

**NEAR EAST UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
BUSINESS ADMINISTRATION DEPARTMENT
MASTER PROGRAMME**

MASTER'S THESIS

**THE IMPACT OF CUSTOMER SATISFACTION ON CUSTOMER LOYALTY IN
THE TELECOMMUNICATION SECTOR: A CASE OF TURKCELL, NORTH
CYPRUS**

Mighty Tonderai Ticharwa

**NICOSIA
2017**

**NEAR EAST UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES
BUSINESS ADMINISTRATION DEPARTMENT
MASTER PROGRAMME**

MASTER'S THESIS

**“THE IMPACT OF CUSTOMER SATISFACTION ON CUSTOMER LOYALTY IN
THE TELECOMMUNICATION SECTOR: A CASE OF TURKCELL, NORTH
CYPRUS”**

**PREPARED BY
Mighty Tonderai Ticharwa
20155658**

**SUPERVISOR
DR BERNA SERENER**

**NICOSIA
2017**

**NEAR EAST UNIVERSITY
GRADUATE SCHOOL OF SOCIAL SCIENCES**

**Business Administration Master's Program
Thesis Defence**

**The impact of customer satisfaction on customer loyalty in the telecommunication
sector: A case of Turkcell, North Cyprus.**

**We certify the thesis is satisfactory for the award of degree of
Master of Business Administration**

**Prepared by
Mighty Tonderai Ticharwa**

Examining Committee in Charge

Dr. Berna Serener

**Near East University
Department of Human Resources**

Dr. Behiye Tüzel Çavuşoğlu

**Near East University
Department of Economics**

Assoc. Prof. Dr. Şerife Zihni Eyüpoğlu

**Near East University
Department of Business Administration**

**Approval of the Graduate School of Social Sciences
Assoc. Prof. Dr. Mustafa Sağsan
Acting Director**

DECLARATION

I hereby declare that:

This master thesis is the final product of my own work and has not been submitted before for any degree, examination or any related qualifications at any university or institution and all the source I have used or quoted, have received due acknowledgements as complete references.

Name; Surname

Mighty Ticharwa

Signature.....

Date.....

ABSTRACT

The main objective of this study is to examine the how customer satisfaction influences customer loyalty in the telecommunication industry. A case study of Turkcell, a mobile telecommunication company in northern Cyprus was used. Customer loyalty was the dependent variable. Trust and price, which lead to customer loyalty, were indicated as independent variables and their impact on customer loyalty was also assessed. Switching costs were also part of the independent variables and its impact on customer loyalty was assessed. Data was collected from primary and secondary sources. A questionnaire was developed and distributed to a convenient sample size of 301. The study made use of different statistical techniques which includes factor analysis, reliability test, correlation and regression analysis. Correlation analysis showed that all the variables are positively and significantly related. The highest correlation was between customer satisfaction and customer loyalty, there it could be postulated that customer with high satisfaction also generate strong loyalty towards a service. Regression analysis established that switching costs are low contributors to customer loyalty, whilst customer satisfaction contributes more. Additionally, gender was found to have a significant moderating effect between; trust and customer loyalty; customer satisfaction and customer loyalty; trust and customer satisfaction; price and customer satisfaction. However, the study concluded that customer satisfaction significantly influence customer satisfaction but the percentage of impressed customers is low.

ÖZ

Bu çalışmanın temel amacı, müşteri memnuniyetinin telekomünikasyon endüstrisinde müşteri sadakati üzerindeki etkisini incelemektir. Kuzey Kıbrıs'ta bir mobil telekomünikasyon şirketi olan Turkcell'in bir vaka incelemesi kullanıldı. Müşteri sadakati bağımlı değişkenti. Bağlılık sadakatine yol açan güven ve fiyat bağımsız değişkenler olarak belirtilmiş ve müşteri sadakati üzerindeki etkisi de değerlendirilmiştir. Anahtarlama maliyetleri de bağımsız değişkenlerin bir parçasıydı ve müşteri sadakati üzerindeki etkisi değerlendirildi. Veriler birincil ve ikincil kaynaklardan toplanmıştır. Bir anket geliştirildi ve uygun bir 301 numunesine dağıtıldı. Çalışma, faktör analizi, güvenilirlik testi, korelasyon ve regresyon analizini içeren farklı istatistiksel tekniklerden yararlandı. Korelasyon analizi, tüm değişkenlerin pozitif ve anlamlı olarak ilişkili olduğunu gösterdi. En yüksek korelasyon, müşteri memnuniyeti ve müşteri sadakati arasındaydı, yüksek memnuniyete sahip müşterinin de bir servise karşı güçlü sadakat yarattığı varsayılabilir. Regresyon analizi, geçiş maliyetlerinin müşteri sadakati için düşük katkıda bulunulduğunu, bununla birlikte müşteri memnuniyeti daha fazla katkıda bulunduğunu ortaya koymuştur. Buna ek olarak, cinsiyetler arasında önemli derecede ılımlı bir etkiye sahip olduğu bulunmuştur; Güven ve müşteri sadakati; Müşteri memnuniyeti ve müşteri sadakati; Güven ve müşteri memnuniyeti; Fiyat ve müşteri memnuniyeti. Bununla birlikte, çalışma, müşteri memnuniyetinin müşteri memnuniyetini önemli ölçüde etkilediği sonucuna varmış ancak etkilendim müşterilerin yüzdesi düşüktür.

ACKNOWLEDGEMENTS

Firstly this research could not have been successful without the professional counsel of my research supervisor Dr Berna Serener who proved professionalism in his guidance and showed high level of commitment for my success. I wish also to express my heartfelt thanks to all my lectures who inspired me from the way they taught me throughout my whole program.

Furthermore, i extend my gratitude to my friends, who had influenced me to persue this paper. I learnt many things from their great knowledge, helpful suggestions and valuable assistance. And to you all, whom I can't mention for the obvious time and space constraints, all those who assisted in different ways I give thanks and praise.

Finally, greatest thanks are directed to my family. Being loved supported by them especially financially made me believe that I can do well in my research. Their unwavering financial and moral support and encouragement.

Table of Contents

| | |
|--|-----|
| DECLARATION | vii |
| ABSTRACT | iii |
| ACKNOWLEDGEMENTS | v |
| LIST OF TABLES | ix |
| LIST OF FIGURES | x |
| ABBREVIATIONS | xi |
| CHAPTER 1 | 1 |
| INTRODUCTION | 1 |
| 1.0 Introduction | 1 |
| 1.1 Background of the study | 1 |
| 1.2 Statement of the problem | 2 |
| 1.3 Objectives of the study | 3 |
| 1.3.1 Main Objective | 3 |
| 1.3.2 Secondary Objectives | 3 |
| 1.4 Importance of the study | 3 |
| 1.5 Definition of terms | 4 |
| CHAPTER 2 | 5 |
| LITERATURE REVIEW | 5 |
| 2.0 Introduction | 5 |
| 2.1 Consumer Loyalty | 5 |
| 2.2 Customer Satisfaction | 7 |
| 2.3 Customer Satisfaction – Customer Loyalty | 8 |
| 2.4 Determinants of Customer Satisfaction and Customer loyalty | 10 |
| 2.4.1 Trust | 11 |
| 2.4.2 Price | 13 |
| 2.4.3 Trust – Customer satisfaction | 15 |
| 2.4.4 Price – Customer Satisfaction | 15 |
| 2.5 Switching Costs as a barrier and its impact on Loyalty. | 16 |
| 2.6 Corporate Image. | 17 |
| 2.6.1 Corporate Image – Customer Satisfaction | 19 |
| 2.7 Perceived Service Quality | 20 |
| 2.7.1 Perceived Service Quality – Customer Satisfaction. | 21 |
| 2.8 Moderators | 22 |

| | |
|---|----|
| 2.8.1 Switching Costs | 22 |
| 2.8.2 Income..... | 23 |
| 2.8.3 Age..... | 24 |
| 2.8.4 Knowledge and Expertise | 24 |
| 2.8.5 Gender..... | 25 |
| 2.9 Empirical Reviews..... | 26 |
| 2.10 Conceptual Framework..... | 28 |
| CHAPTER 3..... | 30 |
| METHODOLOGY | 30 |
| 3.0 Introduction | 30 |
| 3.1 Research Design | 30 |
| 3.2 Sample Procedure | 30 |
| 3.2.1 Population | 30 |
| 3.2.2 Sample Population | 31 |
| 3.2.3 Sampling techniques | 31 |
| 3.2.4 Sampling Errors | 31 |
| 3.3 Sources of data..... | 32 |
| 3.3.1 Primary data | 32 |
| 3.3.2 Secondary data | 32 |
| 3.4 Research Instruments..... | 32 |
| 3.4.1 Questionnaires..... | 33 |
| 3.4.2 Interviews..... | 33 |
| 3.5 Data validity and reliability | 34 |
| 3.5.1 Pilot Testing and Scale reliability. | 34 |
| 3.6 Measure | 34 |
| 3.7 Data analysis procedures | 36 |
| CHAPTER 4..... | 38 |
| DATA PRESENTATION AND ANALYSIS..... | 38 |
| 4.0 Introduction | 38 |
| 4.1 Profile of respondents..... | 38 |
| 4.2 Factor Analysis | 41 |
| 4.2.1 Results of Factor Loading | 43 |
| 4.2.2 KMO and Bartlett's Test..... | 44 |

| | |
|---|----|
| 4.2.3 Reliability Analysis..... | 44 |
| 4.3 Regression and Correlation Analysis | 45 |
| 4.3.1 Assumptions of Regression analysis..... | 45 |
| 4.3.2 Regression Analysis..... | 46 |
| 4.4 Moderation..... | 50 |
| 4.5 Hypothesis results..... | 53 |
| 4.5.1 Research Model | 55 |
| CHAPTER 5..... | 56 |
| CONCLUSIONS AND RECOMMENDATIONS..... | 56 |
| 5.0 Conclusions | 56 |
| 5.1 Managerial Implications | 56 |
| 5.2 Recommendations for future research | 59 |
| REFERENCES..... | 60 |
| APPENDIX | 70 |

LIST OF TABLES

| | |
|---|----|
| Table 3.1- Measure items for the variables | 35 |
| Table 4.1- Demographic characteristics | 39 |
| Table 4.2- Nationality frequenies | 40 |
| Table 4.3- The factor analysis | 42 |
| Table 4.4- KMO ans Bartlett's test | 44 |
| Table 4.5- Correlation matrix | 46 |
| Table 4.5- Regression analysis: moderating effect of gender | 48 |
| Table 4.6- Regression analysis II | 50 |
| Table 4.7- Results summary of hypothesis testing | 54 |

LIST OF FIGURES

| | |
|--|----|
| Figure 2.1-Conceptual framework | 28 |
| Figure 4.1- Impact of customer satisfaction on customer loyalty under the influence of gender | 51 |
| Figure 4.2- Impact of trust on customer loyalty under the influence of gender..... | 51 |
| Figure 4.3- Impact of trust on customer satisfaction under the influence of gender..... | 52 |
| Figure 4.4-Impact of price on customer satisfaction under the influence of gender..... | 52 |
| Figure 4.5- Research model | 55 |

ABBREVIATIONS

| | |
|----------|---------------------------------------|
| TRNC | - Turkish Republic of Northern Cyprus |
| KKTC | - Kuzey Kıbrıs Türk Cumhuriyeti |
| SERVQUAL | - Service Quality |
| SERVPERF | - Service Performance |
| PAKSERV | - Package Service |
| GPRS | - General Packet Radio Services |
| B2B | - Business to Business |

CHAPTER 1

INTRODUCTION

1.0 Introduction

Traditionally, consumers were marketed what was produced but with transition in marketing, firms have to gear up by offering to customers what they require or demand. In simpler terms, marketing strategy is now customer-centric. In this situation customer will be the kings of the market. In the technology era, specifically the telecommunication, the emergence of broadband services has not only improved business performance in countries but it has created wide opportunities to the customer. As a result of this, telecommunication companies have decided not only to satisfy their customers but to further establish customer loyalty because customers are now considered a valuable asset of the company. Customer loyalty is termed as the ability to make consumers buy your goods regularly and in huge quantities (Nasir and Mushtaq, 2014). This will in turn increase the customer base of a company as more customers will be shifting to your offerings, which somehow they consider to get more value than of your competitors. Satisfying customers and having customer who are loyal to you is so vital in the operations of a business. This is because it provides you with a competitive advantage and a differentiation advantage from rivals. An entity can certainly maximize profit through customers who are happy and loyal. Factors like pricing, brand image of the company, Trust that consumer have towards the brand, perceived quality possessed by the consumers contribute to the level of satisfaction of a customer. The level of satisfaction will then lead to loyalty of the individual. The cost of switching might be so high to such an extent that a customer will prefer to continue using the services of the existing customer; hence in some way they become loyal to that brand.

1.1 Background of the study

The Turkish Republic of Northern Cyprus (TRNC) has two global system for mobile communication (GSM) operators, which are Telsim and Kuzey Kıbrıs Turkcell (KKTC), which is a brand of Turkcell. These GSM companies are based in Turkey and they are Turkish companies. KKTC Turkcell is operated completely separate from Turkey's Turkcell,

however the ownership of the network is the same. It is currently the largest network provider in Northern Cyprus in terms of the number of network subscribers and network coverage. The KKTC Turkcell began to serve its subscribers in that Northern region of Cyprus on the 3rd of August 1999. During this time, they were so much capable of increasing the quantity of subscribers in the years. This was achieved by giving data transferring and mobile sound service facilities. Again, in March 2009, KKTC Turkcell had scoped about 318 thousand subscribers. This was achieved by their continued investment in quality services. During this same period KKTC Turkcell has earned about 11 million TL from network and other investments. In addition, it earned about 45 million TL from 2G and 3G license investments (Wikipedia, [18.03.2017]). On the other hand, KKTC Telsim which came into the market in August 1995, was part of the Vodafone group and was also offering similar services like 2G and 3G services (kktctelsim, [18.03.2017]). Telsim had about 331 317 subscribers by the third quarter of 2016 and continued to increase the number of subscribers in the market, giving the company a 40% market share by the end of 2016 (Wikipedia, [18.03.2017]). This leaves the remainder of 60% market share to KKTC Turkcell. Telsim has shown to be a big threat in the market. This is because it was the first company to receive the following certificates:

- ISO 27001, for information security management, granted in November 2015
- ISO 20000, for international standard for IT Service Management, granted in May 2016
- ISO 22301, for societal security – Business Continuity Management Systems Certificate, granted in November 2016. (Revolv, [18.03.2017])

Both companies have continued to grow since their inception. This growth was catalyzed by the increase in the number of international students who were and are still coming to North Cyprus for their studies. The existence of these two players in the market has led to high competition in many areas in a way to entice additional customers and keep the existing ones.

1.2 Statement of the problem

The growth in the mobile telecommunication service market of Northern Cyprus has increased the need for investigating pricing, brand image, trust, perceived quality, customer satisfaction and switching costs to model consumer loyalty. In addition, the intense competition has lead mobile telecommunication companies not only to focus on satisfying customers but rather to retain them. Increase in digital gadgets especially mobile phones among the young generation has given the opportunity for telecommunication companies to

target this group. Most users of mobile phones have a personal relationship with their phones hence it has become a necessity in their lives. For this reason, a mobile service provider has to keep existing customer and attract new ones. A study by Lee *et al* (2013), showed that it is not very clear to understand what drives brand choice in the telecommunication industry.

1.3 Objectives of the study

1.3.1 Main Objective

To analyze the impact of customer satisfaction on consumer loyalty in the telecommunication sector.

1.3.2 Secondary Objectives

The other objectives of the study are;

- To access the relationship between trust and customer satisfaction
- To access the relationship between price and customer satisfaction
- To evaluate the impact of switching costs on customer loyalty

1.4 Importance of the study

This study helps mobile telecommunication companies, especially KKTC Turkcell to better satisfy their customer in order to retain those customer who ultimately will become loyal to the company. The study focuses on the issues that affect satisfaction and loyalty of customers and as such the recommended solutions can be implemented without any conflict of interest or much resistance. The results of the study can be put in a general for that can help managers to come up with strategies that can boost competitiveness of the company and its performance. The research can serve as a good foundation for future work. The research is also importance to the researcher in order to link the theory that was learnt in school to practise. The research also helped the researcher to get experience from the data gathering that were done from different sources such which include books, journals, the market, industry, etc. Every source requires its own technique of collecting data. Customers will benefit because some of their views and suggestions are expressed in the study. When the company takes heed of this, they will benefit a great deal. Benefits will come when the company makes improvements that the will be enjoyed by the customers and ultimately they will be satisfied.

1.5 Definition of terms

Brand Image- This is how customers view the brand. It is the significance of what the brand stands for presently in the market. This construct generally tests the set of beliefs that the customers have towards Turkcell.

Trust- A situation whereby a customer attains a certain level of satisfaction and results in loyalty. This is a precondition for a customer to enter into a business with a company. Customers do business with a company they trust.

Perceived Quality- It is the perception that the customers have over the overall quality of the company's services. This perception is heavily influenced by the alternatives that the customer have.

Switching Costs- These are the impediments experienced by a customer to change to another supplier. These costs can be in monetary or non-monetary form, psychological or social factors that the customers encounter if they decide to change to another service provider.

Customer Satisfaction- It is the extent of how the services that is supplied by the company will meet or supersceed customer expectations. Customers are more satisfied when the service company delivers more to what they expect, hence these customers are pleased with the service.

Customer Loyalty- This is when a previous customer continues to buy from the organization. It can lead to the customer referring other individuals to buy the services of the company.

Telecommunication sector- These are companies that make communication possible and easier, through the phone or through the internet.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter gives a general explanation of the impact of customer satisfaction on consumer loyalty. A theoretical framework will be explored on the relationship that exists among price, perceived service quality, brand image, trust and customer satisfaction. Literature will also be reviewed on how switching costs relate to customer loyalty. Similar researches done by other researchers will be explored.

2.1 Consumer Loyalty

Kuusik (2007) mentioned that customer loyalty is an important factor that helps companies in their long term strategic plans. Consumer loyalty can be analysed by taking into consideration patterns of buying and the sequence of purchases (Srivastava, 2015). Oliver (1997) defined customer loyalty as the commitment that is made by consumers to repurchase goods and services. Irfan et al. (2016) established that customer loyalty is when a customer reappear at the same company for a long time. As it is so costly to find new customers than to keep existing one, customer loyalty is there considered a very crucial to an organisation (Shafei, 2016). When a company has loyal customers, it can have the freedom of exercising price premium. When customers become loyal to the company, they will make recommendations to other people around them. Rao and Shekhar (2016) were of the view that customer satisfaction is a concept which is all about getting the right customers, making them buy often in large quantities. Afterwards these customers will bring even more customers. Customers that consistently experience positive emotions towards services are bound to be loyal to the company.

Martell (2007) highlighted that the behavioural perception of repeated buying has the capability of making a customer loyal to the brand. Robinson and Baldinger (1996) went on further to suggest that in order to understand brand loyalty more clearly, behavior perception has to be strained to attitudes. In this case, attitude is the enthusiasm that a consumer has to retain a relationship with a company (Kim, 2004). Consumer loyalty programs leads to long term growth of the company. Gupta (2009) suggested a model called the Customer

Relationship Management (CRM) as a “Loyalty Machine”. In his explanation, he highlighted major issues that influence consumer loyalty which include value added services, quality of services and low call charges. He also mentioned that loyalty programs also administer consumer loyalty.

Dubey and Srivastava (2016) discussed two concepts about customer loyalty, which are Behaviour (being the first) and Attitudes. The behavioural aspect is that reaction of customers upon buy back. In other words it is the customer’s actual conduct. The behavioural aspect is not about the state of mind but rather it about one’s transactions. In this sense, behavioural loyalty can be measured in monetary value. The attitude aspect is related to thoughts that a customer can have not to buy from a different company. Attitudinal loyalty is when a customer tells other people about a brand that he or she feels positive about. The authors also highlighted that customer retention will lead to customer loyalty. They defined customer retention as being able to retain the customers that the organization has to continue using the services provided by the company. Zeith (1996) held that customer loyalty is the only tool that heaves the profits of a company from 5% to 85% and companies that are able to retain customers will enjoy these high profits. Park and Ha (2015) were of the view that customer retention is giving customers more than what they expect. This will lead to those customers being loyal to the company and ultimately create customer value. Retention is when customer prefer to stay with a service provider. Yu et al. (2014) mentioned that it is now difficult these days for a company to capture more customers. What companies will now do is, they will reorganize their broadcasting division and they will hire executives who will take care of the existing customers.

Aktepe et al. (2015) stated that need for customer loyalty increases because of the increase in the level of completion in the market. The reason is because customer will be having a wide range of choices and competitors will be providing creative and innovative services. Lewis and Soureli (2006) were of the view that it is difficult to achieve customer loyalty in a service industry but however companies can benefit from loyal customers through positive word of mouth. There it is very vital for companies to engage into effective marketing strategies that help them understand customer needs better. Kaur and Mahajan (2011) mentioned that high levels of customer loyalty will enhance the morale of employees and will also enhance productivity. Javalgi and Moberg (1997) were of the view that no loyalty exists in a customer see few differences between alternative brands and there are no repeated purchases. Shetty (2010) outlined that getting a customer to stay loyal to the brand is one of the greatest

challenges experienced by companies. He went on to suggest that it should be the duty of the whole business system and not only the brand manager to build loyalty.

Hassan et al. (2013) pointed out two traits of loyal customers. They mentioned that loyal customer have greater resistance to any negative words that said by other customers. Loyal customers are also less price sensitive. Such traits will lead a company to have a greater market share. Tabaku and Cerri (2015) delineated that there is no general agreement on the experiences of customer loyalty despite its importance. They went to further mention that some researchers even mention that there are gaps in identifying its background.

2.2 Customer Satisfaction

Customer satisfaction is shown by the repurchase behaviour. Guzzo (2010), alluded that it is the fulfillment of the basic needs of customer that are related with the product. Oliver (1999), said that it is the point of meeting the requirements of the consumers when they finish purchasing. A product or service has to meet the needs and expectations of the intended user. When needs or expectations are not met, customers will be dissatisfied. Customers do evaluations in the post-purchase stage to analyse how much a service provider could meet their expectations. When there is a comparison of these expectations and performance of the service in the post-purchase stage, the satisfaction level of the customer is determined. Satisfaction is being able to deliver the wanted services to customers who in turn create a positive approach towards a certain brand (Rizwan *et al*, 2013). Customer satisfaction is the attitude that the customer bears after using a certain product or service. It can be corresponded to the retained response of customer. There it is very important for a service provider to fully take into account the customer views in the services that they offer.

Rahim et al (2012) mentioned that customer satisfaction is a very crucial focus point for an effective marketing campaign. When a customer gets more benefits than the cost they paid for a service, satisfaction comes into play (Lin and Yen, 2010). The importance of customer satisfaction cannot be ignored. This is because happy customers are free advertisers (Rao and Shekhar, 2016). They mentioned that current businesses have become customer centric. This means they have put customers at the center of the business in terms of processes, actions and strategies. They went on to state that it is quite easier for a company to be profitable by selling to existing customer than to find new ones. By this fact, companies today are increasingly setting themselves strategies that ensure and measures customer retention. They are going further to educate their employees to be more customer focused and service

oriented. Companies have thus embarked in Customer Relationship Management (CRM) programs in order to improve customer satisfaction and loyalty.

There is no doubt that customer satisfaction should be the primary objective of a company if they want to enhance customer loyalty. Clarke (2001) alluded that there is a big risk in focusing extremely on customer satisfaction. His argument was that too much focus on customer satisfaction will hinder a business to differentiate because their consumers trust only what meets a criteria of a certain performance. A long term customer retention requires service providers to go beyond mere satisfaction and device ways to establish strong ties with the customer. Lee (2016) mentioned that although most companies are realizing the importance of keeping loyal customers, nobody knows how to do it. Companies hope that when they measure the satisfaction of customers and get a good score, the consumers will remain with the company. To their surprise, customers leave for other offers. This brings us to the fact that even satisfied customers can leave for other service providers. Sivadas and Baker-Prewitt (2000) mentioned that it is not just enough to satisfy a customer. On the other hand, Bowen and Chen (2001) postulated that customers must be extremely satisfied.

Johnson et al. (2001) made a review of literature on customer satisfaction and suggested two concepts of satisfaction, that is, transaction-specific and cumulative satisfaction. Transaction-specific concept is the evaluation of reactions experience of customers to specific product or service. Cumulative satisfaction is the customer's consumption experience regarding products or services over a period of time. Companies should identify the determinants of customer satisfaction in order to secure customer satisfaction (Almossawi, 2012). With regards to the factors affecting customer satisfaction, Shamsudin (2016) and friends suggested factors including service fairness, price fairness, commitment, knowledgeable employees, switching barriers, communication. He mentioned that these determinants differ depending on the scope of an industry. Dubey and Srivastava (2016) were of the view that price fairness is the critical determinant of customer satisfaction and customer loyalty in service industry.

2.3 Customer Satisfaction – Customer Loyalty

Satisfaction is assessing the involvement that a customer has by interrelating with a service provider. It is used by consumers to forecast future experiences. Customer satisfaction positively affects customer loyalty (Deng et al, 2009). Nasir and Mushtaq (2014) pointed out that satisfied customers are more loyal. However customer satisfaction might not be the reason that customers stay loyal to a particular brand. Kim et al (2016) also pointed out that customer satisfaction is considered as an essential factor that influences consumer loyalty.

Gronholdt and friends (2000) eluded that consumer loyalty is a function of customer satisfaction. Customers who are loyal will positively influence financial performance of the company.

The link between customer satisfaction and customer loyalty rest on factors like switching costs, presence of loyalty programs, market regulation, technology, brand equity and product differentiation (Shafei and Tabaa, 2016). They went to say that when customers are satisfied, they will help a company create customer loyalty and withstand its market share. Mangnale and Chavan (2012) outlined that customer satisfaction, switching costs and trust affect customer loyalty. Berman and Evans (2010) eluded that there is a positive effect that customer satisfaction has on customer loyalty. Satisfaction will change with time to loyalty. Customers that are most satisfied are the ones that remain loyal customer in the long run.

Miranda et al (2005) proved that it is not all instances satisfaction influence loyalty. The writer went on to say that the relationship that exists between consumer satisfaction and loyalty is not as strong as others believe. In support of his argument, he mentioned that customer satisfaction does not fully explain customer loyalty. There are other factors which are better predictors of customer loyalty like trust and service quality (Kumar et al., 2013). Singh (2005) eluded that trust and value are the most influential elements of customer. A consumer who gets satisfied with a company will most likely have greater loyalty to that company (Kim, 2016)

Ibojo et al (2013) were of the opinion that service industry cannot survive without customer satisfaction. Satisfaction will certainly pave the way for loyal customers. The link between customer loyalty and customer satisfaction is not always a linear relationship although there is a positive relationship (Soderlund, 1998). Gustafsson (2005), pointed out that satisfaction positively affect in a strong way on consumer loyalty over a variety of goods and services. Quite a number of research studies validate that customer satisfaction acts as an interceding role between the quality of service and customer loyalty (Dhandabani, 2010). Naumann et al. (2010) argued that satisfaction and loyalty are not substitutes. It is quite possible for a customer to be greatly satisfied and not be loyal and be loyal without being greatly satisfied. However there is a greater chance that satisfied customers will be loyal. Customer satisfaction can affect the attitude of a customer to such an extent that the customer will feel motivated to buy again and give recommendations to the company.

The quality of goods and services will lead to customer satisfaction. In addition, customer satisfaction will also lead to customer loyalty, which then will lead to profitability (Rao and Shekhar, 2016). They also pointed out that organisations have the desire of making loyal customers to them but customer satisfaction does not give a full guarantee of loyalty. Customer satisfaction is not an assurance for customer loyalty. The authors went further to illustrate that in some businesses, up to 70% of the customers who switch will say they were satisfied and that they switched because of other reasons. Afsar et al., (2010) established that satisfaction and trust possess a positive and significant effect on commitment. The link among the three variables is that the bigger the satisfaction the bigger the trust and ultimately, the bigger the commitment. The effect of satisfaction and clients' commitment on consumer loyalty is positive and significant. However, some researchers discovered that there is no affiliation that exists between customer satisfaction and customer loyalty. These conflicting results have been ascribed to the use of diverse measures of consumer loyalty.

Customer satisfactions positively affect behavioral intentions such as consumer loyalty (Chen, 2008). The author also eluded that customer satisfaction mediates between service quality and consumer loyalty. Akbara and Parvez (2009) established that total satisfaction is one of the circumstances of true loyal customers. Irfan and friends (2016) mentioned that satisfaction intercedes between different factors and customer loyalty. Therefore we put forward the following hypothesis:

H₁: Customer satisfaction has a significant positive impact on customer loyalty.

2.4 Determinants of Customer Satisfaction and Customer loyalty

Zeithamal (1992) ascertained that the major thing influencing consumer satisfaction is the consumers' individual opinions of service quality. Diaz (2017) ascertained that customer satisfaction is as a result of factors like perceived value, customer expectations of the service/product and perceived quality. He considered perceived quality to be the most important factor affecting satisfaction of customers. In addition, there are other factors that determine customer satisfaction in mobile phone service industry which include network quality, customer care, price considerations, individual benefits, billing system and others (Jiang, 2016). Kondasani (2015) outlined determinants of customer satisfaction which are: Perceived values, company image, expectations, customer care, emotional value, price assessments, personal benefits, billing and information quality. Nonetheless, it is also important for us to note that researches applied to other marketplace established substantiation

that satisfaction and dissatisfaction can be regarded as two diverse factors affected by separate aspects.

2.4.1 Trust

Aydin and Ozer (2005) stressed that trust is when customers believe that the service provider's activities will result in constructive results for them. They also highlighted that customers do not just trust services of a company, they should positively perceive the quality of the services being offered. In corporate world trust is regarded as one of the utmost pertinent backgrounds of steady and concerted connections. Some scholars mentioned that trust is very important in order to construct a long term relationship between the company and its customers (Singh and Sirdeshmukh, 2000). They said that trust is all about one party having confidence in another party. If one party believes that the other party's activities will bring positive outcomes, trust comes into play. The other party should be capable of continuing to supply what they are obligated to. According to John (2011), trust is a very vital component that can assist the business to withstand in times of uncertainty.

Mihaela (2013) outlined that literature that is related to trust has endorsed diverse overviews. From the definition of trust, most of them stems on three major elements:

- i. The competences of the supplier: these include the knowledge, the skills, the expertise. On this concept, the customer has also a belief that the information that is being provided by the service provider is trustworthy and usable.
- ii. Trust is embedded in the supplier's compassionate enthusiasm to safeguard the interests of his clients.
- iii. The significance of trust grows as supplier's risk of failure decreases.

The author also went on to bring out the two distinctions of trust which are cognitive trust and affective trust. Cognitive trust is when an individual is in search of valid reason to be dependent on the other party. In this case trust is based on trustworthiness of the seller. Cognitive trust needs an individual to study the supplier and gain knowledge about him. This knowledge can be acquired through observing the activities of the supplier or conducting a research on the supplier. On the other hand, when there are emotional attachments on the relationship between the supplier and the customer, this will be referred to as affective trust. Affective trust is based on the feelings and emotions that one party has towards another. Hui

(2015) outlined that the exchange of information between customer and employees at the frontline is enhanced if both parties' relationship is allegedly trustful.

Jahanzeb et al. (2011) mentioned the three items that are used to measure trust. These are communication, brand promise and experience. Communication is when the service provider keeps in touch with the customer about any new products or services or any existing offerings. Brand promise best fits an environment where customers are uncertain and the only best alternative is to trust your brand. Experience that is positive will establish trust in the brand. Nasir and Mushtaq (2014) mentioned the two levels of trust. The first level is the one where the customer has trust on a specific salesperson. The second level is one whereby customer has trust on the organization. The existence of trust will make the customer buy something.

2.4.1.1 Trust- Customer loyalty

Nasir and Mushtaq (2014) said the trust is a peculiar psychological state that can happen in some relationships when talking in terms of loyalty. They went on to mention that trust is the most strongest variable that impact purchase intentions. One tends to be confident with a product or organisation if he/she trust the organisation, thus consumer are believe to be more loyal to companies they have trust on. Deng et al., (2009) found out that trust leads to loyalty in a study they did about Chinese mobile instant message users. Chaunduri and Holbrook (2001) also found the same construct that trust is the major driver for loyalty. The authors also alluded that brand trust is directly related to purchase and attitudinal loyalty. John (2011) was of the view that trust is a pre-condition to loyalty. They went on to state that trust in a product will lead to an encouraging attitude towards that product and can make a customer pay a premium price and stay loyal to it.

Moorman et al (1993) mentioned that trust exists at individual and company level. Customer satisfaction is not a guarantee of customer retention. Satisfaction alone is not enough to ensure long term commitment of customers. It is very necessary to look beyond satisfaction and consider trust (Ranaweera et al., 2003). Once trust is built in a business to customer relationship, there is less probability of ending the relation due to high termination costs. Adewale and Bamidele (2016) alluded that high levels of trust will make a satisfied customer to be loyal. We therefore hypothesize that:

H₂: Trust has a significant positive impact on customer loyalty.

2.4.2 Price

Zhang and Feng (2009) defined price as the monetary charge that a customer pays to buy a services or a product. For that reason, price is a vital determinant that will reflect the decisions made by customers regarding purchases. The competition for prices in the mobile phone service providers is becoming strong (Reena, 2012). For this reason, providers of services must offer prices that are competitive in the market so as to attract more customers. According to Hassan et al. (2013) price greatly affect the buying behavior of customer. He went on to state that price is considered a vital factor that is used to build up marketing strategies and generate customer satisfaction and trust. Scholars come to an agreement that price is a very important aspect that influences consumer behavior. The effect of price is in two dimensions, it either increase or decrease the satisfaction of customers and also trust. Companies should therefore take time to study the behavior of their customer towards prices in order to devise appropriate pricing schemes that will satisfy customers.

There are various factors that govern price. These factors include the preparedness of the customer to pay markup, political environment, economic environment, technological environment, and so on. Mokhtar and friends (2011) pointed out that customers are utmost certainly to be obligated to companies that offer cheaper services. Customers have an opportunity to match packages of a variety of suppliers when the market is price dominated. It is important also to note that the profitability of a mobile service provider does not rests in the amount of sales they make; it is dependent upon the sum of minutes consumed by the network subscribers (Haque, 2007). Therefore it is for the benefit of the service provider to put a price that enables subscribers to talk more on the phone. The pricing policy is an important element that may attract or repel potential customers (Al-Azzam and Khanfar, 2015). However, customers have different perceptions about price. To some, price might not be a very important issue, they might be concerned with the location.

Wickford (2017) put forward the factors that influence the price that a company charges. There are as follows:

- Customers: the service that is being offered depends on how the current buyers perceive it, the number of buyers that are in the market, and how these buyers are price sensitive. In order to know how customer will react to a price, the service provider has to perform judgment and also do a field research.
- Competitors: the way competitors set their prices and sell their product or service has a very big impact on the pricing decision of the company. Companies will very high

prices run the risk of losing customers. Therefore in order to retain customers, the price that the company charges should match that of competitors. Some companies even go further to provide discounts in order to attract more customer and counter competition.

- **The Economy:** factors like inflation and interest rates can determine the price charged by a service provider. When the economy is bad, service providers can offer low prices. If also the exchange rates are poor, companies can decide to increase their prices to match up with the unstable rates of local currency. High interest rate can reduce the purchasing power of customers, hence a reduction in prices of goods and services.
- **Government laws and regulations:** government regulations are put in order to protect customers and regulate the activities of the organisation. Regulations can bind suppliers to charge different prices of their choice. Firms can also be bound to a fixed price by the law. Supplier can gather together and agree on a particular price that they should sell their supplies.
- **Cost of product/service:** the amount of monies spent on developing a product or service are accounted for when calculating the price of a service. Promotion and distribution costs involved when a new product is launched are to be taken into account when making price decisions.

2.4.2.1 Price-Customer Loyalty

Muhammad, Shamsudi and Hadi (2016) mentioned that there were so many researches conducted in finance services, airline industry and Tourism of the factors that affect these industries. Amongst the factors were service fairness, switching costs, conflicts, communication and price fairness. They mentioned that price is amongst the most determinants of customer loyalty. Hassan et.al (2013) were of the view that price is the vital component that greatly influence purchasing behavior and lead to trust and loyalty. Khan and Afsheen (2012) were of the view that a good price is a key contributor for customer satisfaction, which then will lead to customer loyalty. Nazari, Hosseini and Kalejahi (2014) mentioned that the role of price is in post-purchasing process. It can determine subsequent purchasing intentions hence, leading to customer loyalty. Therefore we put forward the following hypothesis:

H₃: Price has a significant positive impact on customer loyalty

2.4.3 Trust – Customer satisfaction

Danish et al. (2015) mentioned that mobile service provider can cultivate customer satisfaction through different ways such as improving service quality, creating trust and offering attractive packages. According to the authors, trust and perceived service quality are positively related to customer satisfaction. Gaunaras (2003) alluded that trust is a vital aspect in all relationship types. Trust is a pre-requisite to a good relationship thus it is used to cultivate a relationship between two parties. This relationship will lead to retention of customers and retention is associated to customer satisfaction. Hui (2015) outlined that when customer have trust over the frontline employees, there will be better information exchange between the two parties. Once there is improved information exchange, the employees will offer services that will better satisfy the customers. Thus interactive trust is correlated with customer satisfaction.

Ranaweera et al., (2003) was of the view that customer satisfaction is not a guarantee on customer retention. A service provider may fail to retain satisfied customers. This suggests that customer satisfaction on its own may not ensure commitment; therefore the service provider has to look at other variables such as trust. In this view, satisfaction is the first thing followed by trust. This view was supported by Morgan and Hunt (1994) who mentioned that companies should look further than customer satisfaction in order to develop trust which will ultimately lead to a relationship that is long term. Total trust is the most vital component that ensures satisfied customer to become loyal. They also suggested that trust has a moderating effect on the relationship that exists between customer satisfaction and loyalty.

Nasir and Mushtaq (2014) were of the view that trust plays a fastening role in satisfying customers. They proposed that the higher the satisfaction of customer, the higher will be the trust, there customer satisfaction will have a significant positive impact on trust. Alsajjan (2014) was of the view that trust acts as a predecessor of satisfaction. They also highlighted that the relationship between trust and satisfaction has a substantial impact on customer loyalty, however satisfaction has a stronger impact than trust. Therefore we put forward the following hypothesis:

H₄: Trust has a significant positive impact on customer satisfaction.

2.4.4 Price – Customer Satisfaction

Khan and Afsheen (2012) ascertained that a good price is the main contributor of customer satisfaction. The aspect of money performs a very important duty in creating customer value.

Nasir and Mushtaq (2014) had the view that price plays a mediator role between the quality of service and customer satisfaction. Consumers are reluctant to spend a lesser amount in order to ensure satisfaction. Therefore, this means that prices that are low are directly linked to higher level of satisfaction. Esaki (2013) pointed out that one of the needs of a customer is price. When a company calculates the costs and ascertain the price from the view point of the customer, customer will be satisfied as their need have been fulfilled. If the price of the service is low, satisfaction is expected to be high hence the company will sale more.

According to Xia and friends (2004), customer satisfaction and customer loyalty is advanced through charging a fair price. On the same viewpoint, Herrmann and friends (2007) established that price perceptions directly influence customer satisfaction. They were of the view that a company should increase their prices in order to apportion more resources that will give better customer services. Dapkevičius and Melnikas (2009) illustrated that part of the brain of customers think that they will enjoy more when they consume an expensive product or service. Hence satisfaction can be associated with a higher price. In contrary, Nazari and friends (2014) proposed price as an indicator of quality and mentioned that the real quality is the one that leads to customer satisfaction. Nazari, Hosseini and Kalejahi (2014) ascertained that customer satisfaction is very much associated with lower price sensitivity. In his establishment Keaveney (1995) reported that over one half of consumers switch as a result of poor price perception and that price perception has a direct influence over customer satisfaction.

Nazari et al. (2014) mentioned of price satisfaction. They acknowledged six elements of price satisfaction namely price transparency, relative prices, price quality ratio, price confidence, price reliability and price fairness. They also mentioned that customers will cease to buy your product or service when they believe that the price is too high. Moreover, they might mistrust the quality of your service if the price is below expectations. Therefore we put forward the following hypothesis:

H₅: Price has a significant positive impact on customer satisfaction.

2.5 Switching Costs as a barrier and its impact on Loyalty.

El-Manstryly (2015) mentioned that the concept of switching costs can be used exchangeable with switching barriers. The author said that switching costs are the barriers that hinder customers to change to another provider. Jones and friends (2002) defined switching barriers

as the costs that are related with abandoning one supplier to another. These costs includes searching costs, psychological, leaning etc. On the other hand Goode and Harris (2007) had a different point of view. They said that there is a slight difference between switching costs and switching barriers. In their argument, they said that switching barriers are the factors that make it difficult to change to another supplier that include lack of attractive options. On the other hand switching costs are the losses that are incurred when switching.

Ricki and Raharso (2008) alluded that switching costs should occur frequently or be accumulative in order for it to affect customer loyalty. Caruana (2004) mentioned that high switching costs discourages customers from switching to another provider. Customer satisfaction will be closely related to those customers that do not switch. Switching costs interrelate with satisfaction in order to influence customer loyalty. Lam and friends (2004) said that there might be a positive relationship between switching costs and customer loyalty. nonetheless, it is possible that switching costs and customer loyalty can be negatively related in some circumstances. The direct effects that switching costs has upon customer loyalty is said to be positive but however insignificant (Henriques and Magalhaes, 2009). Chen & Wang (2009) outlined that the increase in perceived switching costs will result in a weak relationship between customer satisfaction and customer loyalty. Yang and Peterson (2004) had a different view. They found a contradictory prototype which suggests that higher switching costs will lead to a strong effect of satisfaction on consumer loyalty. Kim (2016) highlighted that when switching costs are high, consumers will stay loyal with the existing supplier. Higher switching costs leads to higher customer loyalty. Therefore we put forward the following hypothesis:

H₆: Switching costs are positively related to customer loyalty.

2.6 Corporate Image.

Giovanis (2016) defined corporate image as the way in which companies present themselves to the customers and shareholder and also its employees. Corporate image is the principal duty for an organization's communication department. The "image" is what the customer are supposed to see when that name of the company is mentioned. A good corporate image is a valid asset that an organization can have because it will transform into monetary value and also results in high stock values. Ene and Özkaya (2014) outlined that corporate image should reveal the three components of a company which are the values, ethics and goals of the

organization. This is done to protect the company's reputation in a competitive environment. Corporate image acts as a differentiation strategy of the company from its competitors through presenting to customer a sense of uniqueness. The values of the company are expressed in two forms; visual and non-visual form. Visual forms are the symbols for instance logos, advertisements, trademarks and uniforms. Non-visual forms include things like transaction procedures, the methods of training and language.

Cameron et al., (2010) pointed out that one company has different images that vary with different consumer groups who have different experiences with the company. A company that ignored its image will lose some of its customers. The authors listed caution signs of image mismanagement. These are:

- High labor turnover: employees do not want to work for a company that has got a bad image.
- Loss of key customers: if customers establish a wrong perception regarding what you offer them, they will opt for alternatives.
- Fall in the value of stock: the value of the company's stock on the stock exchange will drastically fall as a result of the wrong perception that the public has for the company and no one will want to invest in such a company.
- Poor association with state officials.

Zameer and Frial (2015) alluded that nowadays managers have realized the importance of corporate image but the problem is that it is difficult to communicate to customers. They mentioned some importance of corporate image. Corporate image is a vital aspect in extending the life cycle of a product. Corporate image programs have speeded up the globalization. Companies are expected to social responsible. This entails giving back to the society and customers want to buy from companies that have a good social image. Rahman (2012) identified basic factors that are used in the course of managing corporate image. These are corporate communication, corporate identity and feedback. As a result of diverse opinions of customers, companies are progressively trying to develop the management of their various activities in order to build corporate image. Companies want to see how their products and services are perceived both within the organization over and above outside the organization. In order to improve customer perceived behavior, organizations should uphold a professional reflection of the business. Chattananon and friends (2007) established that corporate image

has two aspects. These are function and emotion. The aspects of function are the tangible components that can be measured. Emotional aspects are the intangibles that are psychological which include feelings and perceptions.

2.6.1 Corporate Image – Customer Satisfaction

Corporate image is positively related to service quality which will ultimately impact customer satisfaction (Ozer, 2004). A lot of researches establish that when customers receive good services, they are satisfied and will result in a positive impact on the image of the company. Ruyter and Wetzels (2000) were of the view that corporate image is an instrument that is used to measure a company's trustworthiness, quality of service and behavior loyalty. The mobile telecommunication industry becomes very competitive and the structure of the industry constantly changes as a result of improvements in technology. With such changes, it is very important for companies to improve their image and retain customers. In the present day, competition has become intense because of the international competitors service providers have continued to increase. As a result of these, organizations should be more focused on satisfying its customers and be able to retain them. (Danish et al., 2015).

Corporate image may perhaps be considered as a function of the total effect of customer satisfaction or dissatisfaction (Fornell, 1992). Amin (2016) outlined two ways corporate image can be created. These are experience and communication. These factors have significant pressure the quality of service and customer satisfaction. In addition customer image may have an influence on consumer loyalty. Tabaku and Çerri (2015) highlighted that corporate image has the capability of differentiating the products and services of a company from its competitors. This will attract more customers as they believe that the company will provide value for their money hence they are satisfied from what the company has to offer. In a study by Al-Azzam and Khanfar (2015), they discovered that corporate image possess quite a positive influence on consumer loyalty. Corporate image can be termed an attitude. An attitude will impact intentions of a behaviour (customer loyalty). Retailing, education and telecommunication are the three segments that company image relate in a positive way with customer satisfaction (Aydin and Ozer, 2004). The authors also establish that corporate image in the smartphone market is the emotional affection that the customers have toward the manufacturer of smartphones. If the image of the smartphone manufactures good, the customer will be more satisfied with the company's offerings. Therefore we put forward the following hypothesis:

2.7 Perceived Service Quality

Kashif (2015) mentioned that the level of service quality can be evaluated by assessing the variation between what customers expect and service perceptions. If there is a small difference between what customers expect and perceived service quality, it means that the quality of service is high. Dubey and Srivastava (2016) defined perceived quality as the variation between what customers hope for quality and what service provider actually delivers. It is the judgment made by a customer about the extent to which a service provider provides reliable services to its customers. What customers buy is influenced by quality of the service or product. Service is difficult to understand because it is intangible. In a way to ease this difficulty, Parasuraman and friends (1988) suggested five dimensions that perceived service quality has which are tangible, assurance, reliability, responsiveness and empathy. They explained them as follows:

- **Tangibles:** these are physical facilities like buildings, equipments, communication facilities and even the employees. Customer can perceive an organization to have good quality when these facilities are of good appearance.
- **Assurance:** the ability of employees to put confidence in customers. The employees should have courtesy.
- **Reliability:** when the service provider performs the promised services in a dependable and accurate way.
- **Responsiveness:** the enthusiasm of the workers to assist consumer and offer quick service.
- **Empathy:** when customers are shown care and individual attention when being provided the service.

The five dimensions have been criticized they do not actually work in developing countries (Malhotra et al., 2005). The basis of the criticism was that this model should encompass cultural dimension in order to help the locals. Cronin and Taylor (1992) developed their model called SERVPERF as a development to the Parasuraman (1988) SERVQUAL model. The PAKSERV model had a cultural perspective (Raajpoot, 2004). Sureshchandar (2002) suggested social responsibility as being a very important concept of perceived service quality. Businesses should practice ethical behaviors in the way they charge prices. They should give good services that are given at a good price but not compromising quality. By doing this, the company will be improving its image thus influence customer perceived service quality.

Jahanzeb et al., (2011) outlined that the telecommunication service quality has four categories. These are:

- Communication guarantee- deals with how the quality of network is and the absence of call failures due to network loss.
- The settlement service- is the timely and precise billing system that improves customer satisfaction
- Value added services- extra services provided by the service provider like news update, health tips, GPRS, etc.
- Technology innovation- when the service provider is up to date with recent technologies and brings new features to the mobile users.

2.7.1 Perceived Service Quality – Customer Satisfaction.

Lee (2000) established that and held that perceived service quality is a predecessor of customer satisfaction. In the analysis that he did, he discovered the relationship that exists among service quality, satisfaction and purchase intentions. He established that service quality impacts customer satisfaction, which will ultimately affect purchase intentions. Purcarea et al. (2013) analysed the relationship that exist between perceived service quality and customer satisfaction. They hypothesized that perceived service quality influences customer satisfaction. They coefficients of the two variables were significant. The authors went further to highlight that perceived service quality and customer satisfaction may possibly be looked at from two perspectives which are transaction-specific and global.

Literature has debated on as to which variable between perceived service quality and customer satisfaction will directly impact customer loyalty (Croin and Taylor, 1994). This lead to two basic approaches to studying the relationship; other scholars decided to study on the relationship between perceived service quality and customer loyalty (Boulding et al. 1993). On the other hand quite a lot of scholars established that customer satisfaction has a mediating effect between service quality and customer loyalty (Izogo, 2015). According to Dubey and Srivastava (2016), companies that make available improved quality services will satisfy their customers, leading to customer loyalty and enjoy profits in the long run. Hassan and friends (2013) mentioned that due to increasing competition, the value of service quality should not be ignored. For business to become successful, they should increase the service quality that will lead to customer satisfaction, as service quality is the predecessor of

customer satisfaction and customer loyalty. Some researchers concluded that perceived service quality will lead to perceived value and customer satisfaction (Olorunniwo and Hsu, 2006).

Akbara and Parvez (2009) said that there is a very strong relationship that exists between service quality and customer satisfaction. They went on to state that these two variables are theoretically separate constructs from the point of view of the customer. Ribbink and friends (2004) elaborated that the relationship between service quality and customer satisfaction also is found in the e-commerce industry. Ganiyu (2016) highlighted that researches differed in statistical significance of the effect of service quality on customer satisfaction and loyalty. Some assessments disclosed that service quality, customer satisfaction and loyalty are linked to each other. Kuo and friends (2009), good service quality results in customers appraising the organisation and be willing to work with the organisation in future. Therefore we put forward the following hypothesis:

2.8 Moderators.

The relationship that is there between customer satisfaction and customer loyalty can be classified as a mediatory one with customer satisfaction constituting for 35.9% of variance in customer loyalty (Tuu et al., 2011). It has been disputed that the rationale for including other variable on top of customer loyalty is to reveal the obstacles and reasons of amplifying variance in customer loyalty. Different studies examined the mediating effects between customer satisfaction and customer loyalty (Srivastava, 2015; Cooil et al., 2007; Tuu and Olsen, 2009). Along with these studies, Tuu et al. (2011) eluded that combining these mediators and customer satisfaction will explain about 50% variance in customer loyalty.

2.8.1 Switching Costs

Different authors have different findings on the mediatory role of switching costs. Stan (2013) had the view that the influence of consumer satisfaction on consumer loyalty diminishes in the presence of high switching costs. Aydin and friends (2006), revealed that switching costs inflict a moderating influence on customer loyalty. Wang (2010) was of the notion that dissatisfied customers may continue with the company if switching costs rise despite the company being in bad shape or not. When switching costs rise, consumers somehow tend to be loyal to the service provider. Sasser (1995) was of the view that switching costs brings into customers a fake loyalty instead of obligated loyalty.

In the case where switching costs are low, an unsatisfied customer may stay with the company than a satisfied customer. The chance of staying with the company will increase when this unsatisfied customer experiences higher switching costs (Jones, 2000). Satisfaction may cease to be a big deal when customers estimate the amount of time and effort they will experience in an attempt to change to other service providers. Customer satisfaction and switching costs have a positive and substantial impact on customer loyalty (Lee, 2013). Other authors pointed out that when switching costs are considerable or if the process of switching is very excruciating, unsatisfied customers possible preserve business relationships with existing organisations and refuse to give in to the termination of the relationship (Jackson, 1985).

Study has discovered that switching costs can presume a considerable moderating effect on customer loyalty through customer satisfaction (Lee and Feick, 2001). They went on to expand that considerable switching costs will lessen customer sensitivity to professed satisfaction levels. Market arrangement influences the power of switching costs on the relationship that exists between customer satisfaction and customer loyalty. In a situation where a market has one or overpoweringly large share provider, then there should be a small impact of switching costs upon relationship between customer satisfaction and customer loyalty. Firms may establish switching costs for its products and services, but its competitors can regularly create several tactics and inducements to help potential customers in overpowering the barriers (Yang and Peterson, 2004). Nielson (1996) articulated that the conflicting findings concerning the moderating role of switching costs can be ascribed to the dependent influences of different conditional features such as systems of businesses, varieties of buyers, nature of products and so on.

2.8.2 Income

It was found that choices to do with consumption have large impact of income. This is because greater income permits more choices to the buyers thereby making them less loyal compared to consumers in lesser income group (Kondasani, 2015). Homburg and Giering, (2001) established that Buyers income is greatly affected by buying choices. Buyers who have high income usually have high education such that the choice they do rest on the information they acquire. In addition, buyers who have high income have fewer limits as compared to buyers with low income such that the buyer with high income is inclined to be loyal to the firm (Coil et al., 2007).

Homburg and Giering (2001) renowned that lower income is a positive moderator of the customer satisfaction and repurchase behavior relationship. The relationship has a tendency

to be stronger when customers earn less. Additionally, in the research by Shongting dong (2011) he established that income has a solidification influence on consumer satisfaction and consumer loyalty. The research also presented that customer satisfaction and customer loyalty have a fading effect if they are moderated by income. However it is establish that the fading effect is significant in a case where customer satisfaction is low and will ultimately vanishes when there is high satisfaction rate.

Some authors also eluded that income has a moderating variable in the consumer satisfaction - customer loyalty relationship. Walsh et al. (2008) indicated that greater incomes deliver flexibility to the customers in circumstance of dissatisfaction with the existing service supplier. In contrary, customers with comparatively lower income level can choose to stay with a service supplier even if the level of satisfaction falls down in order to escape searching costs.

2.8.3 Age

The information processing theory emphasizes that older customers are reluctant to search new information because of less strength and they have a tendency of resorting to convenient ways of buying (Wilkes, 1992). The ability of processing information decreases as one gets older. Wakefield and Baker (1998) suggested age as a mediator variable between customer satisfaction and customer loyalty. Homburg (2001) outlined that the main influence for young customers to repurchase is satisfaction whereas older customers are more of loyal. Therefore, age is a mediator of the relationship between customer satisfaction and customer loyalty. Retaining older customers is quite an easy task than younger people. Changes in customer satisfaction does not affect older people the most, hence older people are more loyal to a product/service than young people. Older customers consider less things when the make a purchase (Lambert-Paudraud, 2005). Walsh et al. (2008) anticipated that in case of older customers, the association amid customer satisfaction and customer loyalty is stronger since older people have less decision criteria. When he went on to test the moderating effect of age and there were conflicting results as no mediatory effect of age could be recognized.

2.8.4 Knowledge and Expertise

Knowledge and expertise can in two forms, that is, knowledge and expertise possessed by the service provide or the one possessed by the consumer. In this case it is the one that is possessed by the consumer. Alba and Hutchinson (1987) defined it as the skill that allows effective performance of product demands. Expertise will strengthen consumer attitudes and also allows them to evaluate brands. Customer with higher knowledge and expertise consider

a lot of information in order to evaluate a service, therefore when they buy, they consider quality and availability. Walsh (2008) argued that knowledge and expertise tends to alert to differences in satisfaction, particularly in the event of variety or diversity and allows the modifications in attitudinal loyalty when lower satisfaction stages are reached. Tuu and Olsen projected that market expertise to be a mediating variable of the relationship that exist between customer satisfaction and customer loyalty. Superior knowledge of customer reduce the projective influence of consumer satisfaction on consumer loyalty. They highlighted out that the mediating role of knowledge may vary owing to the nature, intensity, substance of knowledge and its measurement as a construct (Fabrigar and friends 2006). The researchers established expertise to be negatively mediating the association between customer satisfaction and customer loyalty. Nevertheless, Tuu and friends (2011) emphasized that ideal knowledge positively mediates the aforesaid association. This entails that the "proper" knowledge of customers links the gap connecting customer satisfaction and customer loyalty because it influence their assessment and decision making process concerning continuous utilization of services and products.

2.8.5 Gender

In a study by Karatepe and friends (2006), they examined the position of gender in management and marketing circumstance. They established that men are more task- oriented and women are more relationship-oriented. Particularly, women process information in a more comprehensive manner, whilst on the other hand men use uncomplicated procedure basing on a small number of details. Slama and Tashchian (1985) were of the opinion that women get more caught up when acquiring goods and services. Women form a connection with a brand. Gender has been regard as a mediator in marketing literature. Although numerous researched observed the probable direct impact of gender on customer loyalty, gender as well act as a mediating variable in consumer behavior and marketing. Walsh (2008) alluded that men who are satisfied with a product demonstrate will probably repurchase it as compared to women who are satisfied with the same product. He went on to suggest that the mediating function of gender in the connection between diverse aspect of satisfaction and definite measures of consumer loyalty. Nevertheless, they could not discover any support for the mediatory function of gender in the association between consumer satisfaction and consumer loyalty.

Nelson Oly Ndubisi (2005) found out that trust is associated with customer loyalty. He went on to point out that there are significant differences in relationship between trust and customer

loyalty. He said that women have a tendency to be more loyal than men in high levels of trust in the banking industry. Adewale and Bamidele (2016) studied on the effects of brand trust on customer loyalty and they determined that gender (amongst other variables) has a moderating influence between the trust and customer loyalty that is in the telecommunication industry of Nigeria.

Therefore we put forward the following hypotheses:

H₇: The effect of customer satisfaction on customer loyalty is stronger for female than male customers

H₈: The effect of trust on customer loyalty is stronger for male than female customers.

H₉: The effect of price on customer loyalty is stronger on female than male customers.

H₁₀: The effect of switching costs on customer loyalty is stronger on male than female customers.

H₁₁: The effect of trust on customer satisfaction is stronger on female than male customers.

H₁₂: The effect of price on customer satisfaction is stronger on female than male customers.

2.9 Empirical Reviews

Quite a lot of researchers analyzed the subject of consumer loyalty in different industries. Two different papers written by different researcher on a similar subject matter were as follows:

i) Kim (2016), examined the determinants of Customer Loyalty in Korean Smartphone Market. Using a sample of 700 respondents, the author discovered that customer satisfaction and switching barriers have a significant impact on customer loyalty. The impact that customer satisfaction has on loyalty was found to be 52.4%. Other variables: the study included other variable which are alternative attractiveness, switching costs, function, usability, design, customer support and corporate image.

ii) Nasir and Mushtaq (2014), Customer Loyalty in Telecom sector of Pakistan. Using a sample of 170 respondents, the authors discovered that customer satisfaction and perceived price are the strong variables affecting customer loyalty. The impact that customer satisfaction has on loyalty was found to be 45.7%. Other variables: the study includes other variables which are service quality and trust.

Karunanithy and Rasanayagam (2013) conducted a study on the impact of customer satisfaction on customer loyalty and used a case study of Sri Lanka Telecom PLC. In the study, the researchers analyzed that service quality; brand image and pricing are the variables that lead to customer satisfaction. Customer satisfaction will then lead to customer loyalty. The study had 395 respondents and the results of the study indicated that brand image and price have a low contribution to customer loyalty. Service quality was found to contribute more to customer loyalty. They concluded that customer satisfaction has a significant impact on customer loyalty. Tabaa (2016) did a similar study of the factors that affect customer loyalty for mobile telecommunication industry. He made a conclusion that customer support, the quality of network and pricing are the main aspects affecting satisfaction. Customer loyalty was then influenced by customer satisfaction and also switching barriers.

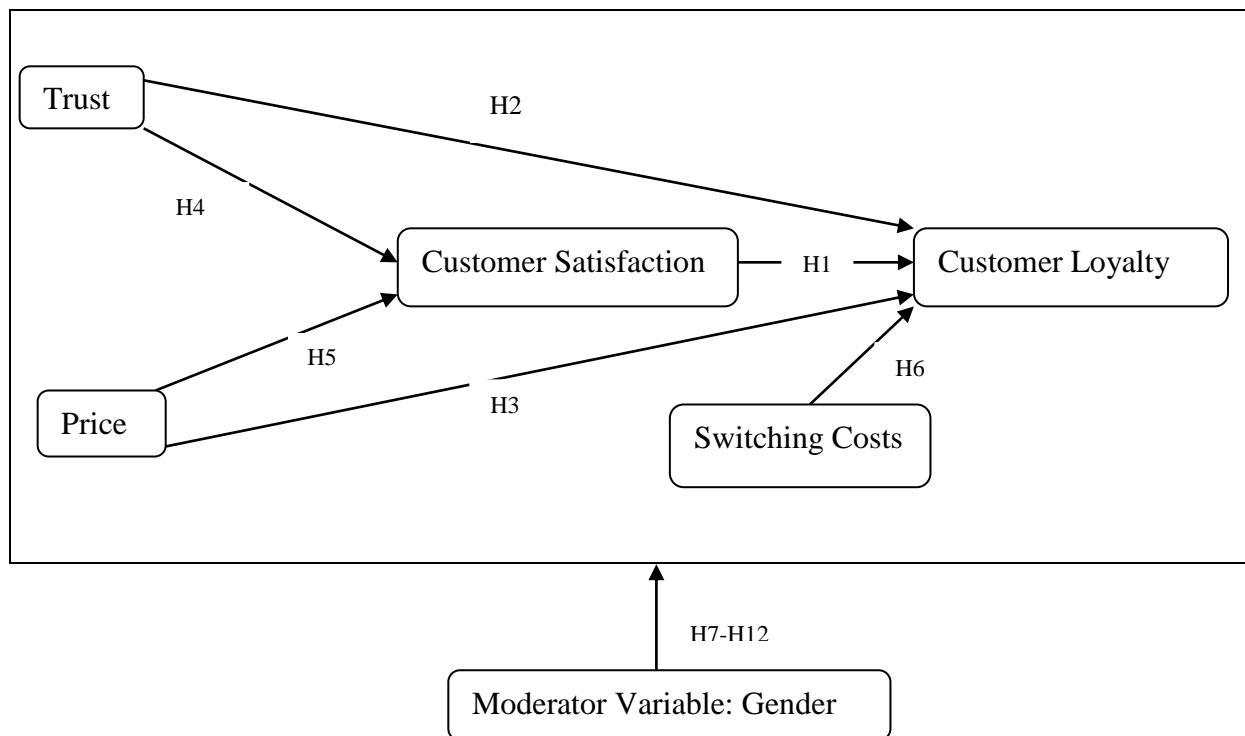
Ogba and Izogo (2015) analysed service quality, customer satisfaction and loyalty in an automobile repair service. They established that measuring customer satisfaction and customer loyalty separately in the automobile industry is less helpful because satisfied customers will be loyal customers. Rajeswari and Srinivasulu (2015) did a study to assess if customer satisfaction leads to customer loyalty. They found out that customer satisfaction explains a big portion of customer loyalty but there is quite a low percentage of impressed customers. In a study of understanding customer satisfaction and loyalty in mobile industry of China, Deng et al., (2010) looked at what determines customer satisfaction and loyalty. They found that perceived customer value, trust and perceived service quality have an impact on customer satisfaction. The study also discovered that customer satisfaction, switching costs and trust have a direct impact on loyalty. In addition, the study found the moderators to be usage time, age and gender.

Khizindar et al., (2015) did a study on the factors affecting customer loyalty in the telecommunication industry of Saudi Arabia. They wanted to see the effect of price, brand image, trends and service quality on customer loyalty. The results showed that all the factors had a direct effect on customer loyalty, with service quality being the most influencing factor on loyalty. Rao and Shekhar (2016) analysed the impact of customer satisfaction on customer loyalty on a case study of Bharat Sanchar Nigam Limited (BSNL). Among the factors that influence loyalty were; lower tariffs, company reminders, courtesy and grievance redressal.

A study conducted by Hossain and Suchy (2013) considered six variables that are price, value added service, sales promotion, customer service, communication and value added service. The results of the study showed that all the variables except sales promotion were positively correlated with customer loyalty. As opposed to the results of Hossain and Suchy, Adjei and Denanyoh (2014) conducted a similar study on the determinants of customer loyalty in Ghana. They found out that sales promotion, network coverage and call rates have a significant and positive relationship with loyalty. Customer service has a low impact on customer loyalty. Tabaku and Cerri (2015) did an investigation of customer loyalty in Albania telecommunication industry and found out that service quality, customer satisfaction and cooperate image have significant impact on each other and the reinforce customer loyalty.

2.10 Conceptual Framework

Fig 2.1



H1: Customer satisfaction has a significant positive impact on customer loyalty.

H2: Trust has a significant positive impact on customer loyalty.

H3: Price has a significant positive impact on customer loyalty

H4: Trust has a significant positive impact on customer satisfaction

H5: Price has a significant positive impact on customer satisfaction.

H6: Switching costs are positively related to customer loyalty.

H7: The effect of customer satisfaction on customer loyalty is stronger for female than male customers

H8: The effect of trust on customer loyalty is stronger for male than female customers.

H9: The effect of price on customer loyalty is stronger on female than male customers.

H10: The effect of switching costs on customer loyalty is stronger on male than female customers.

H11: The effect of trust on customer satisfaction is stronger on female than male customers.

H12: The effect of price on customer satisfaction is stronger on female than male customers.

The structure above is a hypothetical model for study. As mentioned earlier; Pricing and trust impact customer satisfaction, which will lead to customer loyalty. Switching costs have a direct impact on customer loyalty. Lam and friends (2004) pronounced switching costs as a scheme that increases customer loyalty in a B2B setup. However, gender has a moderating effect on the relationships indicated in the model.

CHAPTER 3

METHODOLOGY

3.0 Introduction

This chapter is focused greatly on the design of the research that was used in the study. The methods that were used in the study were described in a precise manner. The methods included explaining the data collection methods used. This chapter will also highlight the benefits that we get from using the methods that we employed. The author will show how the various methods used in the study were coherent in order to come up with a precise collection of data. The research used a sample to generalize data. The procedure for determining the sample size was clearly outlined. The chapter also gives the advantages and disadvantages of the data collection methods.

3.1 Research Design

The study made use of an explanatory research design as it is used to establish casual relationships between variables and establish the cause and effect. The research strategy for this research was a case study. A case study was used in order to make an in-depth study of the subject in its real life context. Survey method was used in which a customers registered with Turkcell gave responses to the questionnaire that the researcher distributed. The approach combined both the qualitative research design and a quantitative approach.

3.2 Sample Procedure

3.2.1 Population

DuPlossy (1997) gave a definition of a population as being any collection of persons, be it an organization or any social gathering of people that may include events. Population is allocated into two groups. These groups are; target population and accessible population. It was very important to identify the target population in this research so that a sample population can be taken from there. Turkcell registered subscribers in Northern Cyprus form the target population from which the study was carried out. In this case the accessible population were the students from Near East University from whom the majority of them are Turkcell subscribers

3.2.2 Sample Population

Sampling techniques were used in the study because of the lack of time, limited access to information and high costs. Haralambos (1995) gave a definition of sample as it being part of a whole population and that part will generalize the whole population. In this research, a total of 301 students from Near University were the representative sample for our analysis.

3.2.3 Sampling techniques

Sampling techniques are the methods that are used to select people that will be used for the analysis. Sampling techniques include probability sampling and non-probability sampling. Probability sampling can be referred to as random sampling. This is when each individual has the same chance to be selected for the sample. According to Gilbert (1993:71) it is a non-zero chance of being selected. Random selection is about having an equal and independent chance of individuals to be picked for inclusion in the sample (De Vos 1998:193). In this study, the respondents were picked based on the concept of random sampling. For this cause, the researcher made use of simple random sampling to obtain its sample population. There are also disadvantages that surround this type of method. This method is dependent upon obtainability of a whole population. However, sampling frame was used because it's a workable size and there is no sampling bias.

Murimba and Moyo, (1987) defined non probability sampling as collecting data from people that are easily accessible to the researcher and these people have the characteristics of the whole population. The research made use of the convenience sampling. In this sampling technique, student that were easily accessible were made to be part of the research until the required sample size was reached. The disadvantage of this technique is that some respondents may be unfit for participating in the research due to various reasons.

3.2.4 Sampling Errors

According to Gilbert (1993:69), a sampling error is the distinction that exists between characteristics of the whole population and characteristics of the sample. Systematic errors are found when we use a sample. These errors come out due to some information that is not responded or any bias that the respondent have towards the research. In order to circumvent this error, the researcher distributed the questionnaire personally. Continuously contacts was made by the researcher in order to remind the respondents by paying some visits and making telephone calls to complete the questionnaires, after which the researcher personally collected the distributed questionnaire. Another way to circumvent these errors is by the way

the questionnaire was designed where close-ended questions were used that were easy to answer.

3.3 Sources of data

3.3.1 Primary data

Extraction of primary data was done through questionnaires and brief personal interviews. Distribution and administering of questionnaires was done by hand. The researcher took advantage of students meeting places like restaurants, social gatherings, lecture rooms etc. so that the respondents would fill in. Brief interviews were used to collect data from the selected students. There were no specific appointments made prior to interview, student met randomly were fit for interviewing. Respondents were also allowed to explain further as long as they remained in line with the questions asked.

3.3.2 Secondary data

Kotler and Armstrong (2000) defined secondary data as the data that is already available to the user for any other use. The researcher made a thorough search on the secondary data published that was related to consumer loyalty in industries, especially telecommunication. The main sources used were journals and articles, Turkcell's website and the internet.

Advantages of secondary data

- There are less cost involved because the data can be easily accessed from the journals, published journals and articles, internet etc.
- The work of other people is found in secondary data and this therefore gives a guide to the researcher on how to conduct a good research.
- A lot of time is saved since there will be no need to gather any other information.

Disadvantages

- As a result of changes in the economic, social, political environments, secondary data might become outdated. Decisions cannot be made only on relying on secondary data, there is need for combining primary and secondary data.

3.4 Research Instruments

Kotler (2000) outlined the four tools for collecting data from primary sources. These are Observation, focus groups, experiments and surveys. This research used the surveys, that comprised of questionnaires and personal interviews.

3.4.1 Questionnaires

A questionnaire is a written form of information targeted to the respondent to get responses from him/her that answer the research questions. The words that were used in the questionnaire were simple so that the reader can easily understand. The questionnaires were distributed by hand to the students and some were made by google docs and a link was sent to the respondent who filled in using a phone or a computer. The questionnaire was used because of the many advantages it has. The following are the merits of using a questionnaire:

- The respondents can fill in the questionnaire at their own convenient time when they are at ease.
- The researcher can use a questionnaire in places where he/she cannot physically reach.
- The questionnaire saves time in that questions can be distributed to a numerous people in a short space of time.
- Interview bias is eliminated by a questionnaire because the questionnaire is completed in when the researcher is not present. This can make respondents give their honesty opinion.

Disadvantages

- The return rate could usually be low
- Questionnaires might not be clear to respondents therefore the respondent is bound to give a wrong feedback.
- Not all questions can be answered. Unanswered questions will lead to sample bias and also lead to a reduced number of respondents.
- No room to probe further for responses

In order to solve the above problems, the researcher had the following solutions. Some respondents were assisted in explaining some questions used in the questionnaire so that they can answer with knowledge. The researcher would check for any uncompleted questions when respondent submits their responses and would make a follow up afterwards.

3.4.2 Interviews

According to Kenlin and Cornel (1957) an interview is a determined conversation that happens between two parties. The research made use of un-structured interviews.

3.4.2.1 Personal interviews

When one gathers information by asking a set of questions to someone who has been selected for giving responses and having a face to face conversation, this can be termed personal interview (Tull et al., 2000). Personal interviews allow probing of questions, which a questionnaire cannot do. It allows the two to establish a distinct relationship.

3.5 Data validity and reliability

3.5.1 Pilot Testing and Scale reliability.

The questionnaire was tested prior to its distribution to the people in the sample. Five questionnaire were given to the respondents. An interview was conducted with these respondents in order for them to give views on whether the questions were clearly clarified and easy to understand so that there can be amendments. Doing this exercise, it ensured the reliability of responses since a pilot study provided assurance. A scales used in the paper were tested for reliability and this was conducted using the Cronbach's Alpha.

3.6 Measure

The items used to measure variables were as follows:

Table 3.1 Measure items for the variables

| Construct | Measurement Items | Related Studies |
|---------------------------|---|---|
| Price | 1. I consider Turkcell's pricing policy as fair. | Yoo et al (2000) Cheng et al. (2008) |
| | 2. I consider Turkcell's pricing policy as ethical. | |
| | 3. I consider Turkcell's pricing policy as acceptable | |
| | 4. I paid a fair price for the mobile service I am using. | |
| | 5. Turkcell is offering flexible pricing for various services that meet my needs. | |
| | | |
| Corporate image | 6. Turkcell mobile service provider is reliable. | Aydin and Özer, 2005; Bayraktar et al., 2012; Kim and Hyun, 2011 A. Giovanis (2016) Aydin and Özer-2005 |
| | 7. Turkcell mobile service provider is innovative and forward looking. | |
| | 8. Turkcell mobile service provider adds value to me. | |
| | 9. Turkcell is sincere to customers. | |
| | 10. I have a good feeling about the Turkcell's social responsibility. | |
| | | |
| Perceived Service Quality | 11. Turkcell service provider always delivers excellent overall service. | Shin and Kim (2008) Peng and Wang-2006; Grönroos (2000) |
| | 12. The offerings of Turkcell are of high quality. | |
| | 13. Turkcell provides timely information when there are new services | |
| | 14. Turkcell offers personalized services to meet customers' need. | |
| | 15. The frontline employees of this operator are always willing to help me. | |
| Trust | 16. Based on my experience, I know Turkcell service provider is honest. | Gefen et al. (2003) Chu (2009) Aydin and Özer, 2005 |
| | 17. Based on my experience, I know Turkcell service provider cares about customers. | |
| | 18. The service process provided by Turkcell is secure. | |
| | 19. The billing system of Turkcell is trustworthy. | |
| | 20. The policies and practices of Turkcell are trustworthy. | |
| | | |
| Switching Cost | 21. Switching to other telecommunication service providers would cause too many problems. | Gefen (2002) A. Giovanis (2016) Alam and Salim (2012) |
| | 22. Switching to other telecommunication service providers would be too expensive | |
| | 23. Switching to other telecommunication service providers would require too much learning. | |
| | 24. In general it would be a hassle changing from Turkcell | |
| | 25. If I change my phone number, I would be concerned if people dial my previous number but | |
| | could not reach me. | |
| | | |
| Customer Satisfaction | 26. My choice to Turkcell service provider is a wise one. | Croinet et al. (2000) Bhattacharjee, 2001; Lam et al., 2004 Ragunathan and |
| | 27. Turkcell mobile service provider meets my expectations. | |
| | 28. Turkcell mobile service provider fits my needs/wants. | |
| | 29. Overall I am satisfied with the specific experience I have so far with Turkcell | |

| | | |
|------------------|--|--|
| | 30. I am satisfied with my decision to purchase from Turkcell. | Irwin(2001) |
| | | |
| Customer Loyalty | 31. Turkcell mobile service providers would be my first choice. | Chaudhuri and Holbrook, 2001 |
| | 32. I consider myself to be loyal to Turkcell mobile services. | |
| | 33. I recommend Turkcell to someone who seeks my advice. | |
| | 34. Even if another operator' price is lower, I will go on using Turkcell. | Wulf et al. (2001); Morgan and Hunt-1994 |
| | 35. I am willing to say positive things about Turkcell to other people. | |

Data was measured by a 7 point Likert scale that ranged from strongly agree to strongly disagree. The price construct was measured by items 1-5 that were taken from Yoo et al., (2000) and Cheng et al., (2008). Corporate image was measured by items 6-10 which were adopted from Aydin and Özer (2005), Kim and Hyun (2011). The five items (11-15) used to measure perceived service quality were adopted from Shin and Kim (2008); Peng and Wang (2006) and Grönroos (2000). Trust was measured with items 16-20 adapted from Gefen et al. (2003) and Ayidin and Özer (2005). Switching costs were measured with items 21-25 from Gefen (2002); Alam and Salin (2012). The scale proposed by Croinnet et al., (2000); Bhattachar (2001); Ragunathan and Irwin (2001), were used to measure Customer satisfaction through items 26-30. Customer loyalty was measured by items 31-35 which were adapted from Morgan and Hunt (1994) and Wulf et al., (2001).

The study made use of the package named SPSS (Statistical Package for Social Science) version 23 to analyze the responses from the questionnaire. Correlation analysis was used to measure the linear relationship between the variables. Regression analysis was also used so as to quantify the relationship between the variables.

3.7 Data analysis procedures

After the data was collected, it was analysed in order to create answers to the research objective. Before the process of analyzing data, the responded questionnaire were checked to see if they were complete and there was no page missing. The questions were coded into spss and each questionnaire was numbered in order to avoid mixing up the papers. Statistics of the variables used in the questionnaire were compared to each other. Tables and figures were used to represent information in a more visual form and easier to understand. The analysis involved displaying statistical tables that were used to present information in numerical form in a concise manner. Data was analysed based on results that were presented, either numerically or graphically.

All the measure questions were subject to a confirmatory factor analysis in order to converge them to a discriminant validity. Extracted factors were subject to correlation analysis. A linear regression analysis was conducted to find the relationship that exists between the dependent variable and independent variables. In order to test the moderating effect of gender, the hierarchical multiple regression analysis was conducted. Gender, as a control variable was used in the regression analysis under model 1 in order to see its effect to the model.

CHAPTER 4

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

The chapter looks at the main research results as a way of drawing conclusions that will provide a basis for an evaluation of the impact of customer loyalty on Loyalty. The research introduction, literature review and the research methodology, has been discussed in the previous chapters. The focus of this chapter is presentation and analysis of the results of the observations and derivative statistics that emerged from the questionnaire survey and the interviews. The research findings will be interpreted by recognizing the vital facets of consumer loyalty in terms of theory, research objectives and sub-research questions. The findings of the research will be connected to the objectives of the study and they will be summarized in order to know the core of this research.

4.1 Profile of respondents

Data was collected from 301 active users of Turkcell who reside in Northern Cyprus. It is worth noticing that from the respondents in the table below, male respondents were about 2/3 of the female respondents. Most of the respondents were between 21 to 25 years of age.

Table 4.1 Demographic characteristics

| n = 301 | Frequency | Percent (%) |
|--|-----------|-------------|
| <i>Gender</i> | | |
| Male | 121 | 40.2 |
| Female | 180 | 59.8 |
| <i>Age</i> | | |
| 20 and below | 57 | 19 |
| 21-25 | 139 | 46.2 |
| 26-30 | 64 | 21.3 |
| 31-35 | 32 | 10.6 |
| Over 35 | 9 | 3 |
| <i>Educational level</i> | | |
| Undergraduate | 149 | 49.5 |
| Masters | 122 | 40.5 |
| PhD | 30 | 10 |
| <i>Monthly expenditure(on mobile services)</i> | | |
| Less than 20TL | 20 | 6.6 |
| 21-40TL | 72 | 23.9 |
| 41-60TL | 91 | 30.2 |
| 61-80TL | 56 | 18.6 |
| 81-100TL | 28 | 9.3 |
| Above 100TL | 34 | 11.3 |
| <i>Time spent with Turkcell</i> | | |
| Less than 1 year | 86 | 28.6 |
| 1-2 years | 77 | 25.6 |
| 2-3 years | 66 | 21.9 |
| 3-4 years | 24 | 8.0 |
| Above 4 years | 48 | 15.9 |
| <i>Length of calls per day</i> | | |
| Less than 20min | 166 | 55.1 |
| 20-40 min | 94 | 31.2 |
| 41-100 min | 27 | 9.0 |
| Above 100 min | 14 | 4.7 |
| <i>Package</i> | | |
| Mini | 105 | 34.9 |
| Maxi | 87 | 28.9 |
| Mega | 109 | 36.2 |
| <i>Connection type</i> | | |
| Pre-paid | 252 | 83.7 |
| Post-paid | 46 | 15.3 |
| <i>Activity mostly used</i> | | |
| Social Media | 197 | 65.4 |
| Internet browsing | 75 | 24.9 |
| Calls | 29 | 9.6 |

Nationality was automatically recoded into numerical number then it was recoded into appropriate continents using assigned codes. The codes were recoded to different variables as 1, 2, 3, 4 and 5 being Northern Africa, Southern Africa, Asia, Middle East and Europe respectively. The Frequencies were as follows:

Table 4.2 Nationality frequencies

| n=301 | | |
|--------------------|-----------|-------------|
| <i>Nationality</i> | Frequency | Percent (%) |
| Northern Africa | 93 | 30.9 |
| Southern Africa | 83 | 27.6 |
| Asia | 41 | 13.6 |
| Middle East | 34 | 11.3 |
| Europe | 50 | 16.6 |

Majority of the respondents were from Arica followed by Europe, Asia and lastly Middle East.

The statistics table for the first three variables: Gender, Age and Educational level (see Appendix 1). It is worth noticing from the tables above that the mean age for the respondents was 24.8 years. On average, respondents were 24/25 years. It is also seen that majority of the respondents were 20 years old as shown by the modal value. The youngest respondent was 18 years old and the oldest was 48 years old, giving a total range of 18. Majority of the respondents were undergraduates, as evidenced from the modal value of 1 which represents undergraduates from the values specifies in SPSS. Ages were deviating by a 5.29 from the mean age of the respondents.

Other variables' statistics are as follows also shown in Appendix 2.

Monthly expenditure: it is worth noticing that the mean of the monthly expenditures of the respondents is 3.33, suggesting that on average most people use 41-60 TL on mobile services. From the respondents data, it was seen that the value with the highest frequency is 3, which is the 41-60 TL category showing that majority of the respondents indicated the 41-60 TL category. Data is however deviated from the mean value by 1.41. It is also vital to note that data was well spread through the value 1 to 6 which indicated 'Less than 20 TL' to 'Above 100 TL'.

Time with Turkcell: on average, most people have been registered with turkcell for 2 years. This is seen from the mean value of 2.57 which is between the category 2 and 3 which are '1-2 years' and '2-3 years'. Majority of the respondents indicated the '1-2 years'. Data is deviated from the mean by 1.39. Data is well spread through the value 1 to 5 which is indicated by 'Less than 1 year' to 'Above 4 years'.

Length of call per day: on an average bases, respondents call between 20 – 40 minutes per day. The mean value of the respondents is 1.63. Majority of the respondents indicated 'Less

than 20 min' as shown by the modal value of 1. Data is deviated from the mean by a 0.69. Data is widely spread with a range of 3 which is spread of the values 1 to 4 indicated by 'Less than 20 min' to 'Above 100 min'.

Package and Connection type: It is worth noticing that the modal value is 3 which suggest that the Mega package is the mostly used package. The response data is quite spread through the Minimum and Mega package as shown by the range of 2 (3-1). It is also seen that most respondents use the Pre-paid package as shown by the modal value of 1.

Use of phone the most: The modal value was 1, which suggests that most respondents use their mobile phones for social media. 'The Statistics Portal' (2014) concluded that the majority of social media users are between 20-29 year old. This supports our mean age of 24 from the respondents data.

4.2 Factor Analysis

Factor analysis made use of the KMO and Bartlett's test of sphericity. The extraction was based on the principal components analysis and based on Eigenvalue greater than 1. It used the Varimax with Kaiser Normalization. This method was used because it was believed that the variables are not related. In the first application, the variables were reduces from 35 to 23 variables. The second application classified the 23 items under 5 components based on the factor loadings. The 5 components were extracted on the basis of the Eigenvalue greater than 1. The factor loadings that were less than 0.4 were left out as dismissed variables (as shown in the table below).

Table 4.3 The Factor analysis

| Variable | Trust | Price | Customer Loyalty | Switching Costs | Customer Satisfaction |
|---|--------|--------|------------------|-----------------|-----------------------|
| Based on my experience, I know Turkcell service provider is honest (TR16) | 0.780 | | | | |
| Based on my experience, I know Turkcell service provider cares about customers (TR17) | 0.758 | | | | |
| The frontline employees of this operator are always willing to help me (PSQ15) | 0.742 | | | | |
| The service process provided by Turkcell is secure (TR18) | 0.670 | | | | |
| The billing system of Turkcell is trustworthy(TR19) | 0.576 | | | | |
| The policies and practices of Turkcell are trustworthy(TR20) | 0.572 | | | | |
| I consider Turkcell's pricing policy as acceptable(PR3) | | 0.841 | | | |
| I consider Turkcell's pricing policy as ethical(PR2) | | 0.822 | | | |
| I consider Turkcell's pricing policy as fair(PR1) | | 0.684 | | | |
| I paid a fair price for the mobile service I am using (PR4) | | 0.647 | | | |
| Turkcell is offering flexible pricing for various services that meet my needs (PR5) | | 0.629 | | | |
| Turkcell mobile service providers would be my first choice (CL31) | | | 0.764 | | |
| I am willing to say positive things about Turkcell to other people (CL35) | | | 0.695 | | |
| I consider myself to be loyal to Turkcell mobile services (CL32) | | | 0.691 | | |
| I recommend Turkcell to someone who seeks my advice (CL33) | | | 0.663 | | |
| Even if another operator' price is lower, I will go on using Turkcell (CL34) | | | 0.639 | | |
| Switching to other telecommunication service providers would be too expensive(SC22) | | | | 0.806 | |
| Switching to other telecommunication service providers would require too much learning(SC23) | | | | 0.790 | |
| In general it would be a hassle changing from Turkcell (SC24) | | | | 0.726 | |
| Switching to other telecommunication service providers would cause too many problems(SC21) | | | | 0.646 | |
| Overall I am satisfied with the specific experience I have so far with Turkcell (CS29) | | | | | 0.774 |
| Turkcell mobile service provider fits my needs/wants (CS28) | | | | | 0.720 |
| Turkcell mobile service provider meets my expectations (CS27) | | | | | 0.685 |
| | | | | | |
| Eigen value | 8.640 | 1.786 | 1.670 | 1.545 | 1.031 |
| Cronbach's alpha | 0.852 | 0.857 | 0.831 | 0.789 | 0.833 |
| Percentage of total variance explained (%) | 37.566 | 7.766 | 7.260 | 6.715 | 4.485 |
| Cumulative variance explained (%) | 37.566 | 45.332 | 52.592 | 59.308 | 63.792 |
| Notes: Extraction method: Principal Component Analysis; Rotation method: Varimax with Kaiser Normalization. Rotation converged in six iterations. | | | | | |

Based on factor analysis, the variables were classified into five dimensions which are Trust, Price, Customer Loyalty, Switching Costs and Customer Satisfaction. Factor loading is the extent to which a factor impacts a variable. Generally a factor loading that is greater than 0.7 is regarded as having a high impact on the variable.

4.2.1 Results of Factor Loading

Customer Loyalty

Factor 3 refers to consumer loyalty. This concept helps to assess whether the existing customer of Turkcell still remain loyal to Turkcell and not change to Telsim. Customer loyalty includes taking Turkcell to be the customer's first choice, sticking to the service provider even if other service providers lower their prices, saying positive things about that service provider and taking Turkcell to be the first choice in choosing service providers. The high factor loading, 0.764 (Turkcell mobile service providers would be my first choice) shows that this factor is a strong influence of loyalty.

Switching Costs

Switching costs is all about the difficulty of changing from Turkcell to the other service provider, Telsim. This includes the problems incurred if one wants to switch, the expenses that are incurred when switching, the hassle incurred in order to get registered with the other service provider and the concern of being unreachable if people dial one's previous number. The high factor loading, 0.806 (Switching to other telecommunication service providers would be too expensive) indicates that this factor strongly influence switching costs, hence customers would rather keep using Turkcell than to spend more money to switch to Telsim.

Price

Pricing is all about charging a reasonable price that will be able to retain customer and that will not give doubts about the quality of your product or service. It comprises of factor like the fairness of Turkcell's prices, the flexibility of the prices in order to meet customers' needs and whether or not the price charged is considered to be ethical. High factor loading, 0.841 (I consider Turkcell's pricing policy as acceptable) shows that customer accept the prices that Turkcell charges to be good.

Customer Satisfaction

Customer satisfaction is the overall satisfaction that comes just after a customer receives a service. Customers are satisfied when their expectations are met. The high factor loading for customer satisfaction, 0.774 (Overall I am satisfied with the specific experience I have so far with Turkcell) suggests that customers feel that they are content with Turkcell.

Trust

Trust was said to exist when customers believe that the Turkcell's activities will result in constructive results for them. When customer believe that the service provider is honesty and trustworthy in its policies, practices and the service process. The high factor loading, 0.780 (Based on my experience, I know Turkcell service provider is honest) shows that customers believe Turkcell to be an honest company hence they trust the company.

4.2.2 KMO and Bartlett's Test

Kaiser-Meyer-Olkin (KMO) test is a test that is used for measuring the suitability of data for factor analysis. This test measures the adequacy of sampling for a particular variable and for that whole model. Kaiser (1994) made a classification of measure values of the KMO (see Appendix 4). It is important to note that any value below 0.5 is considered unacceptable for any further evaluation. From the results of the data set run on SPSS, the KMO was 0.899 (see table below), which is a meritorious result, good for our analysis. The Bartlett's test should also be considered for its significance by looking at the significance value. The value should be less than 0.05 and from our results; a .000 is a very good result, suggesting that factor analysis is appropriate for our data. The KMO value of 0.899 is related to the entire correlation of all the components.

Table 4.4: KMO and Bartlett's test

| | | |
|---|--------------------|----------|
| Kaiser-Meyer Olkin Measure of Sampling Adequacy | | 0.899 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 3415.994 |
| | df | 253 |
| | Sig. | 0.000 |

4.2.3 Reliability Analysis

The reliability of our data sets was tested using the Cronbach's Alpha. Nunnally (1970) stated a recommended value of 0.50 and Moss et al. (1998) a value of 0.60. However, a coefficient of 0.70 or higher is considered as acceptable in most social science researches. The results

were as shown in the table above (table 4.3). The results of the test show that the 23 items were reliable and valid as measurements of opinions towards customer loyalty.

4.3 Regression and Correlation Analysis

4.3.1 Assumptions of Regression analysis

The first assumption is that there should be a minimum of $50 + 8*k$ where k is the number of predictor variables, which was 4 in our case. This assumption was met as the respondents were far more than the minimum number. The residuals were also tested to see if they were independent using the Durbin Watson test and the results showed that the residuals were surely independent. The value of 1.987 is so much close to 2, which suggest that the residuals are uncorrelated, thereby meeting the assumption of independent errors. Normality of the data was checked using Kolmogorov-Smirnov and Shapiro Wilk tests. At first, the data had significance less than 0.05, suggesting non-normality. Data was then transformed to logarithms and the tests provided a significance of greater than 0.05, thereby meeting the assumption of normality. The linearity of data was checked by looking at the scatter plot which provided a confirmation that there is a linear relationship between the variables. Homoscedasticity was found in the predictors. In order to test the equality of variances, Levene's test was used. An independent sample t-test was conducted and the significance levels for the 2-tailed were above 0.05. This means that the variability is about the same, meeting the assumption of equality of variances. The collinearity of variables was tested using the VIF and tolerance collinearity statistics. Mernard (1995) suggests that a tolerance values that are below 0.2 are worth of concern. Our data provided value that are greater than 0.2, thereby meeting the assumption. Collinearity diagnostics was also applied and it was seen that values for the variance proportions for each variable were high for one of the dimensions. Correlation analysis was conducted to check this assumption of multicollinearity.

4.3.1.1 Correlation analysis

Table 4.5 Correlation Matrix

| | Trust | Price | Customer-Loyalty | Switching-Costs | Customer-Satisfaction |
|---|--------------------|--------------------|--------------------|--------------------|-----------------------|
| Trust | 1 | | | | |
| Price | 0.548** (0.000) | 1 | | | |
| Customer-Loyalty | 0.546** (0.000) | 0.505** (0.000) | 1 | | |
| Switching-Costs | 0.414** (0.000) | 0.370** (0.000) | 0.411** (0.000) | 1 | |
| Customer-Satisfaction | 0.582** (0.000) | 0.493** (0.000) | 0.603** (0.000) | 0.389** (0.000) | 1 |
| **Correlation is significant at the 0.01 level (2-tailed) | | | | | |

There is no correlation that is greater than 0.8, suggesting that the assumption of non-multicollinearity was met. It is of interest to note that the highest significant correlation existed between customer loyalty and customer satisfaction ($r = 0.603$). This result suggests that there exist a strong and positive association between customer satisfaction and customer loyalty, as customer satisfaction increases, customer loyalty increases. The lowest correlation was between Price and Switching Costs ($r = 0.370$). There is a weak but positive relationship between Price and Switching costs. The correlation matrix also shows that there are no negative correlations between the variables and the correlations between variables are significant as they are less than 0.01.

4.3.2 Regression Analysis

Regression analysis was used so as to get a more understanding of the relationship between all the variables. Regression results were also used as a basis for accepting or rejecting our hypothesis.

Model 1: the results show that the standardized beta of -0.020 is insignificant with a significance level greater than 0.05. This depicts that gender on its own, has no significant impact on customer loyalty. F ration is insignificant at 0.731, this mean that model 1 is insignificant

Model 2: the results of the regression analysis from the model 2 summary showed that $R^2 = 46\%$ and adjusted $R^2 = 45.3\%$. The adjusted R^2 gives us the idea of how well the model is generalized and this value should be close to R^2 , as in our case. The results suggest that 45.3% of the total variability in customer loyalty is explained by the model, which is a composition of Trust, Customer Satisfaction, Price and Switching costs. Standardized beta coefficient is responsible for comparing the strength of the effect of each particular independent variable to the dependent variable. If trust increase by a 1 standard deviation, customer loyalty will increase by a 0.187 standard deviation. A 1 standard deviation increase in price cause a 0.179 standard deviation increase in customer loyalty. When switching costs increase by 1 standard deviation, customer loyalty increase by 0.129 standard deviation. If customer satisfaction increases by 1 standard deviation, customer satisfaction will increase by 0.355 standard deviation.

Model 3: shows that when the moderation of gender to price/ switching costs on customer loyalty is added to the model, R^2 does not change; it remains at 46% and the adjusted R^2 will reduce to 44.9%. This is so because the moderations of gender to price/ switching costs are insignificant. The F ratio has decreased from 63.033 to 41.804, and it is significant.

Model 4: depicts that when the moderation of gender to Trust/ Customer satisfaction is added, the R^2 increases to 47.6% and adjusted R^2 also increase to 46.1% because the moderations are significant. The F ratio has also gone further to decrease from 41.804 to 33.107, which is a significant result. This proves to be a good model as it gives a higher adjusted R^2 . Therefore, our conclusions will be based mainly upon this model. The standardized beta of (-0.003) shows that the moderation effect of gender cause customer loyalty to decrease by a -0.003 when switching costs increase by a single standard deviation. This result is however insignificant, showing that gender does not moderate the relationship between switching costs and customer loyalty. The standardized beta of (-0.152) shows that the moderation effect of gender cause customer loyalty to decrease by a 0.152 standard deviation if trust increase by 1 standard deviation. The result is however significant.

Table 4.6 Regression analysis: moderating effect of gender

| Dependent variable: Customer Loyalty | | | | | | | | |
|--|---------|----------|-----------|------------|-----------|------------|-----------|------------|
| Independent variables | Model 1 | | Model 2 | | Model 3 | | Model 4 | |
| | Sig. | β | Sig. | β | Sig. | β | Sig. | β |
| Gender | 0.731 | (-0.020) | | | | | | |
| Trust | | | 0.001 | (0.187)* | 0.001 | 0.187)* | 0.001 | (0.202)* |
| Price | | | 0.001 | (0.179)* | 0.001 | (0.184)* | 0.002 | (0.170)* |
| Switching-costs | | | 0.008 | (0.129)* | 0.009 | (0.129)* | 0.011 | (0.124)** |
| Customer-satisfaction | | | 0.000 | (0.355)*** | 0.000 | (0.351)*** | 0.000 | (0.340)*** |
| Price*Gender | | | | | 0.668 | (0.020) | 0.417 | (0.043) |
| Switching-costs*Gender | | | | | 0.756 | (-0.014) | 0.953 | (-0.003) |
| Trust*Gender | | | | | | | 0.010 | (-0.152)** |
| Customer-satis*Gender | | | | | | | 0.023 | (0.126)** |
| R^2 | 0.005 | | 0.460 | | 0.460 | | 0.476 | |
| Adjusted R^2 | 0.003 | | 0.453 | | 0.449 | | 0.461 | |
| F | 0.118 | | 63.033*** | | 41.804*** | | 33.107*** | |
| ΔR^2 | - | | 0.455 | | 0 | | 0.016 | |
| Notes: Standardised β coefficients shown within brackets; * $p < 0.01$, ** $p < 0.05$, *** $p < 0.001$ | | | | | | | | |

The significance of R^2 (Model 2) is tested using ANOVA. The ANOVA (see Appendix 5) tests whether our model is significant or not. Specifically the F-value is used. The F-ratio, which is 63.033 and is significant at $p=0.000$, which is less than 0.05. Individual t-tests (see Appendix 6) for Trust, Price, Switching costs and Customer satisfaction were 3.260, 3.360, 2.666 and 6.451 respectively. The t-values were all significant at 0.05 level.

4.3.2.1 Multiple regression results for Customer Loyalty, Trust, Price, Switching costs and Customer satisfaction.

The mathematical presentation of the regression for model 2 is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Where,

Y = Customer Loyalty (dependent variable)

α = constant term or the intercept

β_1 = partial regression coefficient of Trust

β_2 = partial regression coefficient of Price

β_3 = partial regression coefficient of Switching costs

β_4 = partial regression coefficient of Customer satisfaction

X_1 = Trust (independent variable)

X_2 = Price (independent variable)

X_3 = Switching costs (independent variable)

X_4 = Customer satisfaction (independent variable)

The regression equation will be:

$$Y = 0.756 + 0.199X_1 + 0.185X_2 + 0.127X_3 + 0.310X_4$$

The relationship between Customer loyalty (Y) and several variables (X_1, \dots, X_4) are statistically significant as p-values are less than 0.05 (see Appendix 6).

Constant: Holding all other variables constant, customer loyalty has a 0.756 units on its scale.

Trust ($b=0.199$): This value suggests that a 1 unit change in the Trust scale will result in a 0.199 unit change in customer loyalty. This interpretation is only valid when other variables are held constant.

Price ($b=0.185$): This value suggests that a 1 unit change in Price scale will cause a 0.185 unit change in customer loyalty, only when other variables are held constant.

Switching costs ($\beta=0.127$): a 1 unit increase in the switching costs scale will result in a 0.127 unit increase in customer loyalty if and only if the other variables are held constant.

Customer Satisfaction ($\beta=0.310$): when customer satisfaction increase by a single unit, customer loyalty will increase by a 0.310 unit provided that all the other variables are constant. The more customers are satisfied, the more they are loyal to the company.

Table 4.7 Regression analysis II: moderating effect of gender

| Dependent variable: Customer Satisfaction | | | | |
|--|----------|---------|----------|----------|
| Independent variables | Model 1 | | Model 2 | |
| Trust | 0.000** | (0.446) | 0.000** | (0.427) |
| Price | 0.000** | (0.249) | 0.000** | (0.270) |
| Trust*Gender | | | 0.060* | (-0.100) |
| Price*Gender | | | 0.000** | (0.198) |
| R^2 | 0.382 | | 0.410 | |
| Adjusted R^2 | 0.378 | | 0.402 | |
| F | 92.166** | | 51.409** | |
| Notes: Standardised β coefficients shown within brackets; * $p < 0.1$, ** $p < 0.001$ | | | | |

Model 1: shows the impact that trust and price have on customer loyalty. The standardized beta value of 0.446 depicts that 1 standard deviation in trust will result in a 0.446 standard deviation increase in customer satisfaction. For a 1 standard deviation increase in price, customer satisfaction increase by a 0.249 standard deviations. In this model, trust contributes more than price to customer satisfaction.

Mode2: adds the moderation of gender on the relationship between trust and customer satisfaction; and price and customer satisfaction. The two interaction have made the adjusted R^2 to rise from 37.8% to 40.2%, with the F value dropping from 92.166 to 51.409 being significant. This shows that the model is also significant. The relationship between trust and customer satisfaction has become negative because of the moderating effect of gender. However the relationship is significant. As trust increase by a 1 standard deviation, customer satisfaction decreases by a 0.100 standard deviation. On the other hand, the moderation effect of gender on the relationship between price and customer satisfaction is significant with significance level of 0.000. The standardized beta shows that gender cause customer loyalty to increase by a 0.198 standard deviation when price increase by a single standard deviation.

4.4 Moderation

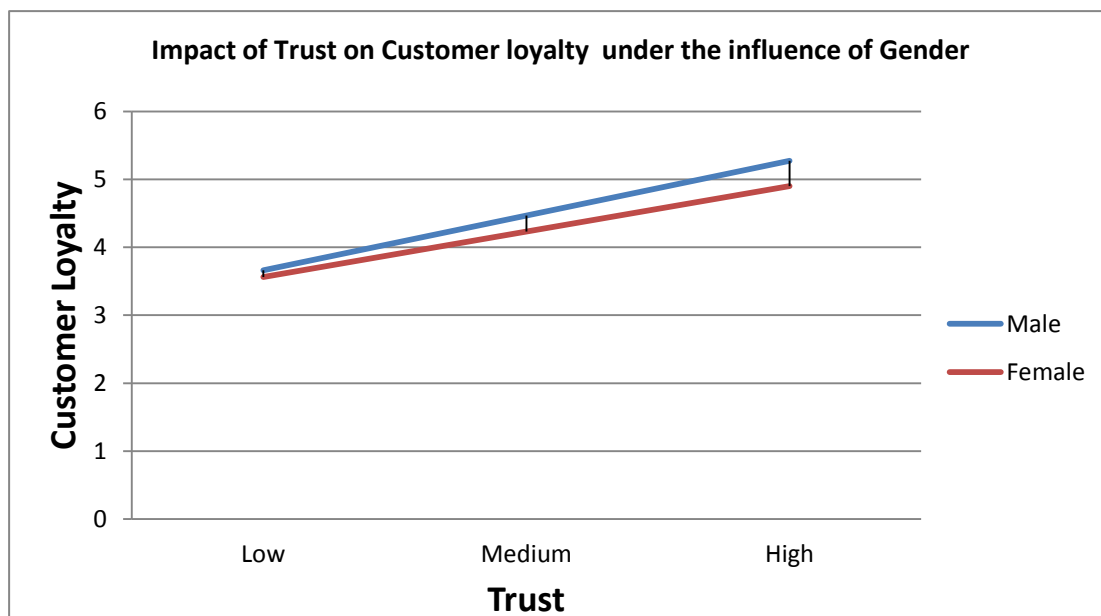
This section presents the moderation effect of gender on the relationship between two variables, thus critically analyzing how male and female impact differently on the dependent variable under different conditions of the independent variable. The moderation effect of gender on the relationship between customer satisfaction and customer loyalty is shown by the graph below

Fig 4.1



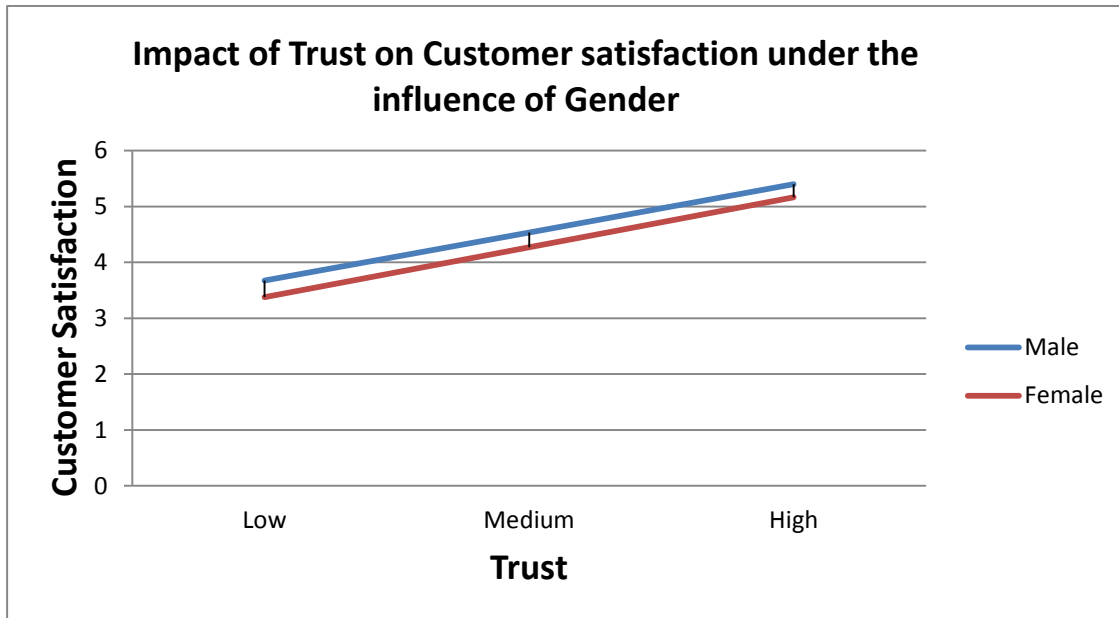
Fig 4.1 above suggests that; at low satisfaction levels, females are more loyal than males. However the loyalty level is moderate. At high satisfaction levels, males are more loyal than females. The loyalty level is quite high. At medium levels of satisfaction, males are still a bit more loyal than women. The graph below also shows the moderation effect of gender on the relationship between trust and customer loyalty.

Fig 4.2



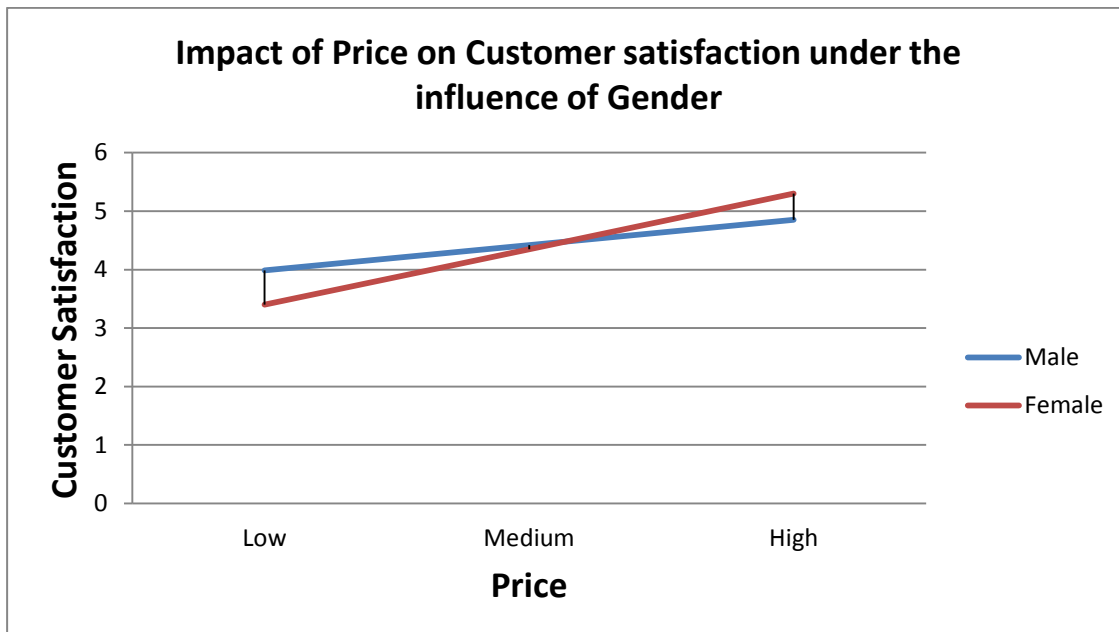
The graph above shows that male tends to be more loyal than women when trust levels are low, medium or high.

Fig 4.3



The graph above further allude that male respondents are more satisfied than female respondents at all levels of trust.

Fig 4.4



The graph above shows that when the price is low, male respondents are more satisfied than females. However, at when the price for the service is high, females will be loyal than males.

4.5 Hypothesis results

Hypotheses 1 to 12 were examined in order to establish the relationship between concepts of the research model. The strength of the relationship was shown by the standardized coefficient (β). The results of the hypothesis show that the relationship between customer satisfaction and customer loyalty is 0.340 ($p < 0.001$) indicate that customer satisfaction has a significant impact on customer loyalty. Thus hypothesis H1 is accepted. Trust and price have a significant and positive impact on customer loyalty with 0.202 ($p < 0.05$) and 0.170 ($p < 0.05$) respectively, therefore hypothesis H2 and H3 are supported. Trust and price also significantly impact customer satisfaction with 0.427 ($p < 0.001$) and 0.270 ($p < 0.001$) respectively, hence hypothesis H4 and H5 are supported. The relationship between switching costs and customer loyalty is 0.124 ($p < 0.05$). This shows that switching costs have a significant impact on customer loyalty, hence hypothesis H6 is accepted.

The moderating effect of gender in hypotheses H7-H12 were supported/rejected on the basis of the regression model 4 and the graphs for the moderation. The results show that gender has a significant moderation between customer satisfaction and customer loyalty at 0.126 ($p < 0.05$). Figure 4.2 shows that the effect of customer satisfaction on customer loyalty is stronger for females, therefore hypothesis H7 is supported. Gender has a significant moderation between trust and customer loyalty ($p < 0.05$). Figure 4.3 shows that the effect of trust on customer loyalty is stronger for male customer, hence hypothesis H8 is supported. Gender has an insignificant moderation between price and customer loyalty ($p = 0.417$), therefore hypothesis H9 is rejected. Gender has an insignificant moderation between switching costs and customer loyalty ($p = 0.953$), therefore hypothesis H10 is also rejected. Gender has a significant moderation between trust and customer satisfaction ($p < 0.1$). Figure 4.4 shows that the effect of trust on customer satisfaction is stronger for male customer, hence hypothesis H11 is rejected. Gender has a significant moderation between price and customer satisfaction ($p < 0.05$). Figure 4.5 shows that the effect of price on customer satisfaction is stronger for female customer, hence hypothesis H12 is supported.

Table 4.8 Results summary of hypothesis testing

| | Path | β | P | Result |
|--------------------------|--|---------|---------|----------|
| H1 | Customer satisfaction has a significant positive impact on customer loyalty. | 0.340 | 0.000* | Accepted |
| H2 | Trust has a significant positive impact on customer loyalty. | 0.202 | 0.001* | Accepted |
| H3 | Price has a significant positive impact on customer loyalty | 0.170 | 0.002* | Accepted |
| H4 | Trust has a significant positive impact on customer satisfaction | 0.427 | 0.000* | Accepted |
| H5 | Price has a significant positive impact on customer satisfaction. | 0.270 | 0.000* | Accepted |
| H6 | Switching costs are positively related to customer loyalty | 0.124 | 0.011** | Accepted |
| H7 | The effect of customer satisfaction on customer loyalty is stronger for female than male customers | 0.126 | 0.023* | Accepted |
| H8 | The effect of trust on customer loyalty is stronger for male than female customers. | -0.152 | 0.010* | Accepted |
| H9 | The effect of price on customer loyalty is stronger on female than male customers. | 0.043 | 0.417 | Rejected |
| H10 | The effect of switching costs on customer loyalty is stronger on male than female customers. | -0.003 | 0.953 | Rejected |
| H11 | The effect of trust on customer satisfaction is stronger on female than male customers. | -0.100 | 0.060** | Rejected |
| H12 | The effect of price on customer satisfaction is stronger on female than male customers. | 0.198 | 0.000* | Accepted |
| Note: *p< 0.05,** p<0.10 | | | | |

Price and Trust are established to have quite a significant impact on customer satisfaction. Trust is however found to have the strongest impact on customer satisfaction. This finding is consistent with Weng Onn Lee & Lai Soon Wong (2015) and Rama Koteswara, Rao Kondasani & Rajeev Kumar Panda (2015) studies, that trust has a significant influence on customer satisfaction. As mentioned in the literature that trust plays a fastening role in satisfying customers (Nasir and Mushtaq, 2014), the findings show that customers in the telecommunication industry of North Cyprus are more satisfied when they trust the company rather than the price charged on mobile services. Customer loyalty is greatly influenced by customer satisfaction rather than switching costs. Amna Nasir, Hamna Mushtaq and Muhammad Rizwan (2014) concluded that customer satisfaction is a strong variable that influence customer loyalty.

4.5.1 Research Model

The proposed hypothetical model of the study previously outlined in literature review (see section 2.10) is presented below with the structural results.

Fig 4.5 Research model

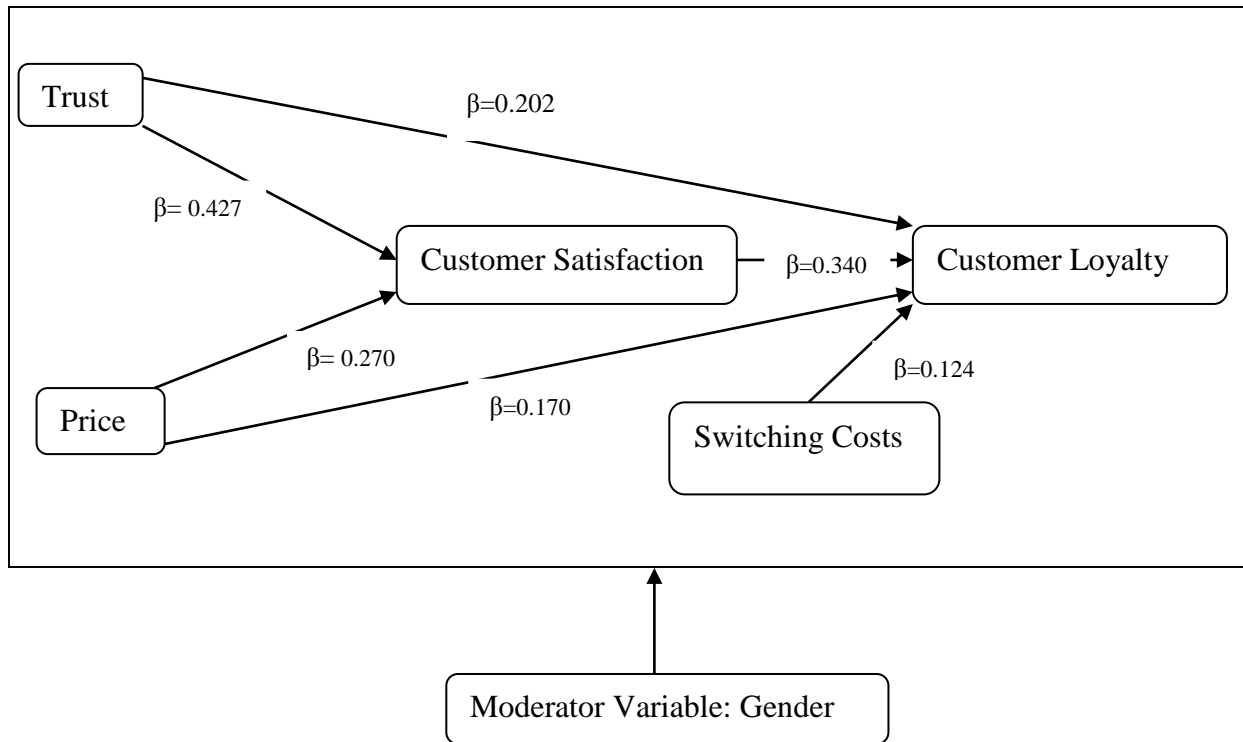


Figure 4.1 displays the results of the main and sub-objectives of the research. Customer satisfaction has the greatest impact on customer loyalty than all the other variables, followed by trust, followed by price and lastly switching costs which have the lowest impact on customer loyalty. Trust has a greater influence on the satisfaction level of customer than price.

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.0 Conclusions

This study looked at the theoretical contribution of the level of satisfaction of mobile services subscribers in Northern Cyprus and its impact on customer loyalty. The researcher was aware that one of the greatest challenges for telecommunication companies is to retain customer who will be loyal to the company. The study helps to determine the factors that contribute to the level of satisfaction of the customers. Data was collected from a sample of 301 respondents and the questions asked were grouped into factors using factor analysis, based on the loadings of the responses. The other methods used for analysing data were Pearson Correlation and Regression analysis. Pearson Correlation provided empirical evidence that all the variables are interrelated. Study results show that trust, price, switching costs, customer satisfaction and customer loyalty are all positively related. The strongest correlation was between customer satisfaction and customer loyalty. The proposed hypothesis of positive significance of customer satisfaction towards customer loyalty was accepted, with hypothesis H1 having the greatest beta coefficient than other variables (trust, price and switching costs). This showed that a higher degree of customer satisfaction will lead to customer loyalty than any other variable considered.

The variables that affect customer satisfaction are trust and price. Between these two variables, the study determined that trust has the most influence on customer satisfaction. Gender has a significant moderating impact on the trust-customer loyalty, customer satisfaction-customer loyalty, trust-satisfaction and price-satisfaction. The study also determined that females are more loyal than males in high satisfaction levels. Males are more loyal than female in high trust level and males are more satisfied when trust is high. Females are more satisfied than males when price is high. Trust, price, switching costs and customer satisfaction significantly affect customer loyalty.

5.1 Managerial Implications

From a managerial perspective, our study analysis allows to extract some vital implications. Firstly, from the results of factor analysis, trust's high factor loading (0.780): "based on my experience, I know Turkcell service provider is honest" shows that customers believe

Turkcell to be a truthful and honest company. Managers at Turkcell should however maintain this integrity so that customers would continue trusting them.

Price: the highest factor loading (0.841) “I consider Turkcell’s pricing policy as acceptable” shows that customer are comfortable with the price that Turcell is charging, therefore management of Turkcell should maintain their price list or even lower it in order to attract more customers. Customer loyalty: the highest factor loading (0.764) “Turkcell mobile service providers would be my first choice” shows that the customers prefer Turkcell than any other service provider, therefore managers should find ways to retain those customers. They should let existing and potential customers know what they are doing/ will do for them. Switching costs: the highest factor loading (0.806) “Switching to other telecommunication service providers would be too expensive.” Though switching costs are industry specific and customer specific, they might not be directly observed by managers but managers may cause switching to other service providers more expensive by providing cheap service at best quality. Customer satisfaction: the highest factor loading (0.774) “Overall I am satisfied with the specific experiences I have so far with Turkcell” shows that should maintain or improve their standard of service offerings for them to sustain in the market.

Customer satisfaction has the strongest impact and high correlation to customer loyalty, ($\beta = 0.340$) and ($r = 0.603$) respectively. Managers at Turkcell should however channel their creativity in satisfying customers. Improving trust level of customer and a competitive price are the basic functions to meet customer satisfaction. It is necessary for managers to satisfying the underlying need of the customers. Such needs include fast internet, clear calls, always available mobile network. Management has to incorporate technological innovation for mobile services they offer. They have to evaluate how the service is perceived by customers as this is an important factor in formulating marketing strategy and implementation. Satisfaction can go as far as monitoring the process by which customer are given service by front-end personnel in order to make corrective action and meet the needs of the customer, thus improving customer satisfaction.

Trust has a positive and also significant impact on customer satisfaction and also customer loyalty. Correlation showed that trust is correlated to customer satisfaction the more as compared to other variables ($r = 0.582$). Management has to be vigilant of the issue concerning trust of customers. This results shows that for Turkcell customers to be satisfied, they have to trust the company first. Efforts should be made in order to make customer believe in the operations of the company. Improving the level of transparency when offering

services, giving information updates or even making available financial reports to stakeholders will improve the level of trust that customers have over Turkcell, thus leading to satisfaction and ultimately becoming loyal customers.

Price has also a positive and significant impact on customer satisfaction and also customer loyalty. In a competitive environment, management has to be aware of the price they charge to customer. The results show that if price increase, customer satisfaction will increase, and also customer loyalty. Managers can be at liberty to increase the price of their services but however they should be cautious in doing this by looking at the actions of the competitor, otherwise they might lose customers.

Switching costs have a positive and a significant impact on customer loyalty. This implies that as switching costs increases, customers tend to be loyal to the company (Kim, 2016). Management should therefore focus on building switching barriers in order to retain customer. Therefore management has to enhance relative advantage of Turkcell over Telsim. They should also formulate switching costs strategies to tie customers to their company.

Gender was seen to have a significant moderating impact on the following relationships: Trust-customer loyalty; customer satisfaction-customer loyalty; trust-customer satisfaction and price-customer satisfaction. This implies that at each independent variable, males and females impact differently on the dependent variable. Females are more loyal at high trust levels whilst males are more loyal at high satisfaction levels. In terms of customer loyalty, efforts to increase trust in customers should be focused more to males whilst efforts of increasing satisfaction should focus more on females. Males are more satisfied at high trust levels whilst females are more satisfied at high price levels. In terms of customer satisfaction, efforts of increasing trust should focus more on females whilst males should have more of personal marketing for them to be satisfied with high prices. Karatepe et al., (2006) established that men are more task- oriented and women are more relationship-oriented. Turkcell management should therefore advertise more of data services to women, because they are more acquainted to social networks than men. This will help improve their satisfaction levels. Task –oriented is about getting things done efficiently. It is work (task) related. Turkcell should make use of technological aids to improve tasks implimentations. The company should plan to introduce 5G service to reduce network congestion in workplaces.

The regression model has an adjusted R^2 of 46.1%. This implies that 46.1% of the variations in our independent variables (trust, price, customer satisfaction and switching costs) explain

our dependent variable (customer loyalty). Management should also give attention to the remaining 53.9%. It is however not practical to have a 100% variation in independent variables that explains the dependent variable, but a higher percentage would be good. The 53.9% imply that there are other variables that were not considered by this model. Other variables such as corporate support, corporate image, service quality (SERVQUAL), communication, sales promotion, value added services, etc, can also be implemented by Turkcell management.

5.2 Recommendations for future research

For future studies, some variables can be put in the model or the existing ones can be modified to suit different conditions. The other variable which can be put in the model can include customer perceived value (the value that customers perceive to get by buying the service/product) and service quality (difference between perceived expectations of a service and perceived performance). Further work can consider switching as a moderator between customer satisfaction and customer loyalty. Age, educational level and monthly expenditure, can be used as moderator variables. Future researches can be done in a different geographical location. Different environments always play a positive role that affects the behaviour of respondents.

REFERENCES

- A. Adekiya Adewale and A. Adepoju Bamidele (2016). The Relationship between Brand Trust and Customer Loyalty: The Moderating Impact of Demographic Characteristics, *International Journal of Marketing Practises*, 3 (1), 1-23.
- Adnan Aktepe, Suleyman Ersoz & Bilal Toklu (2014). Customer satisfaction and loyalty analysis with classification algorithms and Structural Equation Modeling. *Computers & Industrial Engineering*, <http://dx.doi.org/10.1016/j.cie.2014.09.031>
- Aftab Alam & Mairaj Salim (2012). Impact of Customer Winning Attitude on Customer Loyalty within KSA Mobile Telecommunication Industry. *International Conference on Industrial Engineering and Operations Management*.
- Allan Ricki & Andreas Raharso, (2008). The impact of switching costs on customer loyalty: a study among customers of mobile telephony. *Journal of Applied Finance and Accounting*, 1 (1), 39-59.
- Amna Nasir, Hamna Mushtaq & Muhammad Rizwan (2014). Costomer Loyalty in Telecom sector of Pakistan. *Journal of Sociological Research*, 5 (1). Doi:10.5296/ jsr.v5i1.6575.
- Apostolos Giovanis Pinelopi Athanasopoulou Evangelos Tsoukatos (2016). The role of corporate image and switching barriers in the service evaluation process: evidence from the mobile telecommunications industry. *EuroMed Journal of Business*, 11 (1). <http://dx.doi.org/10.1108/EMJB-01-2015-0002>
- Aurimas Dapkevicius & Borisas Melnikas, (2009). Influence of price and quality to customer satisfaction: Neuromarketing approach. *Science – future of Lithuania*, 1 (3).

Bander A. Alsajjan, (2014). Satisfaction-Trust Model: Developing Customer Satisfaction and Trust Indices for Mobile Service Providers in the UK. *International Review of Management and Business Research*, 3 (2), ISSN: 2306-9007

Banwari Mittal Walfried M. Lassar, (1998). Why do customers switch? The dynamics of satisfaction versus loyalty. *Journal of Services Marketing*, 12 (3), 177-194.
<http://dx.doi.org/10.1108/08876049810219502>

Bolanle Odunlami & Oludele Matthew (2015). Impact of Customer Satisfaction on Customer Loyalty: A Case Study of a Reputable Bank in Oyo, Oyo State, Nigeria. *International Journal of Managerial Studies and Research (IJMSR)*. 3 (2), 59-69.

Chatura Ranaweera and Jaideep Prabhu (2003). The influence of satisfaction, trust and switching barriers on customer retention in a continuous purchasing setting, *International Journal of Service Industry Management*, 14 (4), 374-395. DOI 10.1108/09564230310489231.

customer loyalty in Pakistan ' s telecommunication industry, *Journal of Database Marketing & Customer Strategy Management*, 18 (1), 5-15. doi: 10.1057/dbm.2011.2

Emel Kursunluoglu (2014). Shopping centre customer service: creating customer satisfaction and loyalty. *Marketing Intelligence & Planning*. 32 (4), 528-548. DOI 10.1108/MIP-11-2012-0134.

Ernest Emeka Izogo Ike-Elechi Ogba, (2015). Service quality, customer satisfaction and loyalty in automobile repair services sector. *International Journal of Quality & Reliability Management*, 32 (3). <http://dx.doi.org/10.1108/IJQRM-05-2013-0075>

Fujun Lai, Mitch Griffin & Barry J. Babin, (2009). How quality, value, image, and satisfaction create loyalty at a Chinese telecom. *Journal of Business Research*. 62, 980-986

G.S. Sureshchandar Chandrasekharan Rajendran R.N. Anantharaman, (2002). Determinants of customer-perceived service quality: a confirmatory factor analysis approach. *Journal of Services Marketing*, 16 (1), 9-34. <http://dx.doi.org/10.1108/08876040210419398>

Gonzalo Ruiz Díaz (2017). The influence of satisfaction on customer retention in mobile phone market. *Journal of Retailing and Consumer Services*, 36, 75-85.
<http://dx.doi.org/10.1016/j.jretconser.2017.01.003>

Gurjeet Kaur and Neetu Mahajan (2011). Exploring the impact of brand equity and customer satisfaction on customer loyalty, *Metamorphosis*, 10 (2).

Haksik Lee, Yongki Lee & Dongkeun Yoo, (2000). The determinants of perceived service quality and its relationship with satisfaction. *Journal of services marketing*, 14 (3), 217-231.

Hongwei Jiang & Yahua Zhang (2016). An investigation of service quality, customer satisfaction and loyalty in China's airline market. *Journal of Air Transport Management*, 57, 80-88. <http://dx.doi.org/10.1016/j.jairtraman.2016.07.008>.

Ilias Santouridis and Panagiotis Trivellas (2010). Investigating the impact of service quality and customer satisfaction on customer loyalty in mobile telephony in Greece. *The TQM Journal*, 22 (3), 330-343. DOI 10.1108/17542731011035550.

Ingy Shafei Hazem Tabaa (2016). Factors affecting customer loyalty for mobile telecommunication industry. *EuroMed Journal of Business*, 11 (3).
<http://dx.doi.org/10.1108/EMJB-07-2015-0034>.

Jawwad Ahmad, Mazhar Hussain & Amer Rajput (2015). Customer loyalty framework of Telecommunication service market. *International Journal of Managing Value and Supply Chains (IJMVSC)*. 6 (1). DOI: 10.5121/ijmvsc.2015.6106.

John T. Bowen & Shiang-Lih Chen, (2001). The relationship between customer loyalty and customer satisfaction. *International Journal of Contemporary Hospitality Management*, 13 (5), 213-217. <http://dx.doi.org/10.1108/09596110110395893>

Kamalakumati Karunanithy & Dilani Rasanayagam (2013). Impact of Customer Satisfaction on Customer Loyalty towards Sri Lanka Telecom PLC. *Industrial Engineering Letters*, 3 (7). ISSN 2225-0581 (online).

Kazuhiro Esaki, (2013). Analysis of Influence of Price to Customer Satisfaction Based on the Prediction Models. *Intelligent Information Management*, 5, 93-102.
<http://dx.doi.org/10.4236/iim.2013.53010>

Kim, M-K., Wong, S.F., Chang, Y., Park, J-H. (2016). Determinants of Customer Loyalty in the Korean Smartphone Market: Moderating Effects of Usage Characteristics. *Telematics and Informatics*. doi: <http://dx.doi.org/10.1016/j.tele.2016.02.006>

Kwabena Adjei & Richard Denanyoh (2014). Determinants of Customer Loyalty among Mobile Telecom Subscribers in the Brong Ahafo. *International Journal of Business and Social Research*. 4 (1).

Lerzan Aksoy, Alexander Buoye, Pelin Aksoy, Bart Larivière & Timothy L. Keiningham (2013). A Cross-national Investigation of the Satisfaction and Loyalty Linkage for Mobile Telecommunications Services across Eight Countries. *Journal of Interactive Marketing*, 27, 74-82. <http://dx.doi.org/10.1016/j.intmar.2012.09.003>

Maitrey Bhagat (2014). Effect of Service Quality & Customer Satisfaction on Customer Loyalty of Cellular Service Providers in Ahmedabad. *Indian Journal of research*. 3 (8).

Majed Radi Al-Zoubi (2013). Service Quality Effects on Customer Loyalty among the Jordanian Telecom Sector "Empirical Study". *International Journal of Business and Management*. 8 (7). doi:10.5539/ijbm.v8n7p35.

Mara Cameran, Peter Moizer, & Angela Pettinicchio, (2010). Customer satisfaction, corporate image, and service quality in professional services. *The Service Industries Journal*, 30 (3), 421-435. DOI: 10.1080/02642060802236111

Masoodul Hassan, Saad Hassan, Muhammad Saqib Nawaz & Ibrahim AKSEL (2013). Measuring customer satisfaction and loyalty through service fairness, service quality and price fairness perception: an empirical study of Pakistan mobile telecommunication sector. *Sci.Int.(Lahore)*. 25(4), 971-980.

Md. Motaher Hossain & Nusrat Jahan Suchy (2013). Influence of customer satisfaction on loyalty: a study on mobile telecommunication industry. *Journal of Social Sciences*, 9 (2), 73-80. doi:10.3844/jsssp.2013.73.80

MiRan Kim, Christine A. Vogt and Bonnie J. Knutson (2012). Relationships among customer satisfaction, delight, and loyalty in the hospitality industry, *Journal of Hospitality & Tourism Research*, 39 (2), 170-197. DOI: 10.1177/1096348012471376.

Mohammad Muzahid Akbar & Noorjahan Parvez (2009). Impact of service quality, trusts and customer satisfaction on customer loyalty. *ABAC Journal*. 29 (1), 24-38.

Mohammed M. Almosawi (2012). Customer Satisfaction in the Mobile Telecom Industry in Bahrain: Antecedents and Consequences, *International Journal of Marketing Studies*, 4 (6). doi:10.5539/ijms.v4n6p139

Mohsen Nazari, Mohammad Ali Shah Hosseini and Seyed Vahid Tabatabaie Kalejahi (2014). Impact of Price fairness on Price Satisfaction, Customer satisfaction and Customer Loyalty in

Iran Telecommunication Market (Case: MTN Irancell Company), *Asian Journal of Research in Marketing*, 3 (1), 131-144.

Moon-Koo Kim, Myeong-Cheol Park & Dong-Heon Jeong, (2004). The effects of customer satisfaction and switching barrier on customer loyalty in Korean mobile telecommunication services. *Telecommunications Policy*, 28, 145-159. doi:10.1016/j.telpol.2003.12.003

Motaher Hossain & Nusrat Jahan Suchy (2013). Influence of customer satisfaction on loyalty: a study on mobile telecommunication industry. *Journal of Social Sciences*. 9 (2), 73-80. doi:10.3844/jsssp.2013.73.80

Muhammad Kashif Sharifah Suzana Wan Shukran Mohsin Abdul Rehman Syamsulang Sarifuddin, (2015). Customer satisfaction and loyalty in Malaysian Islamic banks: a PAKSERV investigation. *International Journal of Bank Marketing*, 33 (1). <http://dx.doi.org/10.1108/IJBM-08-2013-0084>

Muhammad Ehsan Malik, Muhammad Mudasar Ghafoor & Hafiz Kashif Iqbal (2012). Impact of Brand Image, Service Quality and price on customer satisfaction in Pakistan Telecommunication sector. *International Journal of Business and Social Science*. 3 (23).

Muhammad Irfan, Mohammad Farid Shamsudin & Noor Ul Hadi (2016). How Important Is Customer Satisfaction? Quantitative Evidence from Mobile Telecommunication Market. *International Journal of Business and Management*. 11 (6). doi:10.5539/ijbm.v11n6p57

Muhammad Sabbir Rahman, (2012). Service quality, corporate image and customer's satisfaction towards customers perception: an exploratory study on telecom customers in Bangladesh. *Business Intelligence Journal*, 5 (1).

Muslim Amin (2016). Internet banking service quality and its implication on e-customer satisfaction and e-customer loyalty. *International Journal of Bank Marketing*, 34 (3).
<http://dx.doi.org/10.1108/IJBM-10-2014-0139>

Rafique Ahmed Khuhro, Sarwar M Azahr, Niaz Ahmed Bhutto, Irshad Hussain Sarki & Imran Arshad Shaikh (2011). Customer Satisfaction in Telecom Industry after Mobile Number Portability. *Interdisciplinary journal of contemporary research in business*. 3 (8).

Rahim, A. Ganiyu (2016). Perceived Service Quality and Customer Loyalty: The Mediating Effect of Passenger Satisfaction in the Nigerian Airline Industry. *International Journal of Management and Economics*, 52, 94-117. DOI: 10.1515/ijme-2016-0029

Rama Koteswara Rao Kondasani & Rajeev Kumar Panda (2015). Customer perceived service quality, satisfaction and loyalty in Indian private healthcare. *International Journal of Health Care Quality Assurance*, 28 (5), 452-467. <http://dx.doi.org/10.1108/IJHCQA-01-2015-0008>

Rashid Saeed, Rab Nawaz Lodhi, Amna Mehmood, Urooj Ishfaq, Fareha Dustgeer, Amna Sami, Zahid Mahmood & Moeed Ahmad (2013). Effect of Brand Image on Brand Loyalty and Role of Customer Satisfaction in it. *World Applied Sciences Journal*. 26 (10), 1364-1370.
 DOI: 10.5829/idosi.wasj.2013.26.10.1343

Rebecca Kapa & Makori Moronge (2015). Determinants of customer retention in the mobile telecommunication industry in Kenya: a case of Airtel Kenya. *The strategic journal of business and change management*. 2 (2), 1621-1672.

Richard Chinomona & Richard Chinomona, (2013). Customer Satisfaction, Trust and Loyalty as Predictors of Customer Intention to Re-Purchase South African Retailing Industry. *Mediterranean Journal of Social Sciences*, 4 (14). Doi:10.5901/mjss.2013.v4n14p437

Rizwan Qaiser Danish, Farid Ahmad, Adeel Ateeq, Hafiz Yasir Ali & Asad Afzal Humayon (2015). Factors Affecting Customer Retention in Telecom Sector of Pakistan. *American Journal of Marketing Research*. 1 (2), 28-36.

S. Rajeswari & Y. Srinivasulu, (2015). Does customer satisfaction lead to customer loyalty in Telecom sector- with special reference to DSL service. *Prestige International Journal of Management & IT-Sanchayan*, 4 (1), 1-10.

S.L. Hui Rachel W.Y. Yee, (2015). Relationship among Interpersonal Relationship, Customer Satisfaction and Brand Loyalty in Fashion Retailing Industry. *Research Journal of Textile and Apparel Project*, 19 (1), 65-72. <http://dx.doi.org/10.1108/RJTA-19-01-2015-B007>

Sadia Jahanzeb, Tasneem Fatima and M. Bashir Khan (2010). An empirical analysis of

Sara Henriques & Jesus Paninho Magalhães, (2009). The differential effects of Switching Costs and Attractiveness of Alternatives on Customer Loyalty.

Seiedeh Nasrin Danesh, Saeid Ahmadi Nasab & Kwek Choon Ling (2012). The Study of Customer Satisfaction, Customer Trust and Switching Barriers on Customer Retention in Malaysia Hypermarkets. *International Journal of Business and Management*, 7 (7),
doi:10.5539/ijbm.v7n7p141

Selda Ene & Betül Özkaya, (2014). A Study on Corporate Image, Customer Satisfaction and Brand Loyalty in the Context of Retail Stores. *Asian Social Science*, 10 (14).
doi:10.5539/ass.v10n14p52

Serkan Aydin and Gokhan Ozer (2004). The analysis of antecedents of customer loyalty in the Turkish mobile telecommunication market, *European Journal of Marketing*, 39 (7/8). DOI 10.1108/03090560510601833.

Shun Yin Lam, Venkatesh Shankar and M. Krishna Erramilli Bvsan Murthy (2004). Customer Value, Satisfaction, Loyalty, and Switching Costs: An Illustration From a Business-to-Business Service Context, *Journal of the Academy of Marketing Science*, 32 (3), 293-311. DOI: 10.1177/0092070304263330

Simona Mihaela (2013). The influence of overall satisfaction and trust on customer loyalty. *Management & Marketing Challenges for the Knowledge Society*, 8 (1), 109-128.

Siti Hasnah Hassan, Loi Wai Yee & Ramayah Thurasamy (2016). Consumer e-lifestyle, perceived corporate identity, customer satisfaction and loyalty among young mobile service subscribers: a cross-cultural examination of Indonesia-Malaysia-Thailand growth triangle (imt-gt). *International Journal of Management and Applied Science*, 2 (7).

Siti Hasnah Hassan, Loi Wai Yee & Ramayah Thurasamy, (2016). Consumer e-lifestyle, perceived corporate identity, customer satisfaction and loyalty among young mobile service subscribers: a cross-cultural examination of Indonesia-Malaysia-Thailand growth triangle (IMT-GT). *International Journal of Management and Applied Science*, 2 (7).

Tariq M. Khizindar, Abdel Fattah M. Al-Azzam & Iyad A. Khanfar (2015). An empirical study of factors affecting customer loyalty of telecommunication industry in the kingdom of Saudi Arabia. *British Journal of Marketing Studies*. 3 (5), 98-115.

Telecommunication Industry in Albania. *Mediterranean Journal of Social Sciences*. 6 (1). Doi:10.5901/mjss.2015.v6n1s1p224.

U Kanaka Rao & Danda Udaya Shekhar (2016). Customer satisfaction and its impact on customer loyalty of BSNL mobile users. *International Journal of Multidisciplinary Research and Development*. 3 (2), 250-253.

Victor Lorin Purcarea, Iuliana Raluca Gheorghe & Consuela Madalina Petrescu, (2013). The Assessment of Perceived Service Quality of Public Health Care Services in Romania Using the SERVQUAL Scale. *Procedia Economics and Finance*, 6, 573-585.

Zhaohua Deng, Yaobin Lu, Kwok Kee Wei & Jinlong Zhang, (2010). Understanding customer satisfaction and loyalty: An empirical study of mobile instant messages in China. *International Journal of Information Management*. 30, 289-300.

APPENDIX

Appendix 1, Statistics for Gender, Age & Educational level

| | Gender | Age | Educational level |
|--|---------|---------|-------------------|
| N Valid | 301 | 301 | 301 |
| Missing | 0 | 0 | 0 |
| Mean | 1.5980 | 24.8638 | 1.6047 |
| Std. Error of Mean | 0.02831 | 0.30499 | 0.03823 |
| Median | 2.0000 | 23.0000 | 2.0000 |
| Mode | 2.00 | 20.00* | 1.00 |
| Std. Deviation | 0.49112 | 5.29132 | 0.66321 |
| Variance | 0.241 | 27.998 | 0.440 |
| Range | 1.00 | 30.00 | 2.00 |
| Minimum | 1.00 | 18.00 | 1.00 |
| Maximum | 2.00 | 48.00 | 3.00 |
| *Multiple modes exist. The smallest value is shown | | | |

Appendix 2, Statistics other variables

| | Monthly expenditure | Time with Turkcell | Length of calls/day | Package | Connection type | Use of phone the most |
|--------------------|---------------------|--------------------|---------------------|---------|-----------------|-----------------------|
| N Valid | 301 | 301 | 301 | 301 | 301 | 301 |
| Missing | 0 | 0 | 0 | 0 | 0 | 0 |
| Mean | 3.3355 | 2.5714 | 1.6312 | 2.0133 | 1.1728 | 1.4419 |
| Std. Error of Mean | 0.08132 | 0.08026 | 0.04800 | 0.04868 | 0.02330 | 0.03827 |
| Median | 3.0000 | 2.0000 | 1.0000 | 2.0000 | 1.0000 | 1.0000 |
| Mode | 3.00 | 1.00 | 1.00 | 3.00 | 1.00 | 1.00 |
| Std. Dev | 1.41080 | 1.39250 | 0.83280 | 0.84449 | 0.40421 | 0.66391 |
| Variance | 1.990 | 1.939 | 0.694 | 0.713 | 0.163 | 0.441 |
| Range | 6.00 | 4.00 | 3.00 | 2.00 | 2.00 | 2.00 |
| Minimum | 0.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Maximum | 6.00 | 5.00 | 4.00 | 3.00 | 3.00 | 3.00 |

Appendix 3, KMO interpretation

| KMO | Interpretation |
|---------------|----------------|
| 0.9 and above | Marvellous |
| 0.8 – 0.9 | Meritorious |
| 0.7 – 0.8 | Middling |
| 0.6 – 0.7 | Mediocre |
| 0.5 – 0.6 | Miserable |
| Under 0.5 | unacceptable |

Appendix 4: Test of Normality

| | Kolmogorov-Smirnov** | | | Shapiro-Wilk | | |
|--|----------------------|-----|--------|--------------|-----|-------|
| | Statistics | df | Sig. | Statistics | df | Sig. |
| Trust | 0.077 | 301 | 0.200* | 0.980 | 301 | 0.506 |
| Price | 0.085 | 301 | 0.200* | 0.964 | 301 | 0.537 |
| Customer Loyalty | 0.094 | 301 | 0.200* | 0.973 | 301 | 0.465 |
| Switching costs | 0.078 | 301 | 0.200* | 0.979 | 301 | 0.715 |
| Customer satisfaction | 0.113 | 301 | 0.200* | 0.952 | 301 | 0.754 |
| **Lilliefors Significance Correlation | | | | | | |
| *This is a lower bound of the true significance. | | | | | | |

Appendix 5, ANOVA

| Model | Sum of Squares | df | Mean Squares | F | Sig. |
|---|----------------|-----|--------------|--------|--------|
| 2 Regression | 232.798 | 4 | 58.200 | 63.033 | 0.000* |
| Residual | 273.304 | 296 | 0.923 | | |
| Total | 506.102 | 300 | | | |
| Dependent Variable: Customer Loyalty | | | | | |
| *Predictors: (Constant), Customer satisfaction, Switching costs, Price, Trust | | | | | |

Appendix 6, Coefficients*

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---------------------------------------|-----------------------------|------------|---------------------------|-------|-------|
| | B | Std. Error | Beta | | |
| 2 (Constant) | 0.756 | 0.244 | | 3.098 | 0.002 |
| Trust | 0.199 | 0.061 | 0.187 | 3.260 | 0.001 |
| Price | 0.185 | 0.055 | 0.179 | 3.360 | 0.001 |
| Switching costs | 0.127 | 0.048 | 0.129 | 2.666 | 0.008 |
| Customer satisfaction | 0.310 | 0.048 | 0.355 | 6.451 | 0.000 |
| *Dependent Variable: Customer Loyalty | | | | | |

Appendix 7, ANOVA

| Model | Sum of Squares | df | Mean Squares | F | Sig. |
|---|----------------|-----|--------------|--------|--------|
| 4 Regression | 240.717 | 8 | 30.090 | 33.107 | 0.000* |
| Residual | 265.385 | 292 | 0.909 | | |
| Total | 506.102 | 300 | | | |
| Dependent Variable: Customer Loyalty | | | | | |
| *Predictors: (Constant), Customer satisfaction*gender, Trust, Switching costs*gender, Switching costs, Price*gender, Price, Customer satisfaction, Trust*gender | | | | | |

Appendix 8, Coefficients*

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---------------------------------------|-----------------------------|------------|---------------------------|--------|-------|
| | B | Std. Error | Beta | | |
| 4 (Constant) | 0.835 | 0.245 | | 3.410 | 0.001 |
| Trust | 0.215 | 0.061 | 0.202 | 3.515 | 0.001 |
| Price | 0.175 | 0.057 | 0.170 | 3.081 | 0.002 |
| Switching costs | 0.123 | 0.048 | 0.124 | 2.567 | 0.011 |
| Customer satisfaction | 0.297 | 0.049 | 0.340 | 6.095 | 0.000 |
| Price*gender | 0.056 | 0.069 | 0.043 | 0.813 | 0.417 |
| Switching costs*gender | -0.004 | 0.064 | -0.003 | -0.059 | 0.953 |
| Trust*gender | -0.200 | 0.077 | -0.152 | -2.600 | 0.010 |
| Customer satisf*gender | 0.166 | 0.073 | 0.126 | 2.278 | 0.023 |
| *Dependent Variable: Customer Loyalty | | | | | |

Appendix 9, Coefficients*

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|--|-----------------------------|------------|---------------------------|--------|-------|
| | B | Std. Error | Beta | | |
| 2 (Constant) | 0.660 | 0.279 | | 2.367 | 0.019 |
| Trust | 0.520 | 0.065 | 0.427 | 7.975 | 0.000 |
| Price | 0.319 | 0.063 | 0.270 | 5.025 | 0.000 |
| Trust*gender | -0.150 | 0.080 | -0.100 | -1.886 | 0.060 |
| Price*gender | 0.293 | 0.079 | 0.198 | 3.730 | 0.000 |
| *Dependent Variable: Customer Satisfaction | | | | | |

Appendix 10, Questionnaire

Impact of customer satisfaction on customer loyalty in the telecommunication sector: a case of Turkcell, North Cyprus

Faculty of Social Sciences; Department of Business Administration

This survey is a part of the MSc study in Consumer Loyalty. The aim of this research is to investigate the impact of customer satisfaction on consumer loyalty within the telecommunication of Northern Cyprus, taking a case study of Turkcell. Please feel free to respond as your responses will be kept completely confidential and anonymous.

Section 1.

Gender? ☐ Male ☐ Female

Your age?

Nationality?:

Educational Level? ☐ Undergraduate ☐ Masters ☐ PhD

What are you studying? :

Which mobile service provider do you use? ☐ Turkcell ☐ Telsim

Monthly expenditure on mobile services?:

☐ Less than 20TL ☐ 21-40TL ☐ 41-60TL ☐ 61-80TL ☐ 81-100TL ☐ Above 100TL

How long have you been using Turkcell mobile services?:

☐ Less than 1 year ☐ 1-2 Years ☐ 2-3 Years ☐ 3-4 Years ☐ Above 4 Years

On average, how minutes do you call per day?:

☐Less than 20min ☐20-40min ☐41-100min ☐Above 100min

Which package do you usually buy?:

☐Mini(with 1G data) ☐Maxi(with 2G data) ☐Mega(with 4G and above)

Which type of connection do you prefer? ☐Pre-Paid ☐Post-Paid

What do you use your mobile phone the **most**?

☐Social Media ☐Internet browsing ☐Calls

Section 2.

Please indicate your level of agreement with the following statements:

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|--------------------------|-----------------|--------------------------|----------------------------------|-----------------------|--------------|-----------------------|
| Strongly Disagree | Disagree | Somewhat Disagree | Neither Agree or Disagree | Somewhat Agree | Agree | Strongly Agree |

| Question | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|---|
| 1. I consider Turkcell's pricing policy as fair. | | | | | | | |
| 2. I consider Turkcell's pricing policy as ethical. | | | | | | | |
| 3. I consider Turkcell's pricing policy as acceptable | | | | | | | |
| 4. I paid a fair price for the mobile service I am using. | | | | | | | |
| 5. Turkcell is offering flexible pricing for various services that meet my needs. | | | | | | | |
| 6. Turkcell mobile service provider is reliable. | | | | | | | |
| 7. Turkcell mobile service provider is innovative and forward looking. | | | | | | | |
| 8. Turkcell mobile service provider adds value to me. | | | | | | | |
| 9. Turkcell is sincere to customers. | | | | | | | |
| 10. I have a good feeling about the Turkcell's social responsibility. | | | | | | | |
| 11. Turkcell service provider always delivers excellent overall service. | | | | | | | |
| 12. The offerings of Turkcell are of high quality. | | | | | | | |
| 13. Turkcell provides timely information when there are new services | | | | | | | |
| 14. Turkcell offers personalized services to meet customers' need. | | | | | | | |
| 15. The frontline employees of this operator are always willing to help me. | | | | | | | |
| 16. Based on my experience, I know Turkcell service provider is honest. | | | | | | | |

| | | | | | | | |
|---|--|--|--|--|--|--|--|
| 17. Based on my experience, I know Turkcell service provider cares about customers. | | | | | | | |
| 18. The service process provided by Turkcell is secure. | | | | | | | |
| 19. The billing system of Turkcell is trustworthy. | | | | | | | |
| 20. The policies and practices of Turkcell are trustworthy. | | | | | | | |

| | | | | | | |
|--------------------------|-----------------|--------------------------|----------------------------------|-----------------------|--------------|-----------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Strongly Disagree | Disagree | Somewhat Disagree | Neither Agree or Disagree | Somewhat Agree | Agree | Strongly Agree |

| Question | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|----------|----------|----------|----------|----------|----------|----------|
| 21. Switching to other telecommunication service providers would cause too many problems. | | | | | | | |
| 22. Switching to other telecommunication service providers would be too expensive | | | | | | | |
| 23. Switching to other telecommunication service providers would require too much learning | | | | | | | |
| 24. In general it would be a hassle changing from Turkcell | | | | | | | |
| 25. If I change my phone number, I would be concerned if people dial my previous number but could not reach me. | | | | | | | |
| 26. My choice to Turkcell service provider is a wise one. | | | | | | | |
| 27. Turkcell mobile service provider meets my expectations. | | | | | | | |
| 28. Turkcell mobile service provider fits my needs/wants. | | | | | | | |
| 29. Overall I am satisfied with the specific experience I have so far with Turkcell | | | | | | | |
| 30. I am satisfied with my decision to purchase from Turkcell | | | | | | | |
| 31. Turkcell mobile service providers would be my first choice. | | | | | | | |
| 32. I consider myself to be loyal to Turkcell mobile services. | | | | | | | |
| 33. I recommend Turkcell to someone who seeks my advice. | | | | | | | |
| 34. Even if another operator' price is lower, I will go on using Turkcell. | | | | | | | |
| 35. I am willing to say positive things about Turkcell to other people. | | | | | | | |

