CHAPTER 2

LITERATURE REVIEW

2.1 BRIEF OVERVIEW

The growth in demand for telecom services in India is not limited to basic telephone services. India has witnessed rapid growth in cellular, radio paging; value added services, internet and global communication by satellite (GMPCS) services. The agents of change, as observed from international perspective, have been broadly categorized into economic structure, competition policy and technology. Economic reforms and liberalization have driven telecom sector through several transmission channels of which these three categories are of major significance.

The effective research cannot be accomplished without critically studying what already exists in the form of general literature and specific studies. Therefore, it is considered as an important pre-requisite for actual planning and execution of research project. This helps to formulate hypotheses and framework for further investigation. In this research, the survey of literature has been classified into two parts --- studies related to telecom sector and studies related to switching behaviour.

2.2 STUDIES RELATED TO GROWTH AND DEVELOPMENTS IN INDIAN TELECOM SECTOR

According to Snyder (2006) Communications is a process that allows information to pass between a sender and one or more receivers and. The transfer of meaningful information or ideas from one location to a second location. Communications is a human process; humans communicate by sending information between themselves. Whereas, telecommunication is the transmission of data or information over a distance. Tele is a Greek word meaning at a
distance, far off. Thus, it classifies smoke signals, semaphore flags, lanterns and signal flares, telegraph systems, televisions, telephones, written letters, and hand signals as capabilities that support telecommunications.

The problems with these communications forms include reliability, speed of transmission, and comprehension purposes.

**Muller (1990)** in his a research focuses that the success of the mobile commerce can be attributed to the personal nature of wireless devices. Adding to this are its unique features of voice and data transmission and distinct features like localization, feasibility and convenience. The sustained growth of the mobile commerce around the world has been more because of the transfer of technology according to the needs of local geography.

According to **Wellenius and Stern (2001)**, information is regarded today as a fundamental factor of production, alongside capital and labor. The information economy accounted for one-third to one-half of gross domestic product (GDP) and of employment in Organization for Economic Cooperation and Development (OECD) countries in the 1980s and is expected to reach 60 percent for the European Community in the year 2000. Information also accounts for a substantial proportion of GDP in the newly industrialized economies and the modern sectors of developing countries.

**Videsh Sanchar Nigam Limited (VSNL) 16th Annual Report (2002)** India like many other countries has adopted a gradual approach to telecom sector reform through selective privatization and managed competition in different segments of the telecom sector. India introduced private competition in value-added services in 1992 followed by opening up of cellular and basic services for local area to competition. Competition was also introduced in National Long Distance (NLD) and International Long Distance (ILD) at the start of the current decade.
World Telecommunication Development Report (2002) explains that network expression in India was accompanied by an increase in productivity of telecom staff measured in terms of ratio of number of main lines in operation to total number of staff.

Indian Telecommunication Statistics (2002) in its study showed the long run trend in supply and demand of Direct Exchange Lines (DEL). Potential demand for telecom services is much more than its supply. In eventful decade of sectoral reforms, there has been significant growth in supply of DEL.

Economic Survey, Government of India (2002-2003) has mentioned two very important goals of telecom sector as delivering low-cost telephony to the largest number of individuals and delivering low cost high speed computer networking to the largest number of firms. The number of phone lines per 100 persons of the population which is called teledensity, has improved rapidly from 43.6 in March 2001 to 4.9 in December 2002.

Adam Braff, Passmore and Simpson (2003) focus that telecom service provider 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.

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.

A study by Jeanette Carlss on and Salvador Arias (2004) wireless substitution is producing significant traffic migration from wireline to wireless and helping to fuel fierce price competition, resulting in margin squeezes for both wireline voice tariffs in organization for Economic Co-operation and Development Countries have fallen by an average of three percent per year between 1999 and 2003.

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.

Rajan Bharti Mittal (2005) explains the paradigm shift in the way people communicate. There are over 1.5 billion mobile phone users in the world today, more than three times the number of PCOs. India today has the sixth largest telecom network in the world up from 14th in 1995, and second largest among the emerging economies. It is also the world’s 12th biggest market with a large pie of $ 6.4 billion. The telecom revolution is propelling the growth of India as an economic powerhouse while bridging the developed and the developing economics.
ASEAN India Synergy Sectors (2005) point out that high quality of telecommunication infrastructure is the pillar of growth for information technology (IT) and IT enabled services. Keeping this in view, the focus of telecom policy is vision of world class telecommunication services at reasonable rates. Provision of telecom services in rural areas would be another thrust area to attain the goal of accelerated economic development and social change. Convergence of services is a major new emerging area.

Aisha Khan and Ruchi 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%.

In overview in Indian infrastructure Report (2005) explains India’s rapidly expanding telecom sector is continuing to witness stiff competition. This has resulted in lower tariffs and better quality of services. Various telecom services-basic, mobile, internet, national long distance and international long distance have seen tremendous growth in year 2005 and this growth trend promises to continue electronics and home appliances businesses each of which are expected to be $ 2.5 bn in revenues by that year. So, driving forces for manufacturing of
handsets by giants in India include—sheer size of India market, its frantic growth rates and above all the fact that its conforms in global standards.

**Marine and Blanchard (2005)** identifies the reasons for the unexpected boom in mobile networks. According to them, cellphones, based on Global System for Mobile Communication (GSM) standard require less investment as compared to fixed lines. Besides this, a wireless infrastructure has more mobility, sharing of usage, rapid profitability. Besides this, usage of prepaid cards is the extent of 90% simplifies management of customer base. Moreover, it is suitable to people’s way of life—rural, urban, and sub-urban subscribers.

**G. Dhananjayan (2005)** did a case study on mobile users of Punjab and concluded that despite the presence of only four mobile operators in Punjab (against six in most of other states), due to aggressive market expansion and segmentation strategy followed by two key operators (Airtel and Spice), the total mobile population crossed 3.2 million by October 2004 for a population of just 24.35 million, thus achieving a penetration level of a whopping 13%. Most states which are industrially advanced had just 6% mobile penetration, clearly illustrating the lead achieved by Punjab.

According to **Business and Economy (2005)** the catalyst for Indian mobile operators in the future will undoubtedly be increased marketing and advertisement expenditure, along with better deals for mobile phone users like the previously mentioned full talk time Rs. 10 recharge card, will go a long way in not only retaining customers but also acquiring the vast market of lowered customers who are extremely sticky about value for money and have extremely low loyalties and almost non-existent switching costs.
According to 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.

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 Infocomm 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 were around Rs. 8308 crores. Compared to Rs. 6400 crores that industry grossed in 2002-2003, that is an increase of 30%.

According to The Economic Times (2005) Indian mobile phone market is set to surge ahead since urban India has a teledensity of 30 whereas rural India has a teledensity of 1.74. It indicates that the market is on ascent, with more than 85000 villages yet is come under teleconnectivity.

According to a paper released by the Associated Chambers of commerce and Industry of India (2005), it is stated that 30% of the new mobile subscribers added by the operators worldwide will come from India by 2009. 10% of the third generation (3G) subscribers will be from India by 2011; Indian handset segment could be between US $ 13 billion and US $ 15 billion by 2016. It offers a great opportunity for equipment vendors to make India a
manufacturing hub. Indian infrastructure capital expenditure on cellular equipment will be between 10 to 20% of the investment that will be made by international operators by 2015. The other proposals included setting up of hardware manufacturing cluster parks, conforming to global standards and fiscal incentives for telecom manufacturing among others.

Virat Bahri (2006) explains the viewpoint of Sam Pitroda the Chairman of Worldtel that identifies opportunities for investments in telecommunications. He analyses that there is an increasing role for telecom in e-governance in India. According to him, technology can be leveraged to take India’s development to next level.

2.2.1 Studies Related to Technology Upgradation in Telecom Sector

Uehara (1990); King (1990); Glynn (1992); Mutoh (1994) emphasized that technological changes in the telecom and computers have radically changed the business scenario. In turn, the new demands of business have spurred many telecom based technological innovations. In order to exploit these innovations for competing in global markets, business community has been putting pressures on governments to revise the policy, regulation and structure of the telecom sector. Several countries across the world have responded by restructuring the state controlled telecom provider, increasing private participation and deregulating service provisions.

Business Today (1992) pointed out that due to lack of technical and financial resources especially foreign exchange, the DOT generally lagged behind in its level of technology. India’s indigenization program in the switching segment carried out by C-DOT was
successful in the introduction of rural exchanges designed especially for Indian conditions characterized by dust, heat and humidity.

According to **Economic Commission for Europe (2000)** this transition of the telecommunication area is mainly technology driven. The borderline between computers and electronics, on the one hand, and telecommunications, on the other, is disappearing. This convergence of technologies has led to the acceleration of the innovation process, which is constantly bringing forward new products and services. Besides expanding the market potential, this innovation process has also given rise to major changes in industry and the institutional structure.

**E Pedersen and Methlie (2002)** studied the technology aspect and explained a comparative view. According to them, a comparison of the slow adoption of WAP services in Europe with the successful adoption of comparable I-mode services in Japan and technologically simple SMS based services in Scandinavian suggest that aggregate and technology based models are insufficient to explain the mobile service. Thus, technological models of the supply side need to be supplemented with the views and impact of perceptions from the demand side of the mobile commerce end user.

**World Telecommunication Development Report (2002)** technologies of mobile telecommunications and internet are going to set the contours of further technological progress in the current decade. The most recently initiatives aims at convergence of voice and data received from multiple sources both web based and real time video streams in mobile handsets and calling cards have virtual presence possible almost everywhere overcoming the barriers of distance, topography and remoteness.
Prithipal Singh (2004) with the convergence of technologies, data services are expected to grow exponentially in the years to come. Broadband is likely to take a lead in the development of Indian Telecom Sector. Broadband is growing market and offers immense possibilities for investment. In Broadband policy, India has envisaged a target of 40 million Internet subscribers and 20 million broadband subscribers by 2010.

P.S. Saran (2004) the telecom technology in India has transformed from manual and electro-mechanical systems to the digital systems. India has stepped into new millennium by having 100% electronic switching system. The technological changes have made way for new services and economics in the provision of telecom services.

According to Mather (2005) the challenge, of course, is that a competitor can show up in one of your established markets with new technology, better people, a better network of companies for support and a better management style and steal huge chunks of your business before you can respond. Staying at the forefront of all these issues will be the only way to stay successful.

2.2.2 Studies on Switching Behaviour in Telecom Sector

A Study on Consumer Switching Behaviour in Cellular Service Provider: A Study with reference to Chennai: Far East Journal of Psychology and Business Vol. 2 No 2, February 2011: M.Sathish, K.Santhosh Kumar, K.J.Naveen, V.Jeevananatham, they have attempted to identify the factors that affects the consumers into switching the service provider. To find the major influences that goes into the decision of purchasing a SIM card.
To find the likeliness of switching the service provider. The study reveals that call rates play the most important role in switching the service provider followed by network coverage; value added service, Consumer care and advertisement which plays the least important role. It is found that there is a relation between switching the service provider and the factors (Customer service, service problem, usage cost, etc.). The findings also suggest that managers of these mobile operators should shift focus on building corporate image and analyse more carefully the reason for consumers to switch brands in this industry in order to increase loyalty among these consumers.

**Switching Cost and Customers Loyalty in the Mobile Phone Market: The Nigerian Experience: Joseph Omotayo Oyeniyi, Joachim Abolaji Abiodun:** The major contribution from this study is that switching barriers affect significantly the level of customer retention, and also affect the relationship between customer satisfaction and customer retention. It does seem that switching costs could be used to predict consumers’ behaviour in the mobile telecommunication sector. Customer satisfaction has positive effects on the customer retention. Thus, manager may need to emphasize total satisfaction programme in an attempt to retain customers in the competitive telecommunication market. However, the moderating role of switching barriers in the relationship between customer satisfaction and retention is indicative that for low involvement services as telecommunication services switching barriers may play a big role in customers retention programme. Managers therefore, must significantly consider switching barriers and dimensions of customer satisfaction when making plans or focusing efforts in customer retention. The study attempts to differentiate the consequences of consumers’ behaviour in terms of exit and loyalty. However, the effect of switching barriers on consequence is significant only when customers consider to exit.
Customer Complaints and Switching Behaviour- A study of relationship dynamics in a telecommunication company By Edvardsson and Inger Roos. This customer research was carried out with the help of two different methods, namely customer complaint analysis and switching process mapping. We have argued for the value of focusing on actual behaviour rather than on intended switching only. Furthermore, we argue for the value of mapping the switching process and to include data regarding the context, as described by the customers, in our analysis rather than focusing solely on isolated complaints. The telecommunication market in Sweden represents an empirical context where switching is common and where people have several alternative service providers. On the basis of information on the switching processes, the customers could be classified into the following categories: (1) situation-trigger related switching processes, (2) influence trigger related switching processes and (3) reaction-trigger related switching processes. These three customer groups show different switching behaviour.

Canadian Cellular Industry: Consumer Switching Behaviour by Aneeta Sidhu (2002). The author of this paper finds out that customers with one year contract are more likely to switch. Customers find using their services as expensive. Whereas, customers who are attached to the service provider for a long time are less likely to switch. Some of the strategies have been identified like building value for the customers by providing them with better service and reliable reception.

An Empirical Study of Trust and Commitment in Cellular Users of Selected Telecom Service Providers: Preet Kanwal (2007) Communication is found to play a relatively secondary influence in building a customer trust relationship. Speed of response, quality of information and openness are important. This study also shows that technology orientation is
a significant factor of mobile users’ trust. Therefore, telecom service provider needs to ensure that it provides the best network quality and value added services. An important contribution of this study is how trust is developed and sustained over different levels of customer relationship in telecommunication sector. The future commitment of the customers to organization depends on perceived trust. The issue of trust is therefore increasingly recognized as a critical success factor in the emerging scenario.

“Service Quality and Customer Satisfaction in Selected Tele Communication Companies.” Sandhya Kalia: Two type of analysis was conducted in this study, profile analysis and statistical analysis. Profile analysis can be viewed as a means of classifying a particular set of subject according to a particular number of relevant attributes. The profile analysis in this study was conducted with the use of percentages, mean score and standard deviation. These results indicate that customers who are in the above 45 age category may be using less mobile as compared to those who are in less age category. An examination of the Gender profile of the respondents indicates that out of those who use mobile connection 63.2% are male while 36.8% are female. Customer in case of Telecom Company does not maintain a long time relationship with the provider. Influence of perceived quality in the research work provides a comprehensive model which can be used to understand and explain what influences the overall customer satisfaction and service quality in the telecom sector. The research measured the strength of behavioral intention regarding a range of future action for telecom service providers. Result indicated that significant relationship exist between perceived service quality and recommending the telecom provider to other customers and switching intentions.
Antecedents and Consequences of Customer Switching Costs for the Mobile Phone Market: Arthur Lin, Christine CHOU: According to the results of this study, switching costs appear to be an appropriate concept to analyze customers’ behaviours in the mobile phone market. For the antecedents of switching costs, product complexity, provider heterogeneity and switching experience significantly affect perceived switching costs; product complexity, customer investments significantly affect relational switching costs. As for the consequences, both perceived and relational switching costs significantly affect the ‘exit’ option. Our results indicate that governmental policy influences product complexity and provider heterogeneity. According to the results, the effect of switching costs on consequence is significant only when customers consider to exit. The effect is insignificant when customers consider to voice or keep loyal. Therefore, how to maintain customers’ loyalty is still a pertinent interesting issue.

Customer Service In The Retention Of Mobile Phone Users In Nigeria Oyeniyi, Omotayo* And Abiodun Abolaji Joachim: 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.

User Satisfaction with Mobile Services in Canada: Ofir Turel, Alexander Serenko: The purpose of the study was three-fold: 1) to apply the American Customer Satisfaction Model to the area of mobile services; 2) identify possible differences in perceptions of mobile services between individuals using prepaid and post-paid payment methods; and, 3) to calculate the ACSI and compare it with indexes of other industries. Study demonstrates that the American Customer Satisfaction Model adequately describes the perceptions and behaviour of mobile phone users. Particularly, the degrees of perceived quality and perceived value are the key factors affecting a person’s perception of the quality of provided services. The perception of quality influences the extent of loyalty. As such, highly satisfied customers tend to demonstrate a high likelihood of repurchase and higher tolerance to price increases by providers or price decreases by competitors. Furthermore, it was found that due to the moderating role of switching barriers, loyalty, in the context of mobile services, is not a unified construct but rather one with at least two distinct dimensions: repurchase likelihood and price tolerance. A negative link between satisfaction and customer complaints shows that the more satisfied a customer is, the less he or she is prone to complain. Respondents to the survey reported a surprisingly low degree of satisfaction with mobile services, which is even lower than those of cable companies and satellite TV providers. This suggests that Canadian mobile operators need to further improve their offering through a better understanding of their subscriber base and their needs.

From Loyalty To Switching: Exploring The Determinants In The Transition: Richard Lee, Jamie Murphy, University of Western Australia: switching costs may cause adverse
‘entrapment’ feelings (Jones, Mothersbaugh and Beatty, 2000) and cognitive dissonance (Burnham, Frels and Mahajan, 2003) – thus evoking switching intentions. Switching costs, however, failed to rank as a main determinant of switching intentions. Customers do not intend to switch because they feel disgruntled with current switching costs or attracted to competitors’ services with no or lower switching costs. Loyalty programs are determinants of switching and loyalty; customers view loyalty programs both as an attraction to switch and as a switching deterrent (e.g., Yi and Jeon, 2003). Therefore, firms should invest in enticing loyalty programs because of their two-prong benefits in luring customers from competitors and keeping them with the firms. Price is the top switching determinant and more important than service quality and loyalty programs. That is, changes in price perceptions may cause the loyalty-switching transition. Similar to switching costs, this finding reflects the commodity nature of mobile services. Service quality is critical in switching, but has a lower priority in loyalty. That is, perceived degradation in service quality may trigger loyalty-switching transition, but satisfaction with service quality may not yield loyalty. Customers may regard service quality as a ‘hygienic’ factor; they expect good service and will not tolerate poor service. Behavioural factors such as impulse buying and variety seeking illustrate the effects of new determinants on the loyalty-switching transition. Brand trust is particularly important in services because consumers buy a service – intangible and difficult to evaluate – before they experience it (Berry, 1991; Liljander and Strandvik, 1995). Yet in this study brand trust is low in importance for both loyalty and switching. Consumers may perceive little differentiation among Singapore’s three mobile service brands. Similarly, reference group influence ranks low for loyalty and switching, although ample evidence suggests its influence on consumers (Bearden and Etzel, 1982; Witt and Bruce, 1972).
An Empirical Study on the Influencing Factors of Customer Churning Intention after Introducing Mobile Number Portability in Korea: Moon-Koo, Kim*, Jong-Hyun, Park*, Jong-Hyun, Paik*, Seong-ho, Seol*, Hee-Jin Park: A core factor influencing customer’s switching intention the most is the dissatisfaction regarding price and call quality. These two factors still have an important influence on switching intention, even though customer group appeared by customer’s switching intention before and after introduction of MNP. Therefore, because what customer expects is low price and high call quality, telecommunication carriers have to prepare a price cut, various price-cutting, data usage promotion pricing, customization pricing with customer segmentation, pricing considering usage characteristics, bundle pricing including voice and data, through a reformation. MNP makes customer’s switching intention increased. This is caused by decrease of the burden of changing the number and influenced by big deduction of cost burden of changing device. And switching inducement activity of other carriers like continous advertisement, PR and support, effect of neighbour or reference group changing their carriers, attraction of other carriers’ service or image promoted switching prevention activity is shown in changing customer group who have switching intention before the introduction of MNP into maintenance intention. After the introduction of MNP, carriers develop actively changing device, strengthening of mileage and of relation to prevent subscribers and maintain them continuously. These switching prevention activities did not act efficiently to all customers. However, to strengthen defensive marketing, switching activity which carriers developed through monetary benefit has to be powerful. And relationship aimed customer strategy, for instance strengthening of customer loyalty program, increase of CRM (Customer Relationship Management) and prior treatment of the demand of subscriber who shows switching intention has to be powerful, as well. The factors influencing on switching
intention are dissatisfaction, switching cost, switching promotion and switching prevention in this study.

Mobile Service and Phone as Consumption System – the Impact on Customer switching, Mitja Pirc: Mobile service usage has a curvilinear effect on propensity to switch, which would indicate that with the usage the risk increases, however after a certain usage point it started to decrease. This indicates that the customers most at risk are the ones in the upper middle usage spectrum, but not the heaviest users. This result has implications for designing tariff plans in terms of how to structure them and at what usage level the customer get discounted as well as awarding bonus points. The length of experience with the service does not play an important role and neither does the relationship type, which suggests that the learning curve with mobile services is fairly short and thus we do not observe the effect of time measured in years as well that people when making behavioral intention statements do not take into account all of their switching costs or obstacles. It was also confirmed that the customer characteristics indeed matter, however they do not influence the propensity to switch directly, but through other constructs. Understanding the real relationships between constructs driving switching enables proper allocation of resources and better executed marketing activities. Involvement in mobile services and mobile phones purchase involvements drive up the risk of customers leaving. Therefore the attempts of educating customers and getting them involved can have a counterbalance effect.

Enhancing Customer Experience within the Mobile Telecommunications Industry, Anaman, Michael, Lycett, Mark, Love, Steve: Improved consistency of information across related parts of the business was seen to a degree though, more importantly, inadequacies were highlighted. It is now clear that Telco must give more consideration to the incentive,
rewards and culture mechanisms that have to support the company’s focus from pure sales to in-sales and customer experience. While improved relationships were intended, the tensions that exist between both customers and store staff and call centre staff have not been impacted in a major way in the first cycle of research. This is due to less than optimal organizational alignment between the contact centres and store staff, leading to disparate experiences, as opposed to a seamless end to end experience. Additionally, the functionality of CSIS 1 was relatively limited. The implications of these points indicate a strong need for a second cycle of research. Indeed, activities have already commenced in relation to Mystery shopping, store redesign, recruitment and performance management, gender balance in stores and well as extra functionality though technology led support by CSIS 2. Overall, however, the inclusion of emotional factors in understanding and measuring customer experience has had positive effect.

The Effect of Switching Barriers on Customer Retention in Korean Mobile Telecommunication Services: Moon-Koo Kim, Jong-Hyun Park, Myeong-Cheol Park:

This paper aimed to identify the role of the switching barrier on the customer retention by analyzing the relationship between them in the aspect of the customer satisfaction and the switching barrier in the mobile communication service industry. First, we focused on the analysis of the switching cost, the interpersonal relationship, the attractiveness of the alternatives and the service recovery those are mentioned in the precedent studies. And the hierarchical regression analysis was used to analyze the main effect and the adjustment effect of those switching barrier factors and the relative effect. In the empirical aspect, this paper suggests the practical strategy in the sense of the switching barrier such as the continuous cost, the contractual cost, the interpersonal relationship and the attractiveness of the
alternatives for the domestic mobile communication service providers those eager to maintain
current growth and profitability in the mature market.

**Enhancing Competition in Telecommunications: Protecting and Empowering Consumers: Ministerial Background Report (OECD:2008):** Service providers in the communication sector should be strongly encouraged through self-regulation to develop a consumer bill of rights, to provide adequate and accurate information to consumers so that consumers may exercise effective choices and assert their rights and to put in place transparent and low cost procedures to facilitate consumers in changing service providers.

**Research conducted by Ofcom (2006), the UK National Consumers Council (2006) and others** suggest that in the telecommunications sector there are a range of important deterrents to switching, including: Lengthy and cumbersome switching procedures can make it inconvenient for consumers to switch and can outweigh any potential benefits. Early exit charges, imposed by an existing provider, can reduce the benefits of switching. Long-term deals can lock consumers into lengthy relationships with their providers (as may occur with mobile telephony and Internet contracts) and increase the risk of them being overcharged. Barriers to switching can be present due to high switching costs.

**Analysis of the Antecedents of Customer Loyalty of Telecommunication Industry in Ghana: The Case of Vodafone (Ghana): Dr. Rosemond Boohene, Gloria K.Q. Agyapong:** Findings imply that providing quality service is a critical for customers to stay with a brand or a telecommunication provider. There is a positive relationship between service quality and customer loyalty. These quality measures as have been suggested in most empirical works are contained in the SERVQUAL framework made up of variables such as courtesy, tangibility, reliability, responsiveness, competence, communication, access, security
and understandability among others. It can be concluded that for customers to be loyal, telecom firms must provide appealing sales points, wide coverage, neat, comfortable and convenient office locations as well as being responsive to their requests. However a high level of customer satisfaction may not necessarily result in high customer loyalty. Therefore focusing a great deal on satisfaction may not drive up customer loyalty as it can bring about possible neglect of some important service quality aspects that can bring about a decrease in customer loyalty. However, focusing on customer satisfaction, may be necessary as it might enable the firm to cater for some important aspects of the services (e.g. switching cost, complaint handling) that may not be included in the service quality model. There was a strong positive relationship between corporate image and customer loyalty. The study has documented that quality of service is the most significant factor in obtaining customer loyalty. Therefore Telecom management needs to emphasize service quality. Due to the fact that telecom firms do not provide tangible products, their service quality is usually assessed by measures of the service-provider’s relationship with customers. Thus, telecom service management should pay attention to staff skill possession, knowledge, attention to customers and their needs, offering fast and efficient services and general attitude to customer services.

**Affecting customer loyalty: Do different factors have various influences in different loyalty levels? Andres Kusik:** The findings of the present study reveal that it is not accurate to treat all customers equally in terms of methods of increasing their loyalty. The research supports the research proposition that the list of most important factors affecting loyalty is dependent on the level of loyalty of costumers. Findings of the study and shows that overall satisfaction and importance of products (or relationship) build the foundation of any kind of loyalty. It shows also that reliability of products or trustworthiness of the vendor is most critical for behavioral loyalists and the image creation is the main tool for getting committed customers.
Customer Complaints and Switching Behavior - A study of relationship dynamics in a telecommunication company Bo Edvardsson and Inger Roos: This customer research was carried out with the help of two different methods, namely customer complaint analysis and switching process mapping. We have argued for the value of focusing on actual behavior rather than on intended switching only. Furthermore, we argue for the value of mapping the switching process and to include data regarding the context, as described by the customers, in our analysis rather than focusing solely on isolated complaints. The telecommunication market in Sweden represents an empirical context where switching is common and where people have several alternative service providers. According to the analyses that have been made in this study, it is likely that The Company customers respond differently to marketing communication. Different strategies are required for the various customer groups to be satisfied in their customer relationships, which is a main prerequisite for stability. The customer groups are labeled Situations-, Influence- and Reaction-customer groups. Thus, in order to improve customer relationship profitability, it is necessary to understand the differences among groups of customers - how to communicate with them, how to manage complaints, and how to develop new and better services continuously. In managing customer relationship profitability it is imperative to understand the similarities and differences between groups of customer in how they react in complaint and switching situations.

Dong H. Shin, Won Y. Kim, (2007) "Mobile number portability on customer switching behavior: in the case of the Korean mobile market", info, Vol. 9 Issn: 4, pp.38 – 54: Statistical analyses in this study reveal that subscribers perceive the switching barrier still as high, discouraging subscribers from switching carriers. While MNP lowered switching costs considerably, a significant level of switching costs still remains despite MNP. Carriers develop new subscriber lock-in strategies that make them stay with current carriers. In addition, there
are hidden costs other than MNP that should burden subscribers with number portaling. The findings imply that the MNP has directly affected the industries to a greater extent than subscribers, which suggests implications for both regulators and industries: how to effectively enforce MNP to achieve the intended goals and how to achieve competitive advantage with MNP.

Customer Switching In Mobile Industry - An Analysis Of Pre-Paid Mobile Customers
In AP Circle Of India (Volume No: 1 (2011), Issue No. 3 (May) ISSN 2231-1009) Switching is quite high in the pre-paid customer segment due to low switching costs and competitive tariff plans. With entry barriers easing and mobile number portability around the corner, there is a high probability for switching especially in the pre-paid segment. As network coverage, tariff plans, service play a vital role in retaining customers; the mobile operators should employ a number of strategies to manage the challenges. New levels of customer interaction at various stages are necessary to ensure customer intimacy and loyalty. Providing information on different plans, value added services, provision and activation of additional services, and customer friendly environment at all points of interaction are necessary to ensure customer delight. Network coverage and access are the key factors that influence the customer retention. Hence, investment in network and technology should go on to improve the geographic coverage, seamless connectivity and speed. Improvement in the quality of basic service – the voice calls will prove to be an excellent strategy for enhancing customer loyalty.