

# **ANALYSING THE RESPONSIBLE FACTORS THAT BUILD CUSTOMER SATISFACTION AND LOYALTY IN INDIAN TELECOM SECTOR**

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## **ABSTRACT**

*India is the second largest market of mobile service providers with in the world and there is a tremendous rivalry in the market among other competitive players. So, in such a competition, the customer satisfaction and loyalty become a major issue for the growth in telecom industry. In present days, every organization needs to boost the quantity of customers through customer satisfaction. The current study analyses the effect of factors that influence customer satisfaction and loyalty. The results indicate that network, SMS rates, new schemes and offers, customer care, these factors can motivate customers to enter in telecom area, among all the retaining strategies quality of products and services have higher impact on loyal customers. On the other hand, it also shows that, there is a high association between customer satisfaction and loyalty in telecom sector*

**Keywords:** *Customer satisfaction, Customer loyalty, Customer retention, Telecommunication sector.*

## **I. INTRODUCTION**

According to 2017 urban tele-thickness remained at 167.72 percent and country tele-thickness at 56.54 percent. Telecom Regulatory Authority of India (TRAI) was made to facilitate the expansion of the telecom division. The remote advances right now being used in the Indian telecom industry, it has added up to 9 Global System, giving in 19 telecommunication benefits in metro urban communities. Indian telecom services have major sectors in the nation. According to the global organization discussion was done on Trade and Development, it is coming to know that there's a relationship between the development in mobile industry the growth in GDP per capita in creating nations, that have a tendency to possess a high extent of rural population. The decline chiefly owed to substitution of

# 3<sup>rd</sup> International Conference on Multidisciplinary Research

Institution of Engineers, Chandigarh, India (ICMR-2018)



8<sup>th</sup> December 2018

[www.conferenceworld.in](http://www.conferenceworld.in)

ISBN:978-93-87793-60-6

landlines with mobile phones. There are expanding developments, especially in versatile applications. The low estimation of handsets in Bharat and from now the innovative spending media transmission organize has brought down has lowered the barrier to entry of customers to the market TRAI 2010. The major challenge in telecom division is come out about that Telecom Authority of India (TRAI) was aimed to enhance the nature of administration. Churn rate in Indian telecom division is highest in growing telecom market; the future churn is depending on satisfaction level of the consumer with their service provider, mainly it depends on consumer attitude and loyalty. With the progression of the Indian economy, the telecom division has turned out to be exceptionally appealing for mergers and acquisitions.

## II. OBJECTIVES OF THE STUDY

- To study effectiveness of retaining strategies for loyal customers adopted by service provider.
- To explore the relationship between customer loyalty and customer satisfaction.

## II. RESEARCH METHODOLOGY

Research philosophy is an approach to methodically tackle the research problem. It is consisting of different steps that are generally adopted by a researcher in studying the research problem along with the logic behind them. The research procedure is comprehended as the approach of reviewing how the research is done scientifically. With reference to the research objectives the following hypothesis have been proposed Hypothesis 1 H<sub>0</sub>: Retaining strategies have no impact on retaining loyal customers. H<sub>1</sub>: Retaining strategies have high impact on retaining loyal customers. Hypothesis 2 H<sub>0</sub>: Customer satisfaction is not related to customer loyalty. H<sub>1</sub>: Customer satisfaction is related to customer loyalty.

### Sample size

Sample of total 200 responses chosen for primary data collection. Responses from the 200 respondents from the sample unit are taken and analysed.

### Research Instrument

The responses were fed into Microsoft excel for analysis, and the package used was SPSS.

### Statistical Tools

Factor Analysis and cross tabulation has been performed in this study.

### III. DATA ANALYSIS

A total of 200 questionnaire responses received by way of primary data collection. This data was loaded to the SPSS for the initial analysis. It is a tool which is used to keep similar type of the variables together, an exploratory factor analysis to achieve one of the research objectives that is to study the factors that motivate users to use the services. Kaiser-Meyer-Olkin test is performed to know the exact sampling adequacy. Overall, there were 11 variables, which were used to identify the main factors influencing customer satisfaction towards telecom sector.

**Table 1:** Factor Titles

Factor	Factor Names
Factor 1	Customer benefits
Factor 2	Customer service
Factor 3	Sales promotion
Factor 4	Service quality and perception

#### Crosstabulation

Crosstabulation brings two variables together and displays the relationship between them in a single table. Each column in the crosstab corresponds to a category of independent variable, and row consists of dependent variable.

**To study effectiveness of retaining strategies for loyal customers adopted by service provider.** H<sub>0</sub>: Retaining strategies have no impact on retaining loyal customers. H<sub>1</sub>: Retaining strategies have high impact on retaining loyal customers. As the total number of responses is 200, of different demographic and psychographic attributes. As per the objectives decided earlier at the beginning of the study. The objective of the study is to determine the effectiveness of retaining strategies will have an impact on loyal customers. Initially we have developed a hypothesis to achieve one of the objectives. So, the method which is used for the analysis is chi-square test, on the responses that are recorded.

**Table 2:** Case Processing Summary

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Quality of products * Particular about service provider I use	200	100.0%	0	0.0%	200	100.0%

Table 2 It shows effective responses as 200, no missing values and total number of observations as 200.

**Table 3: Chi-Square Test Retaining strategy 1**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson chi square	112.546	16	0.000
Likelihood Ratio	99.330	16	0.000
Linear-by-Linear Association	49.395	1	0.000
N of Valid Cases	200		

H1: Retaining strategies have high impact on retaining loyal customers. Table 3 depicts, the Pearson Chi-Square Value measures (112.546) is significant. Overall there are 7 retaining strategies for loyal customers; from that one variable i.e. quality of products has more favour for retaining loyal customers. Chi-square test was run for those variables. It is therefore concluded that there is a high association on retaining loyal customers i.e., the significance should be in between 0 to 0.05 which says that both the variables are associated with each other. Therefore, the future condition has better impact on telecom service providers. Thus, the objective of hypothesis is accepted.

**Retaining strategy 2**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-square	93.241 <sup>a</sup>	16	.000
Likelihood Ratio	85.855	16	.000
Linear-by-Linear Association	55.876	1	.000
N of Valid Cases	200		

The Pearson Chi-Square Value (93.241) is significant. (P-Value is 0.0000) at level of significance 0.05. 34

It is therefore concluded that, customers are highly associate with quality services, this retaining strategy satisfy the customer needs for retaining loyal customers and the future condition have better impact on telecom service providers.

**To explore the relationship between customer loyalty and customer satisfaction.**

H0: Customer satisfaction is not related to customer loyalty.

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8<sup>th</sup> December 2018

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ISBN:978-93-87793-60-6

H1: Customer satisfaction is related to customer loyalty.

As the total number of responses are 200, of different demographic and psychographic attributes. As per the objectives decided earlier at the beginning of the study the relationship between the customer loyalty and customer satisfaction. Here in this study we have developed a hypothesis to achieve one of the objective that is to find out whether the customer satisfaction is related to customer loyalty. So, the method which is used for the analysis is chi-square test, on the responses that are recorded.

**Table 4:** Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Satisfied with product and services Particular about service provider I use	*200	100.0%	0	0.0%	200	100.0%

The Table 4 labelled Case Processing Summary shows valid responses as 200, no missing values and total number of observations as 200. The variable i.e., satisfied with product and services, this variable determined the satisfaction level of a customer. Generally, we can say that customer loyalty depends on satisfaction. Now-a-days every firm needs profit generation to expand their business; the telecom service providers should mostly focus on the customer satisfaction level and provide product and services according to their expectations and needs.

**Table 5** Chi-Square Tests

## Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	45.743	16	0.000
Likelihood Ratio	45.668	16	0.000
Linear-by-Linear Association	2.016	1	0.156
N of Valid Cases	200		

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H1: Customer satisfaction is related to customer loyalty.

Table 5 shows that, the Pearson Chi-Square Value measures (45.743) is significant. Results obtained from chi square test suggest that there is a relationship between the customer satisfaction and customer loyalty. Therefore, the objective of the null hypothesis is rejected and alternate objective is accepted. Therefore, it is concluded that customer loyalty is related to the satisfaction. Future implementation for telecom service providers suggests that, maintain loyal customers would be an advantage to the firm as well as they can maintain brand image in the market.

## IV. DISCUSSION AND CONCLUSIONS

**Customer Satisfaction:** Customer satisfaction is widely regarded as the leading and the most important factor predicting consumer loyalty and behavioural intention to purchase, in the competitive environments In this study it was proved that customer satisfaction had highest effect on customer loyalty. From the previous studies it is analysed that understanding the customer requirements and expectations, and their behaviour will have a high impact on satisfaction, this helps firm to gain competitive advantage in the market.

**Customer loyalty:** In this study it is proven that customer loyalty has more association with satisfaction. In this paper service provider must consider focusing on the factors i.e. network, price, value-added services, which influence a strong assurance on keeping customers longer time.

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ISBN:978-93-87793-60-6

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