



Effectiveness of retaining strategies and factors for building customer satisfaction and loyalty in Indian telecom sector

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Abstract

In the current competitive environment, Indian Telecommunication sector is changing quickly. 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 focused on the 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 co-op in telecom area. And also, the study demonstrates to find out the effectiveness of retaining strategies for loyal customers, these loyal customers not only contribute to the growth of the business. But also create opportunity for the business to expand without paying extra for the promotion and creates good image of the company. 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.

1. Introduction

The telecom sector is experiencing an interesting stage in its progression. It has one of the minimal tariffs in the world for financial improvement of a country (Subhashish Gupta 2015). India is right now the second biggest media transmission showcase with a customer base of 1.18 billion as of November 2017 and has the third most number of web clients in the world. Indian telecom Industry began in 1851 once the primary operational land lines were laid by the government. Mobile based web could be a key of Indian global usage with vast number of users accessing net from mobile phones. 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 Conference on Trade and Development, there's a relationship between the development in mobile industry the growth in gross domestic product per capita in developing countries, that tend to possess a high extent of rural population. The decline was chiefly owing to substitution of landlines with mobile phones. There are expanding developments, especially in versatile applications. The low estimation of handsets in Bharat and hence 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 sector is resulted that Telecom Authority of India (TRAI) was aimed to improve the quality of service.

In the current scenario Telecommunication industry is changing frequently, many researchers have researched on importance of customer satisfaction in telecom industry because, rising markets will look more on satisfaction and loyalty. Every firm needs profit generation is important. After doing all the studies it has been known that there is a large research gap on the topic of customer satisfaction in telecom area. Most of the researchers have conducted researches on this topic, even though there is a lack in satisfaction level. In the present trend new service providers are entering into the market due to this customer loyalty is

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decreasing. Recently telecom sector witnesses a sudden great change after the introduction of JIO into the market and the strategies that the company take to move rapidly in so competitive environment while other are moving in reverse direction. The entry of Reliance JIO was affected on total telecom sector. JIO has been focusing on gaining quick subscribers, by providing value-added services, giving special discount plans, and providing free sims to the customers, in this way they generated high profits in the market. It was my personal experience on telecom service provider with different pages related to the satisfaction level and the way I tend to know the overall satisfaction on service providers has motivated from the present study. The present research focused to develop the factors that influencing satisfaction and loyalty, and also how to retain the loyal customers adopted by service provider in telecommunication sector. Estimation of customer loyalty gives better extension to comprehend the level of satisfaction and maintenance of the customers (Li and Li, 2010).

1.1 Research problem

Our fundamental research issue is to give an in-depth comprehension on variables of consumer loyalty and dependability. The target of the investigation,

- To investigate the factors influencing the satisfaction and loyalty.
- To study effectiveness of retaining strategies for loyal customers adopted by service provider.
- To know the relationship between consumer loyalty and satisfaction.
- Based on important writing survey on consumer loyalty and satisfaction research designed following questions.
- Does retaining strategies have high impact on retaining loyal customers?
- Is customer satisfaction is related to customer loyalty?

2. Literature review

Telecom is mainly focusing to increase the customer loyalty by improving service quality, and customer-oriented services in order to know the impact on satisfaction (Moon-Koo Kim,2004). The research study is about the consumer intentions to switch mobile service provider. They focus on analysing the consumer switching behaviour towards service providers, said by (Geetha Nadarajan, Jamil Bojei, Haliyana Khalid 2017). The research inspects is to build a long-term relationship with customers. They primarily entered to remote areas for analysing determinants of consumer loyalty (Shibashish Chakraborty, Kalyan Sengupta 2014). The telecommunications sector is going through an interesting phase in its evolution and also expansion of number of users increases (Subhashish Gupta 2015). According to Ammar A. Q. Ahmed (2017) identifying and predicting churn in the telecom services. The investigation is done on the factors affecting consumer loyalty and exchanging intentions, this will give valuable experiences to versatile organizations to grow their market. By offering value-added services to attract loyal customers to get more fulfilled (C. Calvo-Porrall, JP. Levy Mangin 2015). According to Salmiah Mohamad Amin (2012) Quality was observed to be the most basic factor in influencing consumers, trailed by corporate picture, trust and exchanging cost. The examination was done on factors impacting choice to buy mobiles to identify the major aspects consumer perception on cost expenses (Rujipas Potongsangarun 2012). To know how the service quality effects on satisfaction (Alper Ozer 2013). From previous studies have determined that the relationship between the customer's switching intentions and attitude towards the mobile number portability, customer loyalty and switching barriers (Gurjeet Kaur Sahi 2016). The investigation is about customer recognitions towards the service providers. By analysing different quality traits, we can conclude that influencing choices of consumers have positive impact over the business rivals (Vikas Gautam 2015). Author Piason Viriri and Maxwell Phiri (2017) aims to examine the determinants on customer satisfaction in telecommunication industry. Due to the effect on competition, deregulation, and globalization, the customer taste and preferences are changing. The firms should realize the importance of customer focused strategies in order to maintain and control customers switching intentions. Competition became widespread in the industry, due to this firms challenges by providing value-added products and services. These promotes customer satisfaction, retention and loyalty. The research is about consumer preferences on mobile services. To find out the most profitable services for the customers, to gain competitive advantage in the market (Orhan Dagli 2016). According to Covadonga Gijon (2016) most of the consumers are satisfied with newer operators, less satisfied with older operators. Improving the mobile carriers leads to better satisfaction and it creates image to the firm. Receiving consumer complaints in better way leads to retain the customers. According to M. Mithat Uner (2015) did an empirical investigation on current bundling in telecom offerings.

The bundle of telecom services by taking the customer choice, impacting on socio demographic variables. According to Mohammed Khair Saleem Abu Zaid (2013) the effect of website quality by formulating with the marketing strategies by providing services according to customer needs that leads to customer satisfaction in telecom sector. Customer benefit is a vital factor for making preferences for the telecom firms, and also determines overall customer satisfaction builds the trust and good value to the mobile industries (Sujata Joshi 2014).

3 Research methodology and hypothesis

3.1 Methodology

Figure 1. Shows the steps involved in the study

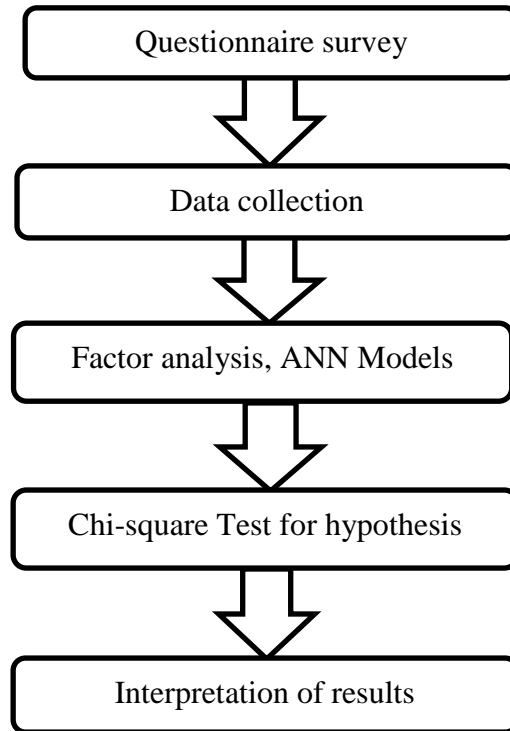


Fig 1. Steps involved in the study

To study effectiveness of retaining strategies for loyal customers adopted by service provider.

H0: Retaining strategies have no impact on retaining loyal customers.

H1: Retaining strategies have high impact on retaining loyal customers.

To test the proposed hypothesis a self-administrated questionnaire was developed which contained questions like I am particular about service provider I use, my service provider is reliable, network, SMS rates, new schemes and offers, recharge outlets, value-added services etc, with respect to the customer responses on telecom sector Likert scale is used to draw the responses. Demographics that were included age, occupation, income, education.

The sampling frame for the research are the users who use particular network service provider are more often. The data is collected from primary sources. The sample size for the analysis is 200 responses were collected from the respondents and analysed.

In different words, to have correct answer to the analysis problem of this study, a qualitative methodology was considered to be best suited for this study. Alasuutari (1995) additionally argues that qualitative methodology reveals deeper reasons behind of the phenomenon, that quantitative methodology doesn't. This truth is also speaking in the favour of selecting qualitative methodology and approach for this study.

6. Conclusion

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. whereas 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.

It is determined that, there are certain factors i.e. quality of services offered, additional services offered, price, service reliability, which attracts and motivates the customers, that company is providing services according to the customer interests. The results show, there is possible favour of retaining strategies for loyal customers adopted by service provider. Therefore, it suggests that company must fulfil all promises to make customers be loyal.

Our findings show a relevant factor that promoting customer satisfaction is highly associate with loyalty on telecom service providers and also by implementing effective retaining strategies as a positive impact of retaining strategies for loyal customers adopted by service provider.

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