



## A study on factor affecting customer loyalty W.R.T. telecom services in Bilaspur

Amit Stieve Henry<sup>1</sup>, Kishan Kumar Sao<sup>2</sup>, Aryan Thakur<sup>2</sup>, Dhan Kumar Yadav<sup>2</sup>, Minakshi Dewangan<sup>2</sup>

<sup>1</sup> Assistant Professor and Head, Department of Management, Chouksey Engineering College, Bilaspur, Chhattisgarh, India

<sup>2</sup> Department of Management, Chouksey Engineering College, Bilaspur, Chhattisgarh, India

### Abstract

This study examines the key factors influencing customer loyalty in the telecom sector of Bilaspur, Chhattisgarh. Using data from 150 respondents, the research identifies network coverage, service quality, and brand trust as primary drivers of loyalty. Despite a high percentage of long-term users, varying perceptions regarding value for money and satisfaction with services indicate areas for improvement. The findings underscore the importance of customer relationship management (CRM) strategies in retaining customers and enhancing loyalty.

**Keywords:** Telecom, customer loyalty, network coverage, service quality, brand trust, crm, Bilaspur

### Introduction

The telecom industry in India has undergone significant transformation over the past decade, marked by rapid technological advancements and increasing consumer demand for high-quality services. With a plethora of service providers vying for market share, customer loyalty has emerged as a critical determinant of success in this highly competitive sector. In the context of Bilaspur, a city in the Indian state of Chhattisgarh, the telecom landscape presents unique challenges and opportunities for service providers. Understanding the factors that influence customer loyalty is essential for telecom companies to develop strategies that not only attract new customers but also retain existing ones.

### Problem Statement

Despite the substantial growth in the number of telecom users in Bilaspur, service providers face persistent challenges in retaining their customers. Frequent switching between providers, driven by factors such as service quality, pricing, and customer satisfaction, underscores the need for a deeper understanding of what drives customer loyalty in this market. Addressing these issues is crucial for telecom companies to sustain their competitive edge and foster long-term customer relationships.

### Objectives of the study

This study aims to investigate the factors that affect customer loyalty with respect to telecom services in Bilaspur. The specific objectives are:

- To identify the primary factors influencing customer loyalty in the telecom sector in Bilaspur.
- To analyse the relationship between these factors and customer loyalty.
- To assess the impact of customer loyalty.
- To provide actionable recommendations for telecom service providers to enhance customer loyalty based on the findings.

### Scope of the study

The scope of this study is confined to the telecom services sector in Bilaspur. It focuses on identifying and analysing the factors that affect customer loyalty among telecom users in this specific geographic region. By concentrating on

Bilaspur, the study aims to provide insights that are tailored to the unique characteristics and preferences of customers in this area. The findings are intended to be relevant to both local telecom service providers and national companies operating in Bilaspur.

### Customer loyalty and customer relationship management

Customer Loyalty refers to a customer's consistent preference for one brand over others, reflected in repeated purchases and positive word-of-mouth. Loyalty indicates a strong, ongoing relationship between the customer and the brand, often resulting from high satisfaction levels, trust in the brand, and perceived value of the products or services.

### Key aspects of customer loyalty

1. **Behavioural Loyalty:** Measured by repeat purchases and consistent customer behaviour towards a brand.
2. **Attitudinal Loyalty:** Reflects the emotional attachment and positive perception customers have towards a brand.
3. **Loyalty Programs:** Strategies like reward points, discounts, and exclusive offers to incentivize repeat business.
4. **Customer Retention:** Efforts to keep existing customers engaged and satisfied to reduce churn rates.
5. **Advocacy:** Loyal customers often become brand advocates, recommending the brand to others and enhancing its reputation.

### Benefits of Customer Loyalty

- **Increased Revenue:** Loyal customers are likely to spend more over time.
- **Cost Efficiency:** Retaining existing customers is often cheaper than acquiring new ones.
- **Brand Advocacy:** Loyal customers provide free marketing through positive word-of-mouth.

- **Feedback Loop:** Loyal customers offer valuable feedback that can help improve products and services.

### Customer Relationship Management (CRM)

Customer Relationship Management (CRM) is a strategy and technology used by companies to manage interactions with current and potential customers. CRM systems help businesses streamline processes, build customer relationships, increase sales, improve customer service, and increase profitability.

#### Components of CRM

1. **Operational CRM:** Facilitates customer-facing operations such as sales, marketing, and customer service. It includes tools for contact management, sales force automation, and customer support.
2. **Analytical CRM:** Analyses customer data and interactions to gain insights and improve decision-making. It involves data mining, customer segmentation, and predictive analytics.
3. **Collaborative CRM:** Enhances communication and collaboration among various business units, such as sales, marketing, and support, to ensure a cohesive customer experience.

#### Key Functions of CRM

- **Contact Management:** Centralizes customer information, making it easily accessible to all relevant departments.
- **Sales Management:** Tracks sales activities, opportunities, and performance to optimize the sales process.
- **Marketing Automation:** Manages and automates marketing campaigns to target customers more effectively.
- **Customer Service Management:** Streamlines customer support processes to improve response times and service quality.
- **Reporting and Analytics:** Provides insights into customer behaviour, sales trends, and campaign effectiveness.

#### Benefits of CRM

- **Enhanced Customer Experience:** Personalizes interactions and provides timely, relevant responses to customer needs.
- **Increased Efficiency:** Automates routine tasks, freeing up time for more strategic activities.
- **Improved Data Management:** Consolidates customer information into a single database, ensuring consistency and accuracy.
- **Better Decision-Making:** Offers data-driven insights to inform business strategies and improve customer relations.

- **Stronger Customer Relationships:** Builds trust and loyalty through consistent and personalized engagement.

Customer loyalty and CRM are closely intertwined. Building customer loyalty requires a deep understanding of customer needs and behaviours, which CRM systems facilitate by providing the tools and data needed to manage and enhance customer relationships effectively. By leveraging CRM, businesses can create more meaningful and lasting connections with their customers, leading to increased loyalty and long-term success.

#### Literature review

Customer Relationship Management (CRM) in telecom services is pivotal for fostering strong customer relationships and enhancing customer loyalty. By leveraging CRM tools, telecom companies can gather and analyse customer data to provide personalized services, anticipate customer needs, and address issues proactively. Effective CRM strategies enable telecom providers to improve customer satisfaction, reduce churn rates, and identify opportunities for cross-selling and up-selling. Ultimately, CRM helps telecom companies to build trust, ensure efficient service delivery, and maintain a competitive edge in a rapidly evolving market.

A comprehensive study conducted by Samarakoon, S. M. (2021) <sup>[1]</sup>. A study by Samarakoon (2021) <sup>[1]</sup> in Sri Lanka highlights the link between service quality, perceived value, and customer loyalty in the highly competitive telecom industry. The research emphasizes that continually improving both service quality and the value proposition is crucial for retaining existing customers and attracting new ones. In other words, prioritizing superior service quality is essential for telecom companies to build loyal customer bases.

Ting's 2020 <sup>[8]</sup> study (Ting, H. T.) explored how various factors influence customer loyalty in Malaysia's mobile phone industry. The study examined the impact of corporate image, pricing, service quality, and network quality on customer loyalty. It further investigated the mediating effects of customer satisfaction and trust. Interestingly, the results revealed that both trust and satisfaction play a role in the relationship between network quality and loyalty, as well as between corporate image and loyalty.

A study by Kumar (2017) <sup>[5]</sup> investigated the impact of service quality on customer satisfaction and loyalty in the Indian telecom industry. The research focused on the five dimensions of service quality and their influence on customer perception. Interestingly, the findings revealed that not all dimensions held equal weight. Empathy and Reliability were the key drivers of customer satisfaction, while Empathy, Assurance, Responsiveness, and Tangibility significantly impacted customer loyalty.

Akther & Akther (2017) <sup>[3]</sup> investigated factors influencing customer loyalty in Bangladesh's telecom industry. They surveyed 200 Dhaka city residents to identify key drivers of loyalty. The study found that service quality, customer satisfaction, trust, and corporate image all play a significant role in customer loyalty, while switching costs did not. Notably, service quality emerged as the most important factor influencing customers to stick with a particular telecom provider. The authors recommend that telecom

companies prioritize improvements in these areas to cultivate stronger customer loyalty.

In today's competitive telecom landscape, customer loyalty is crucial for a company's success (Wong, 2015) [7]. While past research has explored some factors influencing loyalty, Wong's study focuses on three key areas: service quality, customer value, and corporate image. The study investigates how these factors, along with customer satisfaction, contribute to customer loyalty within the mobile communication market of Klang Valley, Malaysia.

Lee's 2013 [6] study explored how certain factors strengthen the connections between service quality, customer satisfaction, and loyalty in mobile phone services. The research confirmed that high service quality leads to greater customer satisfaction, which in turn fosters stronger loyalty. Interestingly, Lee also identified factors that amplify these relationships. When customers perceive high value or reasonable prices, the impact of service quality on satisfaction is even stronger. Additionally, higher perceived switching costs (i.e., the difficulty of switching providers) make satisfied customers even more likely to remain loyal.

In summation, the literature review underscores the critical role of various factors such as service quality, customer satisfaction, trust, perceived value, corporate image, and switching costs in determining customer loyalty in the telecom industry. Effective CRM strategies that focus on

these determinants can significantly enhance customer loyalty. The integration of CRM systems helps telecom companies gather and analyse customer data, enabling them to provide personalized services, anticipate needs, and address issues proactively. This, in turn, leads to higher customer satisfaction, reduced churn rates, and increased revenue, ensuring a competitive edge in the market. The insights from these studies provide a robust foundation for understanding and improving customer loyalty in the telecom sector, specifically within the context of Bilaspur.

**Methodology of study**

This research is a Descriptive research, both primary and secondary data has been used for the purpose of this study. To obtain primary data directly from the respondents, a structured questionnaire in the form of an online survey was used. The specific technology, called "Google Forms," allows anyone to construct their unique question structure and quickly post it online. Secondary Data was collected from external sources through published research papers and case studies available online. This study also used secondary data such as published research papers, internet, websites, etc. This research has been conducted in Bilaspur Chhattisgarh.

**Data analysis & interpretation**

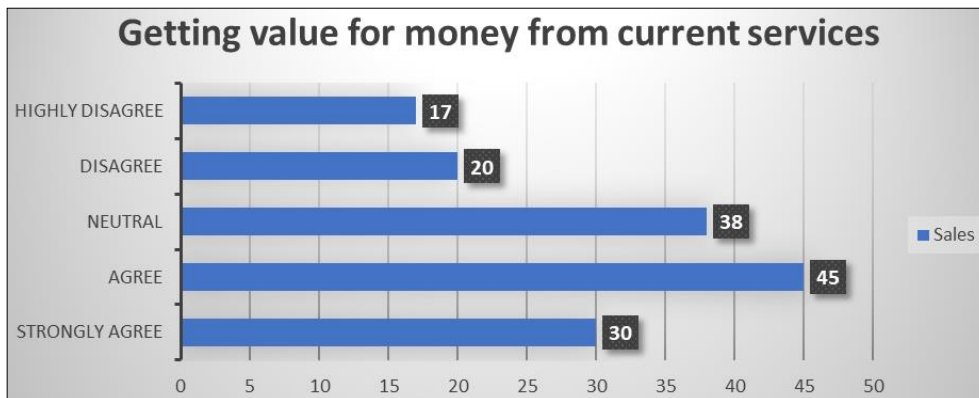


Fig 1

**Interpretation:** This analysis indicates that most of the respondent i.e., 20% responded are strongly Agree, 45% responded for Agree & Neutral, whereas 35% responded for

dis Agree with value for money with your current telecom services.

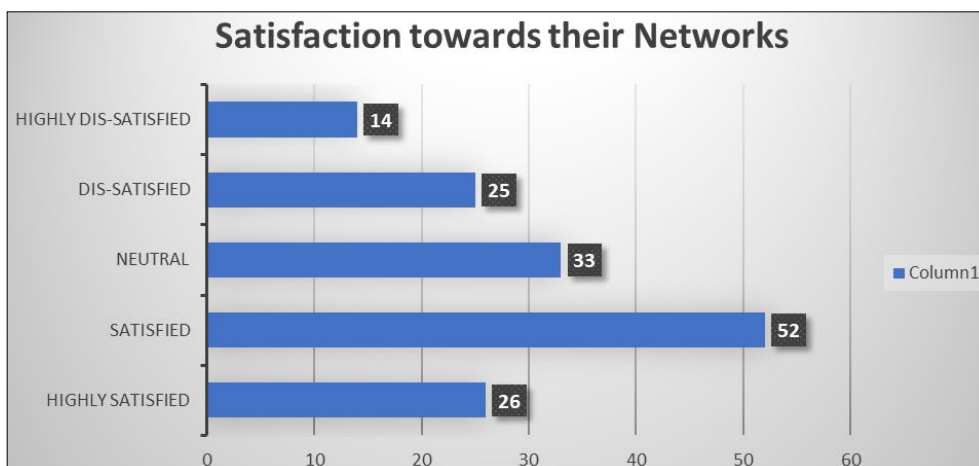


Fig 2

**Interpretation:** This analysis indicates that most of the respondent i.e., 35% responded are highly satisfied, 22%

responded for Neutral, whereas 10% responded for highly Dis-satisfied with satisfaction towards their networks.

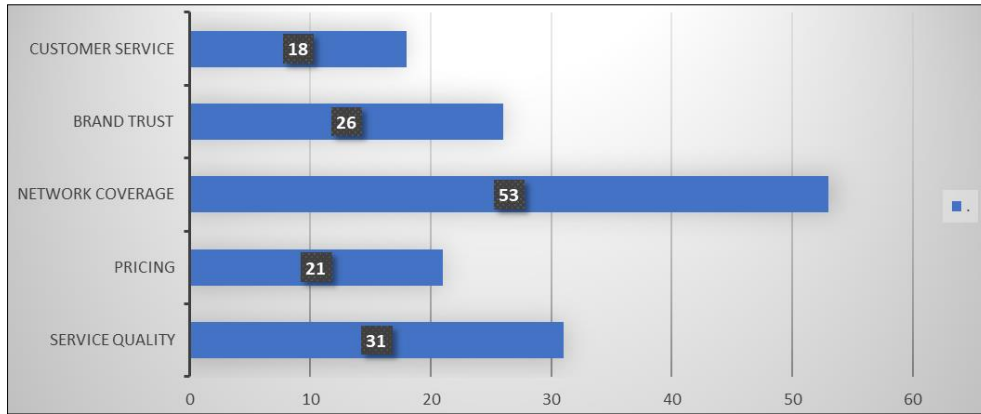


Fig 3

**Interpretation:** This analysis indicates that most of the respondent i.e., 35% responded for Network Coverage, 20% responded for Service Quality, whereas 17%,14% &12%

responded for Brand Trust, Pricing & Customer Service respectively to stay with your current telecom service provider.

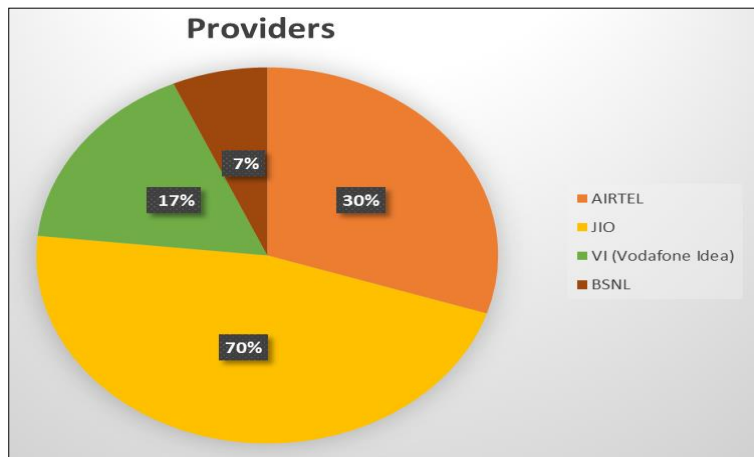


Fig 4

**Interpretation:** This table from the above graph, represents that is clear that there are 70% Jio user, 30% Airtel user, 17% VI user &7% BSNL user uses these services on the

basis of network coverage/user of your telecom service provider in Bilaspur.

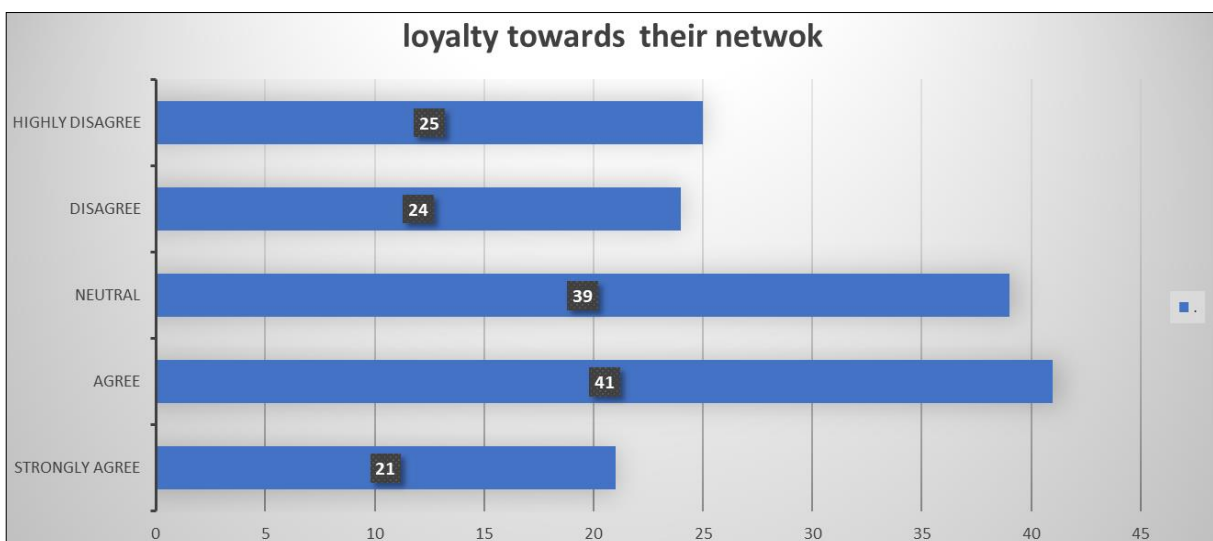


Fig 5

**Interpretation:** While a substantial portion of respondents express some degree of loyalty towards their telecom service provider, a notable proportion remains neutral or disagrees with the loyalty statement. Understanding the factors driving loyalty and dissatisfaction among customers is crucial for telecom providers to address concerns, enhance service quality, and strengthen customer relationships.

### Findings

The majority of respondents (66%) fall within the age group of 21-25 years, indicating a predominance of younger adults actively using and engaging with telecom services in Bilaspur.

Students represent the largest occupational group among respondents, followed by employees. A smaller percentage consists of businessmen, while others reported being employed or unemployed. Most respondents (65%) have been using their current telecom provider for more than two years, indicating a high level of customer loyalty and satisfaction with long-term service provision. A significant proportion (17%) has been with their provider for 1-2 years, while a smaller percentage (6%) comprises newer customers, using the service for less than six months. The majority of respondents (87%) prefer prepaid subscriptions over postpaid, suggesting a preference for flexibility and control over usage and expenditure. Analysis indicates that 44% of respondents perceive good value for money with their current telecom services, while 32% disagree or are neutral. These highlights varying perceptions regarding the cost-effectiveness of telecom services among respondents. Most respondents (35%) express high satisfaction with their telecom network coverage, while 22% are neutral and 10% are highly dissatisfied. Network coverage emerges as a critical factor influencing satisfaction with telecom services. The primary reasons cited for staying with the current telecom provider include network coverage (35%), service quality (20%), brand trust (17%), pricing (14%), and customer service (12%). These factors play a significant role in customer retention and loyalty.

### Conclusion

The findings of the study underscore the significance of understanding customer preferences, satisfaction levels, and loyalty drivers in the Bilaspur telecom market. While a majority of respondents exhibit loyalty towards their current provider, there are varying perceptions regarding the value for money, network satisfaction, and factors influencing provider choice. Telecom providers should leverage these insights to enhance service quality, address customer concerns, and strengthen brand loyalty.

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