CHAPTER 3
RESEARCH METHODOLOGY

3.1 INTRODUCTION

Methodology is the key to finding answers to the question that initiates the research and therefore comprises a very important part of any study. The research methodology that is chosen has to enhance the reliability and generalization of the results. It should furthermore be cost effective, efficient and versatile. This balance can only be obtained by using the appropriate methodology for gathering data.

As previous research on strengthening of CRM practices by the Indian mobile service providers through customer loyalty are limited, the current study can be defined as an early attempt with the aim to develop the body of knowledge regarding the existing phenomenon.

3.2 RESEARCH DESIGN

The research design adopted for this study was descriptive in nature. Descriptive research is a type of conclusive research that has its major objective as the description of something-usually market characteristics or functions (Malhotra, 2006). The current research used a quantitative approach. Quantitative research methodology seeks to quantify the data and typically applies some form of statistical analysis (Malhotra, 2006). The benefits of quantitative research are that researchers rely on large samples to show statistical effect and can generalize the findings from the sample to the population (Churchill and Iacobucci, 2002).
gap can be further explored and studied and the present attempt is
towards such a linkage. It is also a fact that the CRM practices in
Indian Telecom is in the matured stage. Hence such a linkage study
particularly in the telecom industry would be timely to provide
managerial insights in order to further strengthen the CRM practice in
this highly competitive industry.

2. Identifying the influence of service quality dimensions, service
loyalty dimensions on each of the loyalty indices, namely advocacy
loyalty index, purchase loyalty index and defection loyalty index.

3. Even though some of these aspects have been explored by previous
researchers to a great extent, it is felt that not much attention has been
drawn into measuring the effectiveness of loyalty, particularly for
sustained presence.

2.8 SUMMARY

This chapter provides an overview of the literature reviewed by the
researcher. The crux of each material reviewed by the researcher is presented
chronologically. It also includes a section on the insights obtained and inadequacies
present in the literature review, which the present study is aiming to bridge.
period of time. This is the Customer Relationship Management, a contemporary management practice.

4. Though CRM evolved in a very short duration, its application is widespread in services which involve huge set of customer base.

5. The impact of CRM practices in various countries and on various industry verticals gives a positive insight as to the level of maturity of its practices.

6. When deciding to choose a telecommunication service provider, customers often take into account the service quality, service price and customer service. While the first two factors can be controlled by the telecom company, the last factor seems to be the most influential and the hardest to get right as well. One outcome of good customer service, which depends on the service quality of the telecom providers positively results in a certain degree of behavioral attitude within the customers which in turn grows into loyalty. Thus a loyal customer may turn advocate to the company; purchase more frequently, purchase more quantity or purchase more variety of services or if disloyal switch to competitors.

The literature reviewed above indicates certain inadequacies in the following areas:

1. While there are individual studies on CRM implementations (Payne & Frow, Finnegan & Willcocks, Robert Gee), Service Quality (Danaher and Mattsson, Wang and Lo, Johnson and Sirikit, Gale, Rudie and Wansley, Zeithaml & Bitner), Relationship between CRM and Customer Loyalty (Mosad Zineldin, Majumdar, Terblanche and Boshoff, Gustafsson et al) and Loyalty Indices (Bob E. Hayes), it is noticed that a study on the linkage especially with the changing demographic patterns of the customers, if any, arising out of these concepts seems to be missing. Hence it is felt that such an existing
value and customer satisfaction, and the influence of “content quality” ranks second; (6) the proposed model is proven with the effectiveness in explaining the relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile added-value services.

Fujun et al (2009) proposed and tested an integrative model to examine the relationship among service quality, value, image, satisfaction, and loyalty in China. The authors reveal that service quality directly influences both perceived value and image perceptions, that value and image influence satisfaction, that corporate image influences value, and that both customer satisfaction and value are significant determinants of loyalty. Thus, value has both a direct and indirect (through satisfaction) impact on customer loyalty. Other variables mediate the impact of both service quality and corporate image on customer loyalty.

2.7 INSIGHTS AND INADEQUACIES

The review of literature has provided insights on the following areas:

1. The impact of privatization of telecom sector on the mobile service providers and the subsequent penetration into the market has given rise to cut-throat competition among the mobile service providers.

2. This rising level of competition in turn has forced the mobile service providers to focus on various customer centric strategies wherein the service providers concentrate on sustained competitive advantage.

3. Customers on the other hand are well educated, demanding and willing to spend for better value for money. This and the above aspects have turned the attention of the service providers to depend on a technology-driven strategies where there is a need to collect, maintain, manage and analyse customer details and their purchasing behaviour which would help them to bundle up offers which would satisfy a specific need of a specific segment of customer in a specific
result, much research has been invested into new ways of identifying those customers who have a high risk of churning. However customer retention efforts have also been costing organisations large amounts of resource. In response to these issues, the authors suggested that the next generation of churn management should focus on accuracy.

Sung Ho (2007) used the customer relationship management perspective to investigate customer behavior. The authors differentiate between customers through customer segmentation; tracks customer shifts from segment to segment over time, discovers customer segment knowledge to build an individual transition path and a dominant transition path, and then predicts customer segment behavior patterns.

Koustuv Dasgupta et al (2008) examined the communication patterns of millions of mobile phone users, to study the underlying social network in a large-scale communication network. The key purpose is to address the role of social ties in the formation and growth of groups, or communities, in a mobile network. In particular, the study focused on the evolution of churners in an operator’s network spanning over a period of four months. Based on their findings, they proposed a spreading activation-based technique that predicts potential churners by examining the current set of churners and their underlying social network. The efficiency of the prediction is expressed as a lift curve, which indicates the fraction of all churners that can be caught when a certain fraction of subscribers were contacted.

Ying-Feng Kuo et al (2009), studied the relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile value-added services. The main findings are as follows: (1) service quality positively influences both perceived value and customer satisfaction; (2) perceived value positively influences on both customer satisfaction and post-purchase intention; (3) customer satisfaction positively influences post-purchase intention; (4) service quality has an indirect positive influence on post-purchase intention through customer satisfaction or perceived value; (5) among the dimensions of service quality, “customer service and system reliability” is most influential on perceived