

Impact of Loyalty Program Benefits on Brand Loyalty: with Special Reference to Dialog Axiata Company in Colombo District

D R N Kolabage

Department of Marketing Management, University of Kelaniya, Sri Lanka.
rangikanirmal98@gmail.com

B S S U Bandara

Department of Marketing Management, University of Kelaniya, Sri Lanka.
saumya.uditha@kln.ac.lk

In contemporary society, loyalty programs are considered a crucial variable in establishing customer relationships. Firms place significant importance on loyalty programs. This article investigates the perceived benefits of loyalty programs using a multi-benefits framework encompassing utilitarian, hedonic, and symbolic benefits. The objective of this article is to examine the impact of loyalty program benefits on brand loyalty and to assess the extent to which these benefits influence brand loyalty. Additionally, it aims to identify significant differences in brand loyalty based on usage duration. The Sri Lankan mobile communications industry, known for providing consistent service to customers, has lower customer switching costs compared to other industries. Dialog, the industry leader in mobile communications, serves as the research context. The study population included all Dialog mobile connection users in the Colombo district, and a convenience sampling approach was employed. Data was collected via a questionnaire distributed within the Colombo district and analyzed using SPSS. One-way ANOVA was utilized to identify significant differences concerning usage duration, while co-efficiency was used to determine brand loyalty. The findings demonstrated a substantial relationship between loyalty program benefits and brand loyalty. Symbolic benefits exhibited a strong positive impact on brand loyalty, whereas utilitarian and hedonic benefits showed a moderate positive impact. Additionally, no significant differences were found in brand loyalty based on usage duration. These insights can be utilized by businesses as a marketing strategy when implementing or modifying loyalty programs.

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