should share more variance with its indicators as against other construct (Fornell & Larckers, 1981), and it simply imply that the square roots of the AVE should be higher than the latent construct (Hair et al., 2014).

The Table (2) shows that the squared output of the AVEs for each latent construct returned higher correlations among the latent variables (since 0.7853 is higher than, 0.5686) are all significant at $p < 0.05$ levels. The implication is that it shows non-violation of discriminant validity, and based on the analysis, which was 0.6771. Thus, it is shown in this measurement model that there is both convergent and discriminant validity and as such, it offers solid foundation for assess the structural relationship necessary for estimating and testing the hypothesized relationships.

### 4.3. Test of Hypothesis

The first part of the linear regression analysis is the model summary as provided in Table (3), which predicts the $R$ and $R^2$ values. The simple correlation is represented by the $R$ value (“$R$” column) and is 0.649, an indication of a high degree of correlation. On the other hand, $R^2$ value (“$R$ Square” column) indicates the extent of the total variation in the dependent variable (customer loyalty) that can be explained by the independent variable (service empathy). In this case, 72.1% can be explained and it is very large.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.849$^a$</td>
<td>.721</td>
<td>.712</td>
<td>.32959</td>
</tr>
</tbody>
</table>

*Table 3: Model Summary*
a. Predictors: (Constant), Empathy

Table (4) is the ANOVA and it reports how well the regression equation fits the data (in terms of predicting the dependent variables). It is indicated in this table that the regression model predicts the dependent variable significantly well with \( p < 0.000 \) which is lower than 0.05, and an indication that the overall regression model statistically and significantly predict the outcome variable (that is to say, it is a good fit for the data).

Table 4: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>19.367</td>
<td>4</td>
<td>4.842</td>
<td>44.571</td>
</tr>
<tr>
<td>Residual</td>
<td>26.615</td>
<td>245</td>
<td>.109</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>45.982</td>
<td>249</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Customer Loyalty
b. Predictors: (Constant), Empathy

Finally, the coefficient values of the research model is contained in the Table (5). This table provides the necessary information for predicting customer loyalty from the independent variables, and also to determine whether the independent variables contributes statistically significant to the model. Findings indicate that at a significant value \( p <0.05 \), empathy is important for customer loyalty.

Table 5: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.103</td>
</tr>
<tr>
<td>Empathy</td>
<td>.236</td>
<td>.298</td>
</tr>
</tbody>
</table>
5. DISCUSSION OF FINDINGS

From the data analysis, it is evidenced that the independent variable yield significant influence on the dependent variables. It was found that for every unit increase in empathy, there will be a resulting unit increase (0.276) in the customer loyalty. Extant literatures (e.g., Casidy & Wymer, 2016; El-Adly & Eid, 2016; Jiang & Zhang, 2016; Campón-Cerro et al., 2016) have shown similar findings. Therefore, it validated the hypothesis that: Empathy is positively and significantly correlated to loyalty of business partners. Thus, the higher the level of empathy Airtel shows to its business partners, the higher their loyalty towards the company.

6. REFERENCES


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