The present chapter is designed to summarize the major findings emanating from this research work. It also encompasses the conclusions drawn on the basis of this study, managerial implications and limitations of the study. At the end, this chapter also suggests the areas for future research.

6.1 INTRODUCTION TO THE PROBLEM

Customers are the revolving force of marketing and are the most important resource for any organization. The key to success is how well the customer expectations are identified, exceeded and strategies are implemented to build strong brand image. Satisfied customers spend more money, refer more customers and patronize businesses longer than unsatisfied customers. This all leads to more revenue for businesses that can keep their customers satisfied. Studies across a number of industries have revealed that the cost of keeping an existing customer is around 10% of the cost of acquiring a new one. Therefore, companies striving to maximize revenue invest regularly in research programs related to customer satisfaction and loyalty.

The research regarding customer satisfaction and loyalty measurement is essential as it enables the companies to connect directly with customers. These types of researches help the service providers to do the Strength Weakness Opportunity and Threat (SWOT) analysis with reference to competitors. Companies identify their strengths and weaknesses, allocate resources for optimal impact, gain insights into the factors leading to cognitive dissonance and stepping up with the best possible solutions. This type of research related to customer loyalty is not only the leading indicator to identify dissatisfied customers, reduce churn and increase revenue, it is also a key point of differentiation that attracts new customers in competitive business environments.

Likewise, customer satisfaction and loyalty plays a vital role in mobile telecommunications sector as well. India is the world’s second largest telecommunications market, with 1.209 billion subscribers as of September, 2017. The sector has registered strong growth in the past decade and half. The sector has the third highest number of internet users in the world. Revenue from the telecom equipment sector is expected to grow US$ 26.38 billion by 2020. India’s
telecommunications market is expected to experience further growth, fuelled by increased non-voice revenue and higher penetration in rural market (IBEF Sectoral Report, December, 2017). The advent of advanced technologies and tough market competition has made the telecom sector a very challenging industry. The research on customer loyalty assumes special significance in the context of telecom sector characterized by intense competition, where a lot of operators vie for customers who enjoy a wide range of choices to select their preferred service providers and low switching costs which manifest in the frequency with which the subscribers freely enter and exit the operators. Moreover, it is becoming harder to please the customers as they are smarter, more price conscious, more demanding, less forgiving, and are approached by many more service providers with equal or even better offers. Telecom companies have started understanding the fact that maintaining customer loyalty has a very important role for increasing revenue. In the wake of this realization of the significance of customer loyalty, the telecom companies have been engaging in ambitious research projects aimed at unravelling the secrets of customer loyalty in telecom space to draw actionable insights which can guide their decision making processes and future customer retention strategies.

A lot of research work has been carried out in this direction. Extensive literature survey instances the significance of studying customer loyalty and satisfaction in telecom sector. But most of the studies are carried out by using the disaggregated approach. In these studies, a few variables are studied separately, but no study is carried out by using the aggregated approach. The effort to fill this gap is the main force of this study. The present study is an attempt to use the holistic approach by unifying the various variables and developing the inter-relationships among these variables affecting customer loyalty in telecom sector.

6.2 RESEARCH OBJECTIVES AND METHODOLOGY

The chief aim of the present study is to identify the various variables affecting customer loyalty and studying the inter-relationships among them. For this purpose, a holistic model is empirically developed quantifying the customer loyalty of prepaid telecom service subscribers in India. This objective is achieved with the help of structural equation modelling technique using IBM AMOS version 23. This model is based on identifying inter-relationships among all the key drivers of customer loyalty.
The survey data is analyzed by using a two-step structural equation modelling technique. The first step leads to the development of measurement model by using confirmatory factor analysis (Hair et al., 2009) and its validity assessment while the second step involves assessment of the structural relationships among the research variables in the hypothesized model (Kline, 2011). At the first step, all the variables including measured and latent variables are arranged into a measurement model by putting them into AMOS software for confirmatory factor analysis (CFA). It is then ensured that the model has appropriate fitness indices, adequate reliability and validity figures. It is then checked for common method bias by introducing a common latent factor (CLF) into the model. As the test results confirm the presence of a common latent factor, all the scores are to be seen as common method bias corrected scores. It is followed by data imputation and linking the variables into a structural model. Post-hoc statistical power analysis is used to ensure that the model along with all its factor loadings can be claimed to be statistically robust. A careful look at the final simplified model shows that customer loyalty charts a number of interconnected paths where various drivers affect it through direct as well as indirect routes. The developed model is an addition to the extant literature, in the sense that none of the existing studies have ever developed such a holistic model concerning Indian mobile telecommunications sector. The present study has thus come up with the development of a new theory which will find significant implications with various stakeholders of the telecommunications as well as other industrial sectors.

The present study has established that customer loyalty is driven by a gamut of perception-based drivers such as quality, value for money, price and image in addition to the experience-based drivers such as network, call centre, value added services, data services, recharging, advertisements, tariff and short messaging services. The study has resulted into a diamond-shaped loyalty framework, wherein the perception-based factors are proved to drive customer loyalty directly while experience-based factors drive customer loyalty directly as well as through perception-based factors. This can be explained by concluding that the various customer experiences and interactions at various customer touch points such as network, call centre, value added services, data services, recharging etc. over a period of time lead to the creation of several perceptions in the minds of the customers regarding the telecom operators and
the services they offer.

The study is based on quantitative research design. The other objectives of the study involve comparison of customer satisfaction and customer loyalty indices on the basis of various sample categorizations. So, after the development of a valid, reliable and statistically fit model, impact of various drivers on customer loyalty is assessed through path analysis. A quantified customer loyalty index is obtained after data imputation in AMOS. The customer loyalty index is then statistically compared amongst various categories of different variables like telecom circle, gender, age, area of residence, socio-economic class, average monthly expenditure on telecom service, age on network, telecom operator subscribed etc. On similar grounds, customer satisfaction among prepaid telecom service subscribers is assessed. Apart from that, Net Promoter Score (NPS) is also computed to assess the customer loyalty among different telecom service providers.

6.3  MAJOR FINDINGS OF THE PRESENT STUDY

On the basis of the analysis and interpretations of the present study, the following key findings have been drawn out:

1. Customer loyalty among prepaid mobile telecom service subscribers is driven directly as well as indirectly by a variety of drivers as given below:
   o  Perception-based drivers: These include overall quality of service, value for money perceived by the customer, price paid by the customer for subscribing the service and image of the telecom operator.
   o  Experience-based drivers: These include tariff, short message service (SMS), advertisements, recharging, data services, network and call centre.
   The perceptions about the telecom services as well as service provider are formed in the minds of the telecom subscribers over a period of time after experiencing and transacting at the various above mentioned touch-points.

2. The results highlight that ‘Image’ is the most impactful factor amongst all perception-based drivers, followed by ‘Quality’ and ‘Price’. On the other hand, in case of experience-based drivers or customer touch-points, ‘Network’ turns out to be the major factor followed by ‘Short message service’ and ‘Recharging’.

3. The comparative analysis of two different telecom circles i.e. Delhi and Haryana
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reveals that there is no significant difference between the indices of customer satisfaction and loyalty. This implies that the prepaid telecom customers of both the circles perceive their services alike. This might be due to the geographical proximity, frequent movements of customers, and the similarity in service offerings by telecom service providers in these two circles.

4. The results highlight that female subscribers are significantly more loyal to their telecom service providers as compared to their male counterparts. The insights of this finding describe that females are more self-centred and hence, tend to avoid the hassles of the switching process. However, no such distinction is observed in case of customer satisfaction as both males and females are observed to experience similar level of satisfaction.

5. The telecom customers belonging to different age groups experience similar level of satisfaction from their telecom operators. Same is the case with customer loyalty in different age groups except one category. The prepaid telecom service subscribers who belong to age class ‘18 years or less’ experience significantly higher customer loyalty from those who belong to age class ‘greater than 18 years but less than or equal to 25 years’. The reason behind this observation could be that the young telecom subscribers having age of 18 years or less are the most active users, have the latest information about various offerings and have already subscribed to the telecom operators they consider to be the best.

6. No significant differences are observed amongst the prepaid telecom subscribers in terms of their customer satisfaction and customer loyalty indices on the basis of their ‘area of residence’ i.e. the prepaid telecom subscribers residing in rural, suburban and urban areas experience similar customer satisfaction and customer loyalty. This could be due to the similarity in the service offerings by telecom operators in all areas.

7. No significant differences are observed among the customer satisfaction and loyalty indices of the prepaid telecom subscribers on the basis of overall ‘socio-economic classification’ as well as high, mid and low socio-economic classes. Again, this might be due to uniform services and offers.

8. The customer satisfaction and loyalty indices are statistically insignificant on the basis of ‘average monthly expenditure on telecom service’. This could be due to
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the similarity in basic services and offerings extended to all the categories of customers by the telecom operators.

9. It is also observed that the customers having ‘age on network’ of 6 months to 1 year experience significantly lower customer satisfaction than those who having 5 years and more as the longer time period is a reason behind familiarity and full satisfaction with the services offered. However, in case of customer loyalty, no significant difference is observed.

10. Regarding the comparison among telecom players, the results highlight that customer satisfaction for ‘Aircel’ is significantly lower than that of ‘Airtel’, ‘Idea’, ‘Vodafone’ and ‘BSNL’ in Haryana telecom circle. ‘Airtel’, ‘Vodafone’ and ‘Idea’ are perceived to be strong brands due to better network facilities, customer relationship management and better value for money offers. However, no significant differences are observed amongst the telecom operators in terms of their respective customer loyalty indices.

11. In the study, no telecom operator could achieve a positive Net Promoter Score (NPS). This shows that the prepaid telecom subscribers are not much pleased with any of the operators, which indicates that there exists a huge scope for all the telecom operators to improve their offerings to the customers.

6.4 MANAGERIAL IMPLICATIONS AND LIMITATIONS

The present study revolves around the modelling of factors of customer loyalty and their interpretations. It has relevant implications from academics as well as industry point of view. It presents several implications from the conceptual as well as practical perspectives as stated below:

1. The customer loyalty model developed in the present study is quite holistic in nature as it includes nearly all aspects of customer interaction. This model establishes the inter-relationship among the various drivers affecting customer loyalty. The in-depth understanding of these drivers will facilitate the managers in strategic decision-making.

2. The model helps the telecom operators to allocate their resources according to their relative importance. It also offers directions for designing the guidelines for training programmes, which the telecom industry should develop for the customer service representatives to strengthen customer loyalty. This would go a long way
in reducing customer complaints and enhancing the effectiveness of customer relationship management.

3. The developed empirical framework helps in understanding the direct as well as indirect effects of perception-based as well as experience-based drivers on behavioural and attitudinal loyalty.

4. As the results of the study depict that ‘Image’ and ‘Quality’ are the most influential factors of customer loyalty, so it can be suggested that the telecom companies should work towards establishing a positive customer perception regarding their image and quality. This effort can be assisted by making sure that the operator’s services are guided and provided as per the customer expectations. The most common expectations are high quality contents and services along with keeping promises and commitments on time.

5. The study recommends that telecom service providers should consider network reliability as the first priority. The remaining customer touch-points i.e. tariff, advertisements, recharging, data services and call centre also need due attention. The telecom operators should extend an innovative, user friendly and affordable range of value added services to gain the competitive advantage.

6. The telecom operators must design customized service offerings, promotional campaigns and unique tariff plans suited to these diverse customer segments. For example, as men are seen to exhibit significantly lower loyalty than women, some customized steps need to be taken to improve the scenario.

Like all other research studies, this study is also not free from limitations of its own. It suffers from a host of weaknesses as given below:

1. The present study results in developing the reliable and valid model of customer loyalty but the applicability of this model is limited to the effective operationalization of the strategies.

2. The results obtained in the study are reliable, valid and valuable but still the findings should be approached with certain degree of care for various reasons. The sample selected in the study may not represent the entire population of Indian prepaid telecom service subscribers. Although an adequate sample (770) is selected for data collection and the number is considered to be sufficient to generalize, there is the question of whether the sample is perfectly or objectively representative to capture the best picture of the whole population.
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3. In the present study, the convenience sample technique is used for quantitative data collection. Moreover, the data is collected from Delhi and Haryana telecom circles which projects the customers’ perceptions of North India only. The perceptions of customers in other regions of India may differ.

4. The study presents the perceptions of only prepaid subscribers. The perceptions of postpaid subscribers may differ in this regard. Moreover, the perceptions may change over a period of time on account of the paradigm shifts in marketing strategies caused by increasing competition in telecom industry.

5. As inherent in the nature of any self-report questionnaire, some of the responses provided by the participants of the present study may be biased or socially desirable.

6. The determinants of customer loyalty may differ by industries, countries or market stage of a product life cycle. This study exclusively focuses on the telecom industry and hence makes it industry-specific.

7. Customer churn process is not considered in this study, while this might be of interest to organizations in decision making.

6.5 FUTURE RESEARCH DIRECTIONS

Literature instances that customer loyalty is paid due attention by the numerous researchers but still it is an under-researched area. Apart from this study, various directions for future research are identified which are mentioned as under:

1. The data collected in the study carries the user information only. To assess customer loyalty more precisely, data from telecom operators and service providers should also be taken.

2. After the completion of data collection, a number of significant sectoral changes have taken place in the Indian telecom space, such as the announcement of the merger and acquisition decisions of big telecom operators, launch of Reliance Jio 4G services and implementation of GST Act by which the tax rate levied on telecom services is hiked from 15% to 18%. These may have repercussions on precise assessment of customer loyalty in this sector and hence can be a subject of future research.

3. Future researches can be conducted by considering the perceptions of both prepaid and postpaid telecom subscribers using a probability sampling technique which
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may possibly give rise to new findings.

4. The study can be carried out in different cultural contexts and industries. Also the comparative studies between India and other countries and between prepaid and postpaid customers could be the directions for future research.

5. Trust has been noted as an important attribute in relationships (Verhoef et al., 2002) and must receive explicit attention in future investigation. The examination of this dimension might enrich the insight into the construct and provide strategy implications for improving customer satisfaction as well loyalty with telecom services.