BUILDING CUSTOMERS' LOYALTY FOR 4 G MOBILE PHONE NETWORK BUSINESS

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Abstract- This article is a part of a study on strategies to build customers' loyalty for 4 G mobile phone network business.Review of related literature including documents, journals, and database on the Internet was made and it was found that factors that might boost customers' loyalty for 4 G mobile phone network business were of 4 folds; namely, corporate image, service quality, customer value, customer satisfaction, and customer loyalty. Eight propositions for the study were presented. Empirical study is suggested be made to find out ways to build customers' loyalty so that executives could utilize and apply them to their own business for the benefit of their organization.

Keywords- corporate image, service quality, customer value, customer satisfaction

I. INTRODUCTION

Presently, 4G telecommunication technology is very popular among users who need rapid communications and convenience. Service providers are, therefore, attempting to develop their mobile phone network continuously [1], basing on the principle of offering standard service with quality and reliability to create good corporate image in customers' view [2]. Such development and offer are believed to result in customers' value perception, trust, and loyalty to the organization in the long run[3]Service providers are, consequently, trying their best to find strategies to attract new customers and retain the old ones who possibly change their mind to use new network in the near future. Thailand National Broadcasting and Telecommunication Commission has lately issued a regulation to protect users' right which allows them to freely choose to use new network with the same number. Such regulation is rather motivating for users to move away once they feel uncomfortable with the one they are using. In addition, the corporates' right to hold 4G frequency is an indicator of their potential and readiness for being effective service providers that may affect customers' decision whether to stay with the old provider or to move away to the better one [4]. As market competition is quite tough, many service providers tend to gradually lose more old customersevery year. Due to the high competition environment, retaining and reigning old customers is such a hard work. It is, therefore, necessary for service providersto find effective strategies to attract new users and retain the old ones. Building customers' loyalty is an important strategy that marketers of telecommunication business pay much attention to in order for companies to survive [5]. It is believed that retention of old customers is advantageous in that it not only adds more values to the company but also maintains lower cost than to attract the new ones [6].

The objectives of this study are to present strategies to build customers' loyalty to 4G mobile phone network. It is hoped that organizations will utilize and apply the strategies found to their business to increase their competitive potentiality to compete with the present rivals and those in the future. The conceptual framework of this study is presented below in Figure 1.

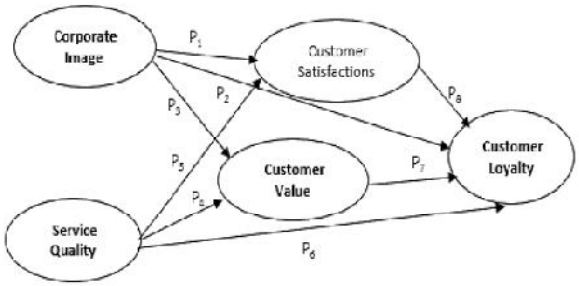


Figure 1:The conceptual framework of the study on building customers' loyalty for 4G mobile phone network business

Figure 1 presents four variables; namely, corporate image, service quality, customer value, and customer satisfaction, all of which are interrelated, and believed to affect customer loyalty.

four strategies were reviewed and propositions of the study were presented as follows:

II. LITERATURE REVIEW

A. Corporate image

Corporate imageis an important element used for assessing the whole pictures of organizations and it plays very important role in customers' decision to choose any services.Customers' perception of corporates' strength and reputation is a major factor affecting their decision to buy the product and service. It is, additionally, crucial for clearly positioning the organization in the marketfor the achievement, increase of market share, new customer

attraction, retention of old customers amidst high competition and for the survival of the organization[7].[8] describes corporate image as viewed by Kotler (2000)that there are three types of it; namely, product and service image, brand image, and organization image all of which exist in customers' mind as they learn of the corporate.[9]found in their study that brand image affected customers' satisfaction, and satisfaction had a chain effect on customers' willingness to be continuously loyal to the particular brand. Brand image can be of help to build loyalty through satisfaction [10] claim that satisfaction results from organization image and partly build customers' loyalty. The findings mentioned above can be drawn into a proposition of this study as **(P_1): Organization image affected customers' satisfaction. entrepreneurial orientation positively affected market orientation.**

According to[11], building positive organization image is a factor promoting customers' satisfaction, making them feel confident in organization brand, and so telling the others about the organization and the brand in a more positive manner. Likewise, [12]found that corporate image highly affected customers' satisfaction and loyalty. Companies are advised to focus on these particular factors to build a long-term relationship with customers so as to gain more profits and to build loyalty as an advantage on market competition. Another proposition is then presented as **(P_2):Organization image affected customers' loyalty.**

[13] states that corporate image has a positive relationship with customers' value. Service quality is an important factor that lead customers to loyalty through customer value. In addition,[14]found, in their study, that customers' loyalty can certainly be expected by increasing efficiency of service and activities through customers' perception. Such perception can stimulate the customers to tell the others in a positive way about the organization image. Corporate imageor reputation in particular is believed to have positive influence on customers' perception of their value. The third proposition of this study is then generated based on the findings mentioned above;**(P_3):Organization image affected customers' value.**

B. Service Quality

Service Qualityis considered an utmost important element ofmarketing potential management of companies in response to customers' need. However, service quality partly helps the corporate to improve the existing services so as to be more successful. It can also help to improve the corporate image and increase competitive potential in the market[15]. [16]views that all five dimensions of service quality; namely, tangibility, confidence in service, customer response, trust, and customer care, are very important and positively affect customers' satisfaction. [15] emphasize that service quality(SERVQUAL) is considered important to service format that has a long-term effect on satisfaction and loyalty. [17]say that the real objective of service quality provision is to increase convenience and rapidity during the service itself and the after sale for customers, causing effectiveness in service competition. [17] found in their study that service quality was significantly relevant to customers' value perception and eventually led to loyalty. Conclusion from the literature review in this perspective can be drawn and made into another proposition of this study that read;**(P_4): Service quality affected customers' value.**

Besides,[15]found in their study that all five variables of service quality were partially helpful in increasing customers' satisfaction and loyalty to the company. [18] found that service quality in relation to reliability, response to customers' demand, trust, and care significantly affected customers' satisfaction. Service quality played an important role in driving customers' satisfaction. Proposition 5 of this study was then drawn from those synthesized findings as: **(P_5):Service quality affected customers' satisfaction.**

[19]found that service quality related to provision of facilities and personnel to serve and help customers was a good interaction affecting customers' perception and their intention to come back again.[20]found that all five variables of service quality, namely, tangibility, reliability, response to customers, trust, and care positively affected corporate image as well as customers' satisfaction, value andloyalty. Another proposition was, consequently, formulated as:**(P_6):Service quality affected customers' loyalty.**

C. Customer Value

Customer Valueis defined ashow customers weigh the benefits of individual purchasing decisions against the costs of these purchases [21].Perceptions of customer value is an element that can help to build up customers' loyalty to the products and to the company. Customer value results in satisfaction and eventually loyalty[22]. It is not abnormal for customers to buy the products with high value presented by companies. They usually weigh the whole gained benefits and values they perceived against the costthey pay for the product or the service[23]. According to [24], [25] customer value can be created by organizations. It is divided into four main types as follows:

1. Functional/instrumental value is a value that comes from the product or service itself. Customers weigh whether a product is useful for them and fulfills their desired goals or not.

2. Experiential/hedonic value is rooted from a customer's impression on experiencing a product. How he/she feels about it, like or dislike.
3. Symbolic/expressive value is a value expressed through customers' perception ofpsychological meaning of a product; how they associate a product with any meaningful symbol.
4. Cost/sacrifice value is a value related to the cost and sacrifice customers are satisfied with in order to buy a product.

[26] assert that customers' satisfaction and perception of customer value is an important key to motivate customers to be loyal to the product and service. [27] say that customers' perception is a main factor influencing their decision to buy a product and repeat purchases. Proposition 7 of this study is proposed as (P7): Customers' value affected customers' loyalty.

D. Customer Satisfaction

Customer Satisfaction is predetermined by how the expectations of customers are met. It is directly connected to customers' needs [28]. It is of help in value addition to the brand and mouth to mouth advertisement resulting in brand reputation. Customer satisfaction will help strengthening a long-term relationship with the brand [29]. [30] explainsACSI model (American Customer Satisfaction Index) based onFornell's theory (1996) that customer satisfaction is of three elements; namely, customers' expectation of the product and service, customers' perception of holistic quality of the product, and the product value as viewed by customers. Moreover, there are two variables resulted from customers' satisfaction; complaint and loyalty. If customers are satisfied with the product, they tend to repeat purchases, be loyal to the product, have good attitude towards the product, and tell and persuade the others to buy it. On the contrary, if customers are not satisfied with the product and service, they tend to complain.[31]found that customers' satisfaction had influence on customers' loyalty and customers' perception of service quality image. Those findings led to proposition 8 of this study; **(P_8): Customers' satisfaction affected their loyalty.**

CONCLUSION

According to the review of concepts, theory, and related research, it was found that there were four factors affecting customers' loyalty that might lead to 4G mobile phone network business; namely, corporate image, service quality, customer value, customer satisfaction. It was suggested that further study be made and a research instrument and a structural equation model be developed and tested with the empirical data to find out factors of customers' loyalty. The findings may be used as guidelines for executives in creating new loyalty promotion strategy in their own business for the benefit of their organization so that it is able not only to compete with the present rivals and the prospective ones in the future but also gain more competitive advantages as well as sustainably increase business opportunities.

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