A STUDY OF CUSTOMER LOYALTY IN MOBILE SERVICE INDUSTRY

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I. ABSTRACT

Customer loyalty is increasing competition (whether for-profit or nonprofit) among businesses and forcing them to pay more attention for satisfying customers' need. With the rapid development of mobile technology and its users' (wide adoption of mobile phones), mobile services have gained a huge success in India. This study investigates the impact of perceived customer value, service quality, and trust on customer satisfaction, as well as the influence of satisfaction on customer loyalty. Customer satisfaction plays an important role on service quality and customer loyalty, which is supported by this research.

KEY WORDS: Customer, Satisfaction, Customer loyalty, Customer satisfaction, customer value

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II. INTRODUCTION

All businesses seek loyal customers, who return again and again to the business because they want to see a company which they trust and rely on. In the pursuit to retain loyal consumers, businesses offer them incentives such as promising the lowest prices, the best deals, special promotions and the now common "loyalty/reward programs", but whether these tactics work successfully is the main question. Can businesses actually generate customer loyalty and if so, what is the foundation of that loyalty? Acumen Research Group Inc., in co-operation with Trend Seek Intl., conducted 1,000,face-to-face interviews with customers across Canada to investigate loyalty to retailers, telecoms and financial institutions. This study reveals that the benefits that

businesses usually employ to create and maintain loyalty of customers are not effective. They may benefit customers into a repeat visit, but they do not lead to true customer loyalty. The study shows that true customer loyalty is driven by a strong, trusting relationship between the customer and the business.

Loyal customers speak loudly and with fervor about the organization, telling others how the business has made a real and positive difference in their lives .Meeting or exceeding customer expectations is not as simple as it first appears. However, many of the customers or prospective customers are not sure what they should expect, and many will not tell because they expect the business to know the customers' expectations. The problem of customer satisfaction is discussed in pieces in this paper. We call it the Customer Loyalty Grid™, it is divided into four zones, as shown in the diagram given below:

The Customer Loyalty Grid:

		Expected	Unexpected
Customer expectations affect satisfaction, delight and loyalty	Stated	Zone of Satisfaction (2)	Zone of Delight (3)
	Unstated	Zone of Indifference (1)	Zone of Loyalty (4)

Sources: 2002-2006, Affinity Consulting

Theories that have been considered to deal with relationship among marketing, service quality, customer value, customer loyalty, customer satisfaction,monetary benefits and social bondshave created a model that shows how companies in the service sector create satisfied and loyal customers. To test this model they conducted a case study of three companies in the banking. The findings of the study show that the parameter called social bonds has a significant importance for the companies.

III. LITERATURE REVIEW

Companies   are   constantly aiming at customer satisfaction as   strong means to achieve maximum sales irrespective of the type of their product or product line. In fact they look forward to achieve customer loyalty through customer satisfaction. But customer loyalty is much beyond customer satisfaction. There have been many other important factors which ensure customer loyalty through customer satisfaction and one such factor is induction of emotional

appeal **.** The emotional appeal needs to be induced through functional values of products and not otherwise to convert into Customer loyalty **(Liu Yuaan Yi -2008)**. Marketers must shift from mere transactional values to a long term relationship with their customers to ensure customer loyalty.The company having competitive advantages in this respect will find stronger customer loyalty. Manufacturing and service organizations also need loyal customers; including financial institutions. Service organizations aim by implementing higher level of customer satisfaction for converting into loyal customers **(Srivastava Sarika&AmbujakshanAnupma 1999)**. Recommendations by customers to other customers in retail business is an effective way of estimating customer loyalty .Company can estimate the proportion of a retailer's customers who are willing to recommend the retailer's products to others, establishing a strong sense of customer loyalty. Mobile Company attracts their customers by providing many promotional strategies to maintain a long run market for their product. Statistical results show that three factors, service quality, product quality and brand image drive customer loyalty to a great extent which can be measured by a customer's willingness to recommend the products to other people **(Eswaran R (2008).** To know the importance of such factors from telecommunication customers point of view ,one such method is **" LOGIT "** method propounded by Estonia, a telecommunication company, testing the hypotheses on the sample of survey data about 1000 customers to figure out the most important factors which affecting customer's loyalty. The results reveal that there are four analyzed factors affecting customer loyalty such as; satisfaction**,** trustworthiness, image and importance of relationship**.** In the present era mobiles have captured everyday life in a big way. Indeed in the mobile world expectancy in the loyal customer mind set is equally strong.Mobile companies can retain loyalty by implementing loyalty programthrough loyalty marketing initiatives**(Kibeh Annie W.-2013).** The data analysis will further enhance the outcome of this study to determine factors of customer loyalty in Mobile service industry

IV.DATA ANALYSIS AND INTERPRETATION

The Study was conducted on 300 respondents, In Uttarakhand: **(4-I) Gender**

There are total 300 respondents, among them 170(56.7%) respondents are male & 130(43.3%) respondents are female.

IV-I-a-Gender and loyalty

In table-1, out of total respondents, 47(15.7%) compromising 15(15.0%) male and 11(3,7)% female said that by using the particular services or products they always feel that they are also a

part of that organization, among them 33(11.0%) are male & 14(4.7%) respondents are female; Out of total respondents 26(8.7%) respondents said that on using the particular services or products they often feel that they are also a part of that organization, Out of total respondents 70(23.3%) said that by using the particular services or products they sometimes feel that they are also a part of that organization, among them 29(9.7%) respondents are male and 41(13.7%)respondents are female. Out of total respondents 23(7.7%) respondents said that by using the particular services or products they rarely feel that they are also a part of that organization, among them 4(1.3%) are male & 19(6.3%) respondents are female; & Out of total respondents 134(84.0%) said that by using the particular services or products they never feel that they are also a part of that organization, out of which 89(29.7%) are male & 45(15.0%) respondents are female.

The value of Karl Pearson coefficient of correlation is -0.018. Hence it can be concluded that that there is a less significant negative correlation between the two variables, i.e. "Gender/gender &bycalculated value of χ^2 for degree of freedom 4 at 5% level of significance is 29.780 and $\chi^2_{tab}$is 9.488. Since calculated value of chi-square is more than tabulated value therefore null hypothesis is rejected, i.e. "Gender/Gender &by using the particular services or product to customer feel that he/she are also the part of that organization" is dependent. Or it can be concluded that that there is an impact of Gender/Gender on the views of respondents that on using the particular services or product do you feel that you are also the part of that organization.

IV-I-b- Gender Vs Brand loyalty

According to table-2., out of total respondents, 2(0.7%) respondents are always loyal with brand, among them 2(0.7%) are male & 0(0%) respondents are female; Out of total respondents 4(1.3%) respondents are often loyal with brand, among them 4(1.3%) respondents are male & 0(0%) respondents are female; Out of total respondents 10(3.3%) respondents are sometimes loyal with brand, among them 4(1.3%) respondents are male and 6(2.0%)respondents are female; Out of total respondents 32(10.7%) respondents are rarely loyal with brand, among them 22(7.3%) are male & 10(3.3%) respondents are female; & Out of total respondents 252(84.0%) respondents are never loyal with brand, out of which 138(46.0%) are male & 114(38.0%) respondents are female.

The value of Karl Pearson coefficient of correlation is +0.157. Hence it can be concluded that that there is a less significant positive correlation in between the two variables, i.e.

"Gender/gender & you are loyal with-Brand". Calculated value of χ^2 for degree of freedom 4 at 5% level of significance is 26.965 and χ^2_{tab} is 9.488. Since calculated value of chi-square is more than tabulated value therefore null hypothesis is rejected, i.e. "Gender/Gender & You are loyal with-Brand". Or it can be concluded that that there is an impact of Gender/Gender on the loyalty for brand among customer.

IV-I-c- Gender and loyalty for Sales person

In table-3, out of total respondents, 12(4.0%) respondents are strongly agree with the statement that they are loyal with sales person, among them 7(2.3%) are male & 5(1.7%) respondents are female; Out of total respondents 42(14.0%) respondents agree with the statement that they are loyal with sales person, among them 12(4.0%) respondents are male & 30(10.0%) respondents are female; Out of total respondents 109(36.3%) respondents are neither agree nor disagree with the statement that they are loyal with sales person, among them 60(20.0%) respondents are male and 49(16.3%)respondents are female; Out of total respondents 14(4.7%) respondents disagree with the statement that they are loyal with sales person, among them 4(1.3%) are male & 10(3.3%) respondents are female; & Out of total respondents 123(41.0%) respondents are strongly disagree with the statement that they are loyal with sales. The value of Karl Pearson coefficient of correlation is -0.226. Hence it can be concluded that that there is a less significant positive correlation in between the two variables, i.e. "Gender/gender & you are loyal with-sales person". Calculated value of χ^2 for degree of freedom 4 at 5% level of significance is 28.041 and χ^2_{tab} is 9.488. Since calculated value of chi-square is more than tabulated value therefore null hypothesis is rejected, i.e. "Gender/Gender & You are loyal with-sales person". Or it can be concluded that that there is an impact of Gender/Gender on the loyalty for sales person among customer.

IV-II- Residing in rural, urban, and semi-urban:

There are total 300 respondents, among them 36(12.0%) respondents reside in rural area, 166 (55.3%) respondents reside in urban area & 98(32.7%) respondents reside in semi urban area.**(4-Residing and Loyalty**

In table 4 Out of total respondents 54(18.0%) respondents are strongly agree with the statement that theya customer of a particular mobile company by loyalty, among them 12(4.0%) respondents belong to rural area, 31(10.3%) respondents belong to urban area & 11(3.7%) respondents belong to semi urban area. Among total respondents 8(2.7%) respondents are agree

with the statement thatthey a customer of a particular mobile company by loyalty, among them 2(0.7%) respondents belong to rural area, 6(2.0%) respondents belong to urban area & 0(0%) respondents belong to semi urban area. Among total respondents 67(22.3%) respondents are neither agree nor disagree with the statement that they a customer of a particular mobile company by loyalty, among them 12(4.0%) respondents belong to rural area, 28(9.3%) respondents belong to urban area & 27(9.0%) respondents belong to semi urban area. Among total respondents 22(7.3%) respondents are disagree with the statement that they a customer of a particular mobile company by loyalty, among them 2(0.7%) respondents belong to rural area, 11(3.7%) respondents belong to urban area & 9(3.0%) respondents belong to semi urban area. Among total respondents 149(49.7%) respondents are disagree with the statement thatthey a customer of a particular mobile company by loyalty, among them 8(2.7%) respondents belong to rural area, 90(30.0%) respondents belong to urban area & 51(17.0%) respondents belong to semi urban area.

The value of Karl Pearson coefficient of correlation is +0.188, hence it can be concluded that that there is a less significant positive correlation in between the two variables, i.e. **"**Residing in & loyalty of customer for their mobile/service provider company". Calculated value of χ^2 for degree of freedom 4 at 5% level of significance is 23.897 and $\chi^2_{tab}$is 9.488. Since calculated value of chi-squareis less than tabulated value therefore null hypothesis is accepted, i.e. "Residing in & loyalty of customer for their mobile/service provider company" is independent. Or it can be concluded that that there is no impact of residence on the loyalty of customer for their mobile/service provider company

IV-III-Ownership of vehicle: There are total 300 respondents, among them 166(55.3%) respondents owned two-wheeler, 20(6.7%) respondents owned four-wheeler, 104(34.7%) respondents owned no vehicle & 10(3.3%) respondents owned other vehicle.

IV-III-a- Ownership of vehicle and Loyalty

In Table 5 ,Out of the total respondents, 54(18.0%) respondents are strongly agree with the statement that they are customers of a particular mobile company by loyalty, 29(9.7%) respondents owned two wheeler, 9(3.0%) respondents owned four wheeler, 16(5.3%) respondents have not any vehicle & 0(0%) respondents owned other vehicle. Out of total respondents, 8(2.7%) respondents are somewhat agree with the statement that they are customers of a particular mobile company by loyalty, among them 6(2.0%) respondents owned two

wheeler, 0(0%) respondents owned four wheeler, 2(0.7%) respondents have not any vehicle & 0(0%) respondents owned other vehicle. Out of total respondents, 67(22.3%) respondents are neither agree nor disagree with the statement that they are customers of a particular mobile company by loyalty, among them 55(18.3%) respondents owned two wheeler, 2(0.7%) respondents owned four wheeler, 10(3.3%) respondents have not any vehicle & 0(0%) respondents owned other vehicle. Out of total respondents, 22(7.3%) respondents are disagree somewhat with the statement that they are customers of a particular mobile company by loyalty, among them 10(3.3%) respondents owned two wheeler, 2(0.7%) respondents owned four wheeler, 9(3.0%) respondents have not any vehicle & 1(0.3%) respondents owned other vehicle. Out of total respondents, 149(49.7%) respondents are strongly disagree with the statement that they are customers of a particular mobile company by loyalty, among them 66(22.0%) respondents owned two wheeler, 7(2.3%) respondents owned four wheeler, 67(22.3%) respondents have not any vehicle & 9(3%) respondents owned other vehicle.

The value of Karl Pearson coefficient of correlation is +0.211 and hence it can be concluded that there is a less significant positive correlation between the two variables, i.e. "Ownership of vehicle & you are a customer of a particular mobile company by loyalty". Calculated value of χ^2 for degree of freedom 12 at 5% level of significance is 44.600 and χ^2_{tab} is 21.0261. Since calculated value of chi-square is less than tabulated value therefore null hypothesis is accepted, i.e. "Ownership of vehicle & you are a customer of a particular mobile company by loyalty" are independent. Or it can be concluded that that there is no impact of ownership of vehicle on the loyalty for company.

V. CONCLUSION

Management of mobile companies should primarily focus on customer satisfaction for which service quality is an important antecedent. Customer satisfaction alone cannot achieve the objective of creating a loyal customer base for these companies. It has been proved that trust has come out to be an important predecessor of customer loyalty. While determining the imperatives of 'how to win customers' trust' the mobile service provider(s) must focus on both present and future time frame. The construct of trust contains belief in the brand or company, which provides the customers an assurance of positive outcomes not only for the present but also for the future. As illustrated in various literatures, the customers must be led to believe that the company will not behave opportunistically for sake of its own interest; otherwise they will switch their

allegiance. A key influence on loyalty is the offer of unique value-delivering advantages not provided by competitors. Thus firms need to develop positive value-based exit barriers to achieve loyalty. When service failures occur, the recovery process is likely to have a greater impact on loyalty than the original service failure.

Table-1.

			On using the particular services or product do you feel that you are also the part of that organization?					Total	Karl Pearson's Coefficient Of Correlation	Pearson Chi-Square(χ^2)
			always	often	sometimes	rarely	never			
Sex	male	Count	33	15	29	4	89	170	- 0.018	29.780
		% of Total	11.0%	5.0%	9.7%	1.3%	29.7%	56.7%		
	female	Count	14	11	41	19	45	130		
		% of Total	4.7%	3.7%	13.7%	6.3%	15.0%	43.3%		
Total		Count	47	26	70	23	134	300		
		% of Total	15.7%	8.7%	23.3%	7.7%	44.7%	100.0%		

Table-2

			You are loyal with-Brand					Total	Karl Pearson's Coefficient Of Correlation	Pearson Chi-Square-χ^2
			strongly agreed	agree somewhat	neither agree nor disagree	disagree some-what	strongly disagree			
sex	male	Count	70	22	54	2	22	170	+ 0.157	26.965
		% of Total	23.3%	7.3%	18.0%	.7%	7.3%	56.7%		
	female	Count	20	35	53	4	18	130		
		% of Total	6.7%	11.7%	17.7%	1.3%	6.0%	43.3%		

Total	Count	90	57	107	6	40	300		
	% of Total	30.0%	19.0%	35.7%	2.0%	13.3%	100.0%		

Person, out of which 87(29.0%) are male & 36(12.0%) respondents are female.

Table-3

			Sales person					Total	Karl Pearson's Coefficient Of Correlation	Pearson Chi-Square (χ^2)
			strongly agreed	agree somewhat	neither agree nor disagree	disagree somewhat	strongly disagree			
sex	male	Count	7	12	60	4	87	170		
		% of Total	2.3%	4.0%	20.0%	1.3%	29.0%	56.7%	-0.226	28.041
	female	Count	5	30	49	10	36	130		
		% of Total	1.7%	10.0%	16.3%	3.3%	12.0%	43.3%		
Total		Count	12	42	109	14	123	300		
		% of Total	4.0%	14.0%	36.3%	4.7%	41.0%	100.0%		

Table-4

			by loyalty					Total	Karl Pearson's Coefficient Of Correlation	Pearson Chi-Square (χ^2)
			strongly agreed	agree somewhat	neither agree nor disagree	disagree somewhat	strongly disagree			
Residing in	rural area	Count	12	2	12	2	8	36		
		% of Total	4.0%	.7%	4.0%	.7%	2.7%	12.0%	+ 0.188	23.897

urban area	Count	31	6	28	11	90	166	
	% of Total	10.3%	2.0%	9.3%	3.7%	30.0%	55.3%	
semi urban area	Count	11		27	9	51	98	
	% of Total	3.7%		9.0%	3.0%	17.0%	32.7%	
Total	Count	54	8	67	22	149	300	
	% of Total	18.0%	2.7%	22.3%	7.3%	49.7%	100.0%	

Table-5

			Loyalty					Total	Karl Pearson's Coefficient Of Correlation	Pearson Chi-Square (χ^2)
			strongly agreed	agree somewhat	neither agree nor disagree	disagree somewhat	strongly disagree			
Ownership of Vehicles	Two wheelers	Count	29	6	55	10	66	166		
		% of Total	9.7%	2.0%	18.3%	3.3%	22.0%	55.3%		
	Four wheelers	count	9		2	2	7	20		
		% of Total	3.0%		.7%	.7%	2.3%	6.7%		
	No vehicles	Count	16	2	10	9	67	104	+ 0.211	44.600
		% of Total	5.3%	.7%	3.3%	3.0%	22.4%	34.7%		
	others	Count				1	9	10		
		% of Total				.3%	3.0%	3.3%		
	Total	Count	54	8	67	22	149	300		
		% of Total	18.0%	2.7%	22.3%	7.3%	49.7%	100%		

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