CHAPTER-2
REVIEW OF LITERATURE

AFONSO FLEURY (2003) In his study analysis’s how competencies are built and strategies are formulated in companies that are part of the international interorganizational networks. The theoretical framework merges concepts from Strategic Management, Resources Based View of the Firm and International Operations Management literature. The paper introduces an analytical model that enables a preliminary assessment of a firm's organizational competencies, starting from the analysis of its product/market configuration and competitive strategy. Based on data about the evolution of the telecommunications industry, a comprehensive picture is drawn consisting of: (i) the modifications in the competitive regime since the beginning of the privatization process, (ii) the strategies followed by Network Operators and Specialized Equipment Suppliers. Empirical evidence comes from field research carried out in the Brazilian Telecommunications industry which, due to its specific characteristics, allows for an assessment of the current situation of the world telecommunications industry. The findings show that there has been a radical shift in the strategic relevance of organizational competencies in the last 10 to 15 years. This led both Network Operators and Specialized Equipment Suppliers to move from strategies based on technology and operations towards strategies based on service delivery.

Ahmad et al. (2006) mentions that the long term success of organizations depends on many factors. In order to survive, service sector organizations need to offer quality in service. These companies try to retain their customers by providing them quality services. In the study Ahmad et al. examines the service quality of the mobile service providers and retention intentions of the customers with the quality offered. The study focuses only on SMS service provided by telecom organizations. Service quality is measured using 5 dimensions tangibles, empathy, assurance, responsiveness and reliability and relationship is determined with customer retention. The data was collected from 331 university students using Short Messaging Service (SMS) of any cellular company. Correlation and regression was used. In Pakistan youth is the biggest market for cellular companies. The study was also conducted on the youth and that part of youth that is in university education. The reason behind selection of university youth as sample is because it covers individuals covering
major portion of mobile users and university students cover majority of youth and they are more vigilant and have great attraction for change and to retain these customers is difficult one. Youth pay more attention towards promotional advertisements of telecom companies. 400 students were selected from different universities and surveys questionnaire were personally administered. 331 questionnaires were received back with a response rate of 82.75%. There were 60% male students and 40% female respondents with an average age of 21.60 years.

Aisha Khan and Ruche Chaturvedi (2005) explain that as the competition in telecom area intensified, service providers took new initiatives to customers. Prominent among them were celebrity endorsements, loyalty rewards, discount coupons, business solutions and talk time schemes. The most important consumer segments in the cellular market were the youth segment and business class segment. The youth segment at the inaugural session of cellular summit, 2005, the Union Minister for Communications and Information Technology, Dayanidhi Maran had proudly stated that Indian telecom had reached the landmark of 100 million telecom subscribers of which 50% were mobile phone users. Whereas in African countries like Togo and Cape Verde have a coverage of 90% while India manages a merely mobile coverage of 20%.

Adam Braff, Passmore and Simpson (2003) focus that telecom service providers even in United States face a sea of troubles. The outlook for US wireless carriers is challenging. They can no longer grow by acquiring new customers; in fact, their new customers are likely to be migrated from other carriers. Indeed, churning will account for as much as 80% of new customers in 2005. At the same time, the carrier’s Average Revenue per User (ARPU) is falling because customers have.

Allen, Shore & Griffeth and Steel et al., (2002) Growth opportunities which were offered by the employers are reduced due to turnover intentions of employees because the lack of training and promotional opportunities was the main cause for high-performers to leave the company.
Barnes (1997) emphasize that loyal customer would keep recommending to others which helps the organization to earn more customers.

Berry L., (1995) Relationship marketing in the ICT service industry plays more important role due to unique features in the services. It is an accepted fact that purchase frequency is the value generator in the ICT industry. The stronger relationship marketing will enhance trust and customer bonding thereby increase exit barriers in addition to purchase frequency and mutual value generation.

Berry L. (1995), defined relationship marketing as “attracting, maintaining, and enhancing customer relationships”. He further emphasized that “relationship marketing can be applied: when there are competitive product alternatives for customers to choose from and when there is an ongoing and periodic desire for the product or services ‘.

Blery et al. (2009) identify the influence of service quality on customer loyalty in the Greek mobile telephony sector. Service quality was measured using the SERVPERF model. Repurchase intention and positive word of mouth were used as behavioural components to measure customer loyalty; however, it should be noted that customers stated repurchase intention does not always ensure their actual repurchase behaviour. The influence of perceived price on customers repurchase intention was also examined. Data were collected through survey research, and 180 mobile telephony users were personally interviewed. The findings showed that there are relationships between service quality and customers repurchase intention in mobile telephony.

Bowen and Shoemaker, (1998) The behaviour dimension refers to a customer’s behaviour on repeat purchases, indicating a preference for a brand or a service over time.

Boshoff, C. and Allen, J.(2000) Empowered employees can be expected to perform better in recovery situations, inclined to deal quickly and effectively with service failures.

Brucker, F., Summe, G., (1980) through their study found that a competitive advantage exists for the sellers who understands and anticipates the customer experience effect and who designs strategies based on the benefits a given group of customer desires.
Butler, T. en Waldroop, J. (2001) It entails in creating opportunities for promotion within the company and also providing opportunities for training and skill development that let employees to improve their employability on the internal and/or external labour market.

Buttle, 2005 Sometimes customer’s expectations are met, yet the customer is not satisfied. This occurs when the expectations are low For example, the customer expects the flight to be late and it gets late.

BW Marketing Whitebook (2005) explains with support of detailed data that bigger players are close to 20% of the market each. In CDMA market, it is Reliance Infocom and Tata Teleservices are dominating the scene whereas Airtel is lead in GSM operators. Between 2003 and 2004, the total subscriber base of the private GSM operators doubled. It rose from 12.6 million subscribers at the end of March 2003 to 26.1 million by the end of March 2004. And yet that 100% growth rate notwithstanding, total industry revenue for 2003-04 was around Rs. 8308 crores. Compared to Rs. 6400 crores that industry grossed in 2002-2003, that is an increase of 30%.

Cooil B., Keiningham T., Aksoy L. and Hsu M., (2007) highlights that customer loyalty and satisfaction is integral part of customer retention process. Customer Retention is a primary measure of loyalty. There is a positive relationship between changes in satisfaction and share of wallet. In particular, the initial satisfaction level and the conditional percentage of change in satisfaction significantly correspond to changes in share of wallet. Income and length of the relationship negatively moderate this relationship

Coopers & Lybrand(2004) has shown that it can be at least five times as hard to acquire new customers than to keep existing customers (and sometimes up to 25 times as hard). The objective of a customer retention strategy should be to nurture long-term relationships with customers through trust, responsiveness, customised services and reliability. Key to this strategy should be the ability to utilise knowledgeable, intelligent customer information for the benefit of customers and to offer them seamless quality of services. Thus the strategy should offer segment-specific plans to meet customers needs and wants. Customer care, therefore, had become one of a telecommunications company’s most
important activities in order to provide superior customer satisfaction and build excellent relationships with customers

Cronin Jr., Brady M.K., and Hult, G.T.M. (2000) found that service quality, service value, and satisfaction are all directly to customers intentions of usage.


David L. Kurtz (2003) the purpose of relationship marketing is to build long-term connections between the company and its customers and to develop brand and firm loyalty. Relationship marketing works well for services where transactions tend to be continuous and switching costs for customers are high. Firms operating in the customization and functional service quality sector do well with relationship marketing programs. The long-term goal of relationship marketing is to build brand loyalty. Personal interaction with service personnel is critical in the development of the long-term relationship.

Dolence, M. G. (1991). The complexity involved in creating any systematic evaluation of a key strategic issue is demonstrated by Dolence (1991). To develop an effective research agenda, he suggests an evaluation matrix consisting of the relationship between a dozen criteria and four specific dimensions: how decisions are made; what information and data are available; what planning processes the institution engages in; and if and how the “right” people in the institution are involved. The twelve criteria he suggests include leadership, comprehensiveness, key performance indicators and participation. Table 1 displays four of Dolence’s criteria arrayed across the four dimensions considered. The more of these questions that are answered in the affirmative, the more likely it is that the institution is primed for utilization of the information obtained through the study.

Don Jyh-Fu Jeng and Thomas Bailey (2012) in there paper found that as wireless penetration continues to increase worldwide, competitors in the mobile telecommunication industry are changing their strategies from a growth model to a value-added one. The companies that can attract and retain customers in this highly competitive and increasingly
saturated market stand poised to make considerable gains, and thus customer retention is an important field of study in this maturing market. Using the Canadian mobile phone market as an example, the study found the major motivators of customer retention and their interrelationships, and assess the value that customers perceive with regard to the related advertising. The study based on a literature review and expert validation, the divided the motivators of customer retention into three dimensions and eight criteria. A systematic hybrid multiple criteria decision-making (MCDM) method that combines the decision making trial and evaluation laboratory (DEMATEL) technique and the analytic network process (ANP) is used to examine the customer retention framework and to evaluate the promotional strategies used by various market players. The interdependence relation shows that phone service quality, customer service quality, and phone plan quality are three major motivators in terms of causality with regard to brand image, customer service quality, and complaint management, while phone service quality has become a hygiene factor with regard to customer satisfaction and retention. The findings from an assessment of the promotional strategies used by the major players in the Canadian mobile telecoms industry suggest that well-financed foreign entrants pose a risk to the major domestic carriers, and that successful promotional strategies will require strong leverage of their existing price and quality advantages.

Donaldson(1994), Jussawala (1992); Jain, (1995); Wellenius (1995), recognize that developing countries feel the important role a responsive, business oriented, and technologically advanced telecom sector plays in the growth of the economy. Many developing countries accept the limitations of a monolith state monopoly in responding to the twin challenges of spurring internal growth and competing in global economy.

Dutt and Sundram (2004) studied that in order to boost communication for business, new modes of communication are now being introduced in various cities of the country. Cellular Mobile Phones, Radio Paging, E-mail, Voice-mail, Video, Text and Video-Conferencing now operational in many cities, are a boon to business and industry. Value-added hi-tech services, access to Internet and Introduction of Integrated Service Digital Network are being introduced in various places in the country.
Earle, H. A. (2003) Today the demands of workers have been increased very much as ever before. It is in terms of every aspect, not only salaries and perks but also work experience and cultural context in which it occurs. Providing a prolific, flexible and dynamic work environment can be a critical asset in attracting and retaining valuable employees. In order to develop an effective retention plan for today’s employment market, it is vital to realize the varying needs and expectation. If the retention strategies are not properly embedded in the business processes, the all effort since recruitment will ultimately proves futile.

Evangelos Xevelonakis (2005) in his paper mentions that the cost of churn in the telecommunications industry is large. It costs a great deal more to win new customers than it does to retain current ones. Moreover, frequently, a new customer will churn away before the company can fully recoup its acquisition costs. Customers satisfaction surveys can be misleading as indicators of what drives churn. Mercer found that 80 per cent of churners had previously stated that they were satisfied with their service, but nevertheless churned within 12 months. One solution is to use data mining techniques in churn analysis to perform two key tasks: prediction (predicting whether a particular customer will churn); and understanding (understanding why particular customers churn). Data mining is defined as advanced methods for exploring and modeling relationships in large amounts of data. Types of data are interval (a variable for which the mean makes sense — such as average income or average temperature) and categorical. Categorical data are divided into unary (same value), binary (only two possible levels), nominal (more than two possible levels) and ordinal (more than two possible levels with ordering, eg small, regular, large data.

Evangelos Xevelonakis (2005) in his paper summarise, the following aspects have to be considered by developing profitable retention strategies:

- Defining churn, especially differentiating between interesting and uninteresting churn.
- Identifying data requirements for the churn model.
- Focusing on reducing the root causes of churn.
- Churn modelling is never a one-time event and needs to be incorporated into the business process.
− Developing the right capabilities.
− Using existing customer information to produce knowledge: value, needs and propensities.
− Delivering the generated customer knowledge to the customer touchpoints in order to add value both to the customer and to the organisation.
− Establishing a churn and campaign management process across the organisation.
− Introducing the right tools. When a campaign is developed, the purpose (retention, win back, cross-/up-selling) and the competitive environment have to be identified.
− In the calculation of the financial impact of a campaign, only those turnovers and costs/contribution margins which are directly influenced by the decision to launch a campaign or not should be considered.
− The important assumptions (propensity to churn, divergence loss, duration of the effect of a campaign) should be questioned critically (building scenarios) and analysed to measure the success.

Evangelos Xevelonakis (2005) found that when customers are considering whether to keep an existing supplier or to change, there are three factors they think about:

− The quality of the service or product
− The price
− The quality of customer service

Evangelos Xevelonakis (2005) in his paper suggested methods of reducing churn rates include:

− Tailoring products, services, processes and channels to the customer’s wants and needs.
− Tailoring internal processes to the customer’s processes.
− Tailoring solutions to the customer’s individual profile.
− Implementing loyalty programmes.
− Improving customer services.
− Improving network performance.
Avoiding creating dissatisfied customers. Reporting tools should be used to analyse the customer database to identify some of the characteristics of potential customer churn, including:

- Changes in spending or payment patterns; and
- Customers with recurrent or multiple problems or queries.

Evert Gummesson, (2004) in the study looks into important questions: Does relationship marketing pay? The question is discussed under the umbrella concept return on relationships. Much of what is being done in relationship marketing and customer relationship management has a bearing on both business-to-business and business-to-consumer marketing, and on manufacturing as well as services. Although there is a shortage of empirical research and proven practice, the article aims to show current efforts to generate knowledge of return on relationships, with particular emphasis on business-to-business environments. The study suggest action strategies to improve return on relationships, and a summary of conclusions.

Slowing growth rates, intensifying competition and technological developments made businesses look for ways to reduce costs and improve their effectiveness. Business process reengineering, automation and downsizing reduced the manpower costs. Financial restructuring and efficient fund management reduced the financial costs. Production and operation costs have been reduced through Total Quality Management (TQM), Just in Time (JIT) inventory, Flexible Manufacturing Systems (FMS), and efficient supply chain management. Studies have shown that while manufacturing costs declined from 55% to 30% and management costs declined from 25% to 15%, the marketing costs have increased from 20% to 55% (Sheth, 1998).

The practice of relationship marketing has the potential to improve marketing productivity through improved marketing efficiencies and effectiveness (Sheth and Parvatiyar, 1995).

Ewell, P. (1989). Indeed, information utilization is a primary concern for institutional and evaluation researchers, as they frequently encounter indifference from decision-makers and other institutional stakeholders.
F. Robert Dwyer, Paul H. Schurr and Sej Oh, (1987) have characterized such cooperative relationships as being interdependent and long-term oriented rather than being concerned with short-term discrete transactions.

Ford (1980) also suggests that conceptually, relationship implies two essential conditions. In the first place, the company and customer expect to gain some reward from the contact and secondly, they are committed to long-term relationship and are willing to accommodate and make adjustments to their production and consumption process in the course.

Fornier (1994) Customer loyalty can be viewed in two distinct ways (Jacoby and Kyner, 1973). The first views loyalty as an attitude. Different feelings create an individual’s overall attachment to a product, service, or organization.

Frazier, Gary, Robert E. Speakman, and Charles O Neal (1988) another force driving the adoption of CRM has been the total quality movement. When companies embraced Total Quality Management (TQM) philosophy to improve quality and reduce costs, it became necessary to involve suppliers and customers in implementing the program at all levels of the value chain. This needed close working relationships with customers, suppliers, and other members of the marketing infrastructure. Thus, several companies formed partnering relationships with suppliers and customers to practice TQM. Other programs such as Just-in-time (JIT) supply and Material Resource Planning (MRP) also made the use of interdependent relationships between suppliers and customers.

When customers enter into a relationship with a firm, they are willingly foregoing other options and limiting their choice. Here attracting customers is considered to be an intermediary step in the relationship building process with the ultimate objective of increasing loyalty of profitable customers. This is because of the applicability of the 80-20 rule. According to Market Line Associates, the top 20% of typical bank customers produce as much as 150% of overall profit, while the bottom 20% of customers drain about 50% from the bank's bottom line and the revenues from the rest just meeting their expenses

Freyermuth, 2004 Infact, Satisfied employees are able to retain customers better. So for better satisfied, happy customers companies focus on employee retention strategies. A
number of studies have found that managing turnover is a challenge for organizations, as different organizations using different approaches to retain employees (American Management Association, 2001). Retention is considered as all-around module of an organization’s human resource strategies. It commences with the recruiting of right people and continues with practicing programs to keep them engaged and committed to the organization.

Ganesan, S. (1994) The long-term orientation is often emphasized because it is believed that marketing actors will not engage in opportunistic behavior if they have a long-term orientation and that such relationships will be anchored on mutual gains and cooperation.

Getty and Thompson, 1994 Attitudinal dimensions, on the other hand, refer to a customer’s intention to repurchase and recommend, which are good indicators of a loyal customer. Moreover, a customer who has the intention to repurchase and recommend is very likely to remain with the company.

Gordon I., (1999) Marketing mix should be replaced by the alternative models of relationship marketing where the focus on customers, relationships and interaction over the rather markets or products. In the same light, to be effective in relationship marketing, entire firm should be geared towards the successful implementation. Many of the relationship marketing attributes such as collaboration, loyalty and trust determine what employees; “internal customers”, do.

Graham, A. E., and Morse, R J. (1998). That retention is an important issue seems beyond debate, given that a variety of federal, state and private consortia request the reporting of these data. Also retention data are being used as indicators of academic quality in the computation of institutional scores for the U.S. News and World Report annual college rankings.

Gronroos (1994) definition of relationship marketing is a useful one. According to him, relationship marketing aims to “identify and establish, maintain and enhance and, when necessary, terminate relationships with customers and other stakeholders at a profit so that the objectives of all parties involved are met; and this is done by mutual exchange and
fulfillment of promises. Valuing customers over their potential spend rather than profiting from one-off sale.


Hart, C.W., Heskett, J.L. and Sasser, W.E. (1990) It has been discovered that customers who have been let down, then well recovered, are more satisfied than customers who have not been let down all.

Hung et al. (2006) : Taiwan deregulated its wireless telecommunication services in 1997. Fierce competition followed, and churn management becomes a major focus of mobile operators to retain subscribers via satisfying their needs under resource constraints. One of the challenges is churner prediction. Through empirical evaluation, this study compares various data mining techniques that can assign a ‘propensity-to-churn’ score periodically to each subscriber of a mobile operator. The results indicate that both decision tree and neural network techniques can deliver accurate churn prediction models by using customer demographics, billing information, contract/service status, call detail records, and service change log. A wireless telecom company in Taiwan provides their customer related data. To protect customer privacy, the data source includes data of about 160,000 subscribers, including 14,000 churners, from July 2001 to June 2002, randomly selected based on their telephone numbers One theory is that our results are biased because of limited churn samples in the analysis base: the mobile service provider only budgeted this study at the population of about 160,000 customers, and the associated monthly churn rate was only 0.71%. The data size was not sufficient to build a good predictive model by each customer segment because we could not explore real significant information from a few churners in each customer segment there are only 160,000 ! 17% ! 0.3%, or about 80 churners in C3Churn prediction and management is critical in liberalized mobile telecom markets. In order to be competitive in this market, mobile service providers have to be able to predict possible churners and take proactive actions to retain valuable customers.
Jayalakshmi G., (2009) in her article on CRM and the telecom sector highlights the incredible technological advancements in telecommunication market, in the last few years which fueled massive consumer adoption and brutal competition driven by commoditization. To drive profits in this business, one must increase the average lifetime value per customer and minimize the service cost even as service choices increase. Common to all of customers in the telecom sector is an abiding belief in delivering the best service to customers by investing in technology that empowers consumers and service agents to have intelligent, productive conversations. In a marketplace where consumers are increasingly aware of their choices, consistent service quality is the foundation of a durable brand.

Johnson, M. (2000) Customers retention has received a lot of attention from researchers. Various researchers have given numerous promises of customers retention. Retention is defined as “the ability to hold onto those employees you want to keep, for longer than your competitors”

Johnston, R. and Fern, A. (1999) In addition to mistake correction, quick response and adequate compensation are considered crucial elements of service recovery.

Julander et al., 1997 The behavioural view of loyalty is similar to loyalty as defined in the service management literature. In brief, there are two dimensions to customer loyalty: behavioural and attitudinal.

Jyotsna Bhatnagar (2007) in her paper investigates talent management and its relationship to levels of employee engagement using a mixed method research design. The first phase was a survey on a sample of 272 BPO/ITES employees, using Gallup Workplace Audit. Focus group interview discussion was based on reasons for attrition and the unique problems of employee engagement. In the second phase, one of the BPO organizations from the phase I sample was chosen at random and exit interview data was analyzed using factor analysis and content analysis. In the first phase low factor loadings indicated low engagement scores at the beginning of the career and at completion of 16 months with the organization. High factor loadings at intermediate stages of employment were indicative of high engagement levels, but the interview data reflected that this may mean high loyalty, but only for a limited time. In the second phase factor loadings indicated three distinct factors of
organizational culture, career planning along with incentives and organizational support. The first two were indicative of high attrition. A limitation of the research design was a sample size of 272 respondents. Some of the Cronbach’s alpha scores of the subscales of Gallup q were low. The strength of the study lies in data triangulation, which was obtained through a mixed method approach, a survey and unstructured focus group interviews. There are theoretical implications for the construct of employee engagement. The study indicated that a good level of engagement may lead to high retention, but only for a limited time in the ITES sector.

Kandampully (1998) says that Service loyalty of firms leads to loyal customers. Customers loyalty and trust is gained by service provider’s commitment to provision of services, quality of services.

Kano (2006) has developed a product quality model that distinguishes between three forms of quality. Basic qualities are those that the customer routinely expects in the product. These expectations are often unexpressed until the product fails. For example, a car's engine should start first time every time, and the sunroof should not leak. The second form is linear quality. These are attributes of which the customer wants more or less; for example, better comfort, better fuel economy and reduced noise levels. Marketing research can usually identify these requirements. Better performance on these attributes generates better customer satisfaction. The third form is attractive quality. These are attributes that surprise, delight and excite customers. They are answers to latent, unarticulated, needs and are often difficult to identify in marketing research. Kano's analysis suggests that customers can be delighted in two ways: by enhancing linear qualities beyond expectations and by creating innovative attractive qualities.

Kim et al. (2004) found that better quality services create customers satisfaction and ultimately creates loyal customers for future. Loyal customers are reported to have higher customer retention rates, commit a higher share of their category spending to the firm, and are more likely to recommend others to become customers of the firm.

Kinnick (1985) distinguished between technical and organizational obstacles that impede the otherwise smooth flow of information from researcher to decision-maker.
Kinnick (1985) offers a number of organizational and data presentation strategies for increasing the use of outcomes information. The organizational strategies involve attempts to incorporate the new information into ongoing institutional activities, such as academic program review and strategic planning and forecasting. The data presentation strategies include more use of graphics, providing multiple comparisons across different institutional categories, and utilizing short, issue-specific reports.

Kinnick, M. K., and Ricks, M. F. (1993). Provide a model (adapted from Ewell, 1989) of the factors that influence information utilization. These factors essentially fall into characteristics of the organization (the power structure, the organizational climate, and the communication structure), the researcher, the decision-maker and the information.

So how does the researcher avoid these pitfalls and effectively convey the information to the decision-maker? Kinnick and Ricks (1993) use a case study approach to demonstrate stages of implementing a change process. In a successful retention project one of their specific recommendations is that “the use of multiple strategies for gathering information to address issues of retention is imperative”.

Kushan Mitra (2005) analyses various factors contributing to competition to Indian Telecom Industry. Besides lowering of prices, increased efficiency, greater innovation, highly tech industry better quality services are some of the reasons which are boosting competition amongst various telecom service providers.


Levesque, T. and McDougall, H.G.G., (1996) point out that customer satisfaction and retention are critical for retail banks, and they investigate via regression analysis, the major determinants of customer satisfaction and future intentions in the retail bank sector. They concluded that service problems and the bank’s service recovery ability have a major impact on customer satisfaction and intentions to switch.

Looy, Gemmel & Dierdonck, (2003) Companies choose to deal with complaints efficiently to bring about customer retention, continuous improvement in service quality and
build a customer-focused organization. Satisfaction and dissatisfaction are two ends of a continuum, where the location is defined by a comparison between expectations and outcome. Customers would be satisfied if the outcome of the service meets expectations. When the service quality exceeds the expectations, the service provider has won a delighted customer. Dissatisfaction will occur when the perceived overall service quality does not meet expectations.

Mavri, M., Loannou, G., (2008) came up with the findings that the enhancement of existing relationships is of pivotal importance to banks, since attracting new customers is more expensive. The study investigated the predictors of churn behavior as part of customer relationship management.

McKenna (1991) professes a more strategic view by putting the customer first and shifting the role of marketing from manipulating the customer (telling and selling) to genuine customer involvement (communicating and sharing the knowledge).

McLaughlin et al., 1998 Yet, getting this issue onto the institutional radar so that key organizational stakeholders take notice appears to be a near-universal challenge for institutional researchers.

Ndubisi, N.O and Wah, C.K, (2007) through their study revealed that relationship marketing strategies, namely: communication; commitment; competence; and conflict handling are directly and indirectly (through trust and relationship quality) associated with customer loyalty. Moreover, trust and relationship quality are directly associated with loyalty. The study unveils how firms can use the relationship marketing strategy to nurture and keep loyal customers and how to manage the supplier-customer relationship in banking sector.

OECD (2007) by increasing competition uptake can be mainly realized by then following incentives; (1) bundling of services, such as offering telephone line plus broadband access to internet ADSL at significantly reduced price, introducing triple play services on the subscriber line and promoting digital T.V. as a revenue source for the fixed line operator. These would however depend on the distance of the subscriber line from the local exchange and the quality of the copper line. Reducing cost for the second line would
also be effective. This would lead to reduce prices for the consumer and reduce churn. (2)
Increasing competition between broadband service providers. (3) Reducing the monthly
rates of increased speed internet access using ADSL. (4) increasing awareness of the
benefits of ADSL to 81 the society.(5) increasing the local content on the internet so to
attract more users in attempt to find killer application that would attract user to
indispensable ADSL experience.(6) adopting convergence between wireless or mobile and
fixed services.

**Oliver Stehmann (2005)** the telecommunications industry is characterized by rapid
innovation in the service and the transmission market. The legally protected public or
private monopolist does not have the same incentive to foster innovation that would exist in
a competitive environment. Thus, state intervention based on the natural monopoly
argument neglects dynamic aspects, which are crucial in the telecommunications sector.

**Oliver, R.L. (1997)** Customer satisfaction has been the subject of considerable
research and has been defined and measured in various ways.

**Omotayo et al. (2008)**: Omatayo et al. (2008) in there paper attempts to find the
relationship between customer service on customer retention in telecommunication industry
in Nigeria. If retention is not managed, customer’s loyalty may be lost. The study examined
the potential constructs in customer retention by investigating the chain of effects of
retention from customer service, satisfaction, value and behavioural intention. The findings
in the study show strong support for the application of customer service to enhance customer
retention.

It is imperative for telecommunication industry executives to improve performance
on each construct that leads customer retention to improve their competitiveness in the
industry. Customer satisfaction does not necessarily lead to customers loyalty. It is assumed
that when the customer is satisfied, then loyalty towards the telecom company is
strengthened. The results, further show that the respondents in this study have a positive
impression towards their telecom company’s ability to meet their changing needs. This
demonstrates that the respondents would likely stay with their telecom companies as long as
the companies are able to satisfy their changing needs. Telecommunication industry in
Nigeria is not diversified and retaining customer is one important strategy available to telecom companies in order to remain competitive. Though the industry is currently growing in terms of coverage and customer base, retaining customer should be an attractive option than attracting new customers since it is less expensive.

Parusaraman A., Zeithamal V., Berry L., (1985) The quality of the service has various elements namely ; a) Reliability b) Responsiveness c) Assurance d) Empathy e) Tangibles. as identified by.

Payne A. and Holt S., (2001) dealt in to diagnosing customer value: integrating value process and relationship marketing. There they have argued that value creation was a dynamic element to existing value concept. Value creation shall be looked over a time on multiple transactions. Creation of mutual value will become focus of both customer and the firm, value is jointly shared among all the parties involved on relationship.

Peter C. Verhoef (2003) Scholars have questioned the effectiveness of several customer relationship management strategies. Verhoef (2003) investigates the differential effects of customer relationship perceptions and relationship marketing instruments on customer retention and customer share development over time. Customer relationship perceptions are considered evaluations of relationship strength and a supplier’s offerings, and customer share development is the change in customer share between two periods. The results show that affective commitment and loyalty programs that provide economic incentives positively affect both customer retention and customer share development, whereas direct mailings influence customer share development. However, the effect of these variables is rather small. The results also indicate that firms can use the same strategies to affect both customer retention and customer share development.

Ratna and Chawla (2012) found that a high rate of employee attrition is a challenge for most companies in the telecom sector. An insight to which are the most effective retention strategies that can have a long-term impact. Companies now adopt more than one technique to create an internal environment that will retain their employees. The study finds out the key factors of retention, employee's satisfaction level about key factors and the retention strategies being followed in the telecom sector. Exploratory research is used.
Primary data was collected from 107 employees from three leading companies of telecom sector (NCR) through the designed questionnaire and secondary data is collected through annual reports and online resources. With secondary research the study identified ten factors (importance of training, consultation of the employees during target setting, satisfaction with compensation level, rewards and recognition given to the executives, working conditions, job capability, ability to meet targets, plans to start their own business, satisfaction with the initiatives taken by hr, and participation in management) play important role in attrition / retention. After analysis of primary data, it was found that their some factors such as compensation level, and rewards and recognition etc. their satisfaction is less while in other factors like training, and working conditions etc. it is up to the mark. A comprehensive list of the retention strategies is mentioned that are followed by the companies. The factors mentioned above wherein the satisfaction level of employees is less, companies needs to take initiatives for betterment then only required retention level will be achieved. Only with subscribers' contractual records and bill details in the investigated fixed-line services provider, we construct several churn prediction models, applying different data mining technologies. Comparing the models with predictors of duration of service use, payment type, amount and structure of monthly service fees and changes of the monthly service fees, the study found that duration of service use is the most predictive variable. Then payment type and other predictors of amount and structure of monthly service fees, especially the predictors within the latest 3 months, are also effectual. Different decision tree models by reducing the amounts of monthly bill details for predicting were used to find out how the prediction performance evolves. The result shows that with reduction of early monthly data, the model performance declines slightly. However, the processing data size and runtime of models decrease significantly. Thus, using relatively fewer but latest monthly data to detect likely churner would be both effective and efficient.

Reichheld, F.F. and Sasser, W.E. (1990) Relationship marketing appears to be an expensive alternative to firms practicing mass marketing due to the relatively high initial investments. Firms would adopt relationship marketing only if it has the potential to benefit them. The benefits come through lower costs of retention and increased profits due to lower defection rates.
Loyalty behaviors, including relationship continuance, increased scale or scope of relationship, and recommendation (word of mouth advertising) result from customers beliefs that the quantity of value received from one supplier is greater than that available from other suppliers. Loyalty, in one or more of the forms noted above, creates increased profit through enhanced revenues, reduced costs to acquire customers, lower customer-price sensitivity, and decreased costs to serve customers familiar with a firm’s service delivery system.

The significance of customer retention was first quantified in their research paper “Zero Defections: Quality Comes to Service”. They found that profits in service industries, including credit card companies, increased in direct proportion to the length of a customer's relationship. They noted the experience of MBNA America, citing its "customer defection 'swat' team staffed by some of the company's best telemarketers," which achieved a 50% success rate in persuading customers to retain their credit cards. At MBNA, a 5% improvement in customer retention increased average customer value by 125%. Reichheld and Sasser (1990) concluded that cutting defections in half could more than double the growth rate of the average company.

Rekha Jain (2001) In here paper states that a The majority of international carriers use the accounting rate revenue division procedure promulgated by the International Telecommunications Union (ITU) for revenue sharing for incoming and outgoing international calls. The international accounting rate system thus consists of three components:

a) The collection rate, which is the rate charged by an operator to its customers. In theory, the collection charge for the same call should be more or less equal in the two correspondent countries.

b) The accounting rate, which is the rate agreed between the originating country and the destination country.

c) The settlement rate, which is the proportion of the accounting rate that determines the actual payment between countries. This is invariably half of the accounting rate. In other words, it is assumed that the cost of terminating the call is the same for each partner, even though this is rarely the case. Although the collection rate was originally meant to reflect the accounting rate, which is the rate most in line with
what a call actually costs to complete. Over the years and especially over the past two decades, the accounting rate and collection rate have diverged.

**Rust R. T., Inman J., Jia, J. and Zahorik, A., (1999)** Discuss the Customer – Perceived Quality and Role of Customer Expectation Distribution. According to them, exceeding customer expectation will still be required if the company seeks to delight customer. In the event of having low expectation of service quality and meeting it, researchers had found, had raised preference. Given the option to general customers two equally priced options, the customer will choose the one with higher expected quality, the research had established. They argued that a company should always focus on its most loyal customers. Retention point of view, less loyal customers tendency to defection is greater hence that sector should be defended with force. This research further suggested greater the experience a customer with a service provider greater the chances of meeting expectation in perceived value, hence retention The core theme of all CRM and relationship marketing perspectives is its focus on cooperative and collaborative relationship between the firm and its customers, and/or other marketing actors.

**Ruyter, K. and Wetzels, M. (2000)** Service recovery process should be developed and exercised to maximize fairness as perceived by the customer.

**Seth et al. (2011)** found that the cellular mobile industry has undergone rapid changes as a result of liberalization and globalization. In such a ever changing scenario, expansion and maintaining the loyal customer base seems to be a great challenge for the mobile service providers. As a result of increased competition, customer loyalty and retention have become important goals for mobile service operators. Reacting to the pressures, most of the cellular mobile service providers are trying to attract subscribers by not only reducing their tariff rates but also giving attention to the quality of services delivered.

**Shafiroff, M. and Shook, R. (1990)** in their paper mentioned that customer retention is necessary because many unhappy customers will never buy again from a company that dissatisfied them and they will communicate their displeasure to other people. These dissatisfied customers may not even convey their displeasure but without saying
anything just stop doing business with that company, which may keep them unaware for some time that there is any problem.

Shoaib M. et al. (2009) States that the past few years have been the most threatening period for the Telecom sector of Pakistan in retaining their employees. Their research has been conducted to study the impact of career development opportunities, supervisor support, working environment, rewards and work-life policies on employee retention in Telecom sector of Pakistan. The data collected through questionnaire from 130 respondents was used to test the proposed hypothesis. the result reveals the positive relationship of career development opportunities, supervisor support, working environment, rewards and work-life policies with employee retention. Strategies and implications that can help Telecom sector of Pakistan in retaining their employees have also been discussed. The results of the study have clearly shown that the independent variables which are career opportunities, supervisor support, working environment, rewards and work-life policies have a direct and positive impact on the dependent variable that is employee retention which means the enhancement of one independent variable causes the enhancement in the employee retention which is the dependent variable

Spreng, R.A., Harrell, R.A. and Mackoy, G.D. (1995) Service recovery is an important factor influencing perceived service quality and is a criterion which can have a positive effect on functional quality. Satisfaction with the service can be increased through good service recovery.

Srinuan(2011): A binomial logit model is estimated on individual telecommunications service use data. The model examines whether operator-specific switching costs and termination-based prices impact on retention. The results show that service attributes (brand image and on-net prices) are significant in retaining subscribers. As customers of larger networks face higher switching costs, only the largest operator can use termination-based pricing to retain mobile subscribers.

Stephanie Coyles and Timothy C. Gokey (2002) In their paper mention that dealing with even small pockets of dissatisfaction is a necessary part of creating an organizational culture attuned to pleasing customers. Avoiding and addressing service
failures, for example, is obviously important; customers who have had them resolved satisfactorily are typically just as loyal, and sometimes more so, than customers who have never had them at all. A company can use its loyalty profile to see how many dissatisfied customers it has and thus how much of its overall loyalty-building budget it should devote to meeting their needs. For some companies, addressing dissatisfaction will be crucial; customer service problems cause half of the downward migration at mobile-phone companies, for example. A much lower percentage is more common, however, and many companies will decide to invest strategically—perhaps only to reach the most valuable customers. By using a coordinated approach to understanding the many facets of loyalty and by tailoring tactics appropriately, several companies have reduced downward migration and defection by 20 to 30 percent. Consider the case of the retail bank that saw 50 percent of its annual balances in play because of migration. Even assuming that more than half of the change was due to factors the bank couldn’t influence, and even if it managed to recapture only 20 percent of the rest, its top-line growth, currently in single digits, would rise by three to five points. Similarly, department stores using a coordinated approach have cut downward migration by 25 to 30 percent, leading to top-line gains comparable to a 1 to 2 percent increase in same-store sales, a key retailing metric generally in single digits. For banks and the many other industries with modest price-to-earnings ratios, increasing growth rates by the clearly feasible target of 3 percent should lead, within three years, to a 25 percent increase in market capitalization.

By focusing on migration and by understanding the motives that underlie customer loyalty, companies can increase that loyalty in a meaningful way.

In their paper profile the customers in three sets based on their attitudes. Three basic customer attitudes—emotive, inertial, and deliberative—underlie loyalty profiles. 1 Emotive customers are the most loyal. Feeling strongly that their current purchases are right for them and that their chosen product is the best, they rarely reassess purchasing decisions. These feelings can reflect a product’s long record of good performance, but they are often fostered by intangible factors. Soft drinks are a classic example: they are very similar, but nearly half of all people who purchase them have strong favorites. Our research shows that emotive customers generally spend more than those who deliberate over purchases and migrate at a
much lower rate. Emotive people are thus, rightly, the marketers’ Holy Grail, and companies will find value in increasing the proportion of their customers in this group.

Inertial customers, like emotive ones, rarely reassess their purchases, but their inaction results from high switching costs or a lack of involvement with products. Utilities and life insurers are good examples of industries whose customers tend to be inertial. Although these customers aren’t prone to spend more or less than they currently do, influencing them offers about as much opportunity as influencing emotive customers, largely by making them less likely to migrate downwardly in response to shocks such as price hikes, isolated cases of bad service, and lifestyle changes. Deliberators—both those who maintain their spending and those who spend less—are on average the largest group, representing 40 percent of all customers across industries. The rewards from influencing deliberators can be twice as high as the rewards from influencing emotive and inertial customers. Deliberators frequently reassess their purchases by criteria such as a product’s price and performance and the ease of doing business with a company. Emotional appeals won’t trump such objective factors, although these customers requirements vary from person to person. Retail gasoline and groceries are the kinds of products that draw a preponderance of deliberative customers. Deliberators who value convenience and quality in a grocery store, for example, would likely choose a nearby grocer with a gourmet deli. A more value-conscious customer might well choose a more distant store offering better prices. Still, both of those customers would constantly reevaluate their decisions by considering the specific purpose of a trip or new information.

To influence what customers spend, a company must generally dig deeper than merely finding out whether they like the product or service on offer. A broad measure of satisfaction can tell a company how likely customers are to defect; mobile-phone customers, for instance, continually switch providers because of customer service problems. But satisfaction alone doesn’t tell a company what makes customers loyal: the product or the difficulty of finding a replacement, for example. Nor does gauging satisfaction levels tell a company how susceptible its customers are to changing their spending patterns—variations that more often come about as a result of changes in their lives, in the company’s offer, or in its competitors’ offers. Understanding the other drivers of loyalty, our research showed, is
crucial to having an influence on migration. By learning to understand why customers exhibit different degrees of loyalty, and combining that knowledge with data on current spending patterns, companies can develop loyalty profiles that define and quantify six customer segments.

Swadeshkumar Samanta (2007) did as study on impact of price on mobile subscription and revenue access price or fixed monthly fee for mobile services is the major factor that governs the percentage of people subscribing (penetration) to the services. Empirical analysis shows a strong correlation between access price and penetration for developing and developed countries. They demonstrate a tradeoff between price of access and per minute call and show how subscription and revenue to the operator can be increased.

Tax, S.S., Brown, S.W. and Chandrasekharan, M. (1998) A well managed recovery has positive impact in development of a trusting relationship between a firm and its customer and may also deepen the customer’s commitment towards the service provider. When companies resolve problems quickly and effectively there are positive consequences for customer satisfaction, customer retention and word-of-mouth.

T.V. Ramachandran (2005) analysed performance of Indian Telecom Industry which is based on volumes rather than margins. The Indian consumer is extremely price sensitive. Various socio-demographic factors- high GDP growth, rising income levels, booming knowledge sector and growing urbanization have contributed towards tremendous growth of this sector. The instrument that will tie these things together and deliver the mobile revolution to the masses will be 3 Generation (3G) services.

Venetis K. A. and Ghauri P (2004) Services Quality is considered as a major determinant in customer retention and building value relationship.

Wei, C. P., & Chiu, I. T. (2002). The research proposed different techniques to build predictive models for telecom churn prediction. Included in research is customer service and customer complaint log for modeling, as suggestions from prior research.

Wilson J.R. (1991), only 4 percent of the dissatisfied customers actually complain, providing valuable feedback to the company. The remaining 96 percent choose to simply
leave the business and go elsewhere.

Yi, Y. (1990), “Critical review of customer satisfaction” (1990) concludes, “Many studies found that customer satisfaction influences purchase intentions as well as post-purchase attitude”. These feelings define the individual’s (purely cognitive) degree of loyalty. The second view of loyalty is behavioural. Examples of loyalty behaviour include continuing to purchase services from the same supplier, increasing the scale and or scope of a relationship, or the act of recommendation.

Yu & Sobey (2005): Customer churn is a vexing problem in the telecom industry. Data mining techniques play an important role in churn prediction. However, most of these techniques can only provide a result that customers may churn or not, but seldom tell why they churn. Therefore even an accurate prediction result is of minimal use to telecom management, especially to the strategies of customer retention. In this paper, we propose a new model for strategic alignment of churn predictors to an adaptation of the Delta strategic model for firm competitiveness. This model is substantiated using a dataset from Duke University's Teradata Center for CRM. Research results contribute to analyzing churn predictors from a new perspective - that of organizational competitiveness strategy. Using factor analysis, the model links high-level churn predictors with competitiveness strategy.

Zeithaml V.A. (2000) says that perceived value of service and satisfaction with the service has significant positive effect on behavioral intentions of usage in future.