**Information Management and Business Review**
Vol. 5, No. 5, pp. 245-256, May 2013 (ISSN 2220-3796)

# How Customer Loyalty Model Be Operative? A study of Cellular Phone Service Providers in Pakistan

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**Abstract:** The idea of this study is raised because of tough competition in cell phone industry of Pakistan. In this scenario, every organization after retaining customer tries to make him/her loyal. The loyalty, which has rigorously investigated, empirically tested with different combination of variables, which collectively help in making the customer loyal. Data were collected through 508 questionnaires. Respondents were pre-paid cell phone customers. Data was analyzed via factor loading and reliability of variables. Structural Equation Modeling (SEM) technique was used for the testing of hypotheses. Loyalty model was found significantly responsive for cellular phone services in Pakistan. Perceived service quality, satisfaction, trust and image have chained link of positive affects, which leads to loyalty of customers in the telecom sector of Pakistan. Customers do not take effect of perceived service quality. However, it is service quality, which satisfies customer through image of the organization. This loyalty model is more preferably applicable in the industry where competition is tough and switching rate is high. In future researches, this model can be tested across the culture. Moreover, more variables can be added to strengthen the loyalty model.

**Keywords**: *Trust, Satisfaction, Commitment, Loyalty*

## 1. Introduction

Majority of the organizations follow the popular principle of marketing that "customer is king". Once any individual becomes customer, it is earnest desire of Business Company to establish and maintain long-term relation with that customer. Maintaining long-term relation with the customer in this competitive environment is prime objective of every organization. It is only possible if customer is loyal. Customer Loyalty takes a long time to be established. However, it is one of the most handsome relations with customers for any business organization. Different researchers suggested different chained variables to make customer loyal i.e. Kim *et al.2004*, Ali et al. 2010, Aydin and Ozer, 2005; Lai *et al.*, 2009. As green and white (1976) in their study explained that every variable or model cannot be fit in two different regions except in some special cases because every region has different culture, norms and values. Therefore, it endorses that the antecedent variables of loyalty model are needed to be probed region wise. Basic variables of loyalty model, which is still on disarray stage, has been tried to find in this study. In this effort, contribution of linked variables like organization image, service quality, trust and satisfaction are viewed in relation to loyalty. In spite of the fact that customer loyalty is progressively seen as a prime determinant of long financial performance in hostile markets, there are clear gaps in our literature regarding antecedents of loyalty Alireza *et al.*, (2011). Primary motivation behind this exploration is to test a reconciled model of loyalty. While quality, customer satisfaction, and image of brand are seen as foundation variables of customer loyalty (Zeithaml, 1988), exploration usually acknowledges just the straightforward bivariate bonds between Perceived service quality (quality, and Satisfaction) image and loyalty which might cover correct relations. Customer loyalty is the most pressed desire for any organization facing tough competition especially in Pakistan's telecom sector. Telecom sector is one of the most successful business sectors in Pakistan. It is the only sector attracting Foreign Direct Investment (FDI). In Pakistan's telecom sector, investors have devoted Billion of dollars in the last half decade which made this industry more attractive (PTA Report, 2011). That is why in spite of various ups and downs in the economy, performance of cellular phone industry is consistent and growing every day. In this cut throat competition, where titanic organizations are striving for their existence. The only objective of organizations

in this sector is to drain new customers and retain the old ones. It is possible only through quality services, customer trust and satisfaction (which bases upon customer loyalty). This research intends to design a new customer loyalty model, that how service providers can make customers loyal to their organizations.

To achieve the customer loyalty, organizations often offer different packages in their all offered domains i.e. voice calls, text messages, mobile internet etc. While doing so business organizations overlook facts on the ground. Results of which may not be encouraging. Currently service providers in Pakistan are Ufone – a national organization, Mobilink, Telenor, Warid and Zong – all four are international organizations (PTA report, 2011). There is tough competition among these service providers (operators). They leave no stone unturned to attract new customers through multifarious packages and offers. PTA (2011) report evidenced that millions of users switching from one network to second and from second to third and so on. So, service providers try their best to keep customers loyal, which bases on customer trust and satisfaction. Customer satisfaction with quality services guarantees success for any organization (Hennig-Thurau and Klee, 1997). Customer Satisfaction needs quality services as initial step for loyalty. In this initial stage, contribution of organization's image cannot be ignored. Dekimpe *et al. (1997)* explains the significance of retaining customers, that retaining current customer and building loyalty towards brand is a key to make the firm successful (1997). For customer retention, satisfaction and loyalty of customer towards the service provider is mandatory. Previous studies consider customer satisfaction compulsory for loyalty of customer (Eshghi, Haughton and Topi, 2007). Paying premium prices and purchase of new items on the part of customers are green signals being loyal to the company. Loyalty of customers enhances profitability of the operator (Ganesh *et al.,* 2000). The rest of the paper first discusses about the literature of the constructs (service quality, satisfaction, image, trust and loyalty), then study these constructs in hypotheses perspective. Thirdly, there is discussion on methodology followed by the scale measurements and results. In the last, conclusion, limitation of the study and future research added.

## 2. Literature Review

**Service Quality:** Service Quality is defined as "consumer's judgment about the overall excellence or superiority of a service" (Zeithaml, 1988). In other words, services are intangible and heterogeneous. They cannot be stored and the consumption of services are inseparable (Gronors, 2000). Evaluation of service quality is difficult as compared to the evaluation of product because perceived service quality also includes delivery process along with output (Cody and Hope, 1999). Generally perceived service quality is one of the important factors for profit and firm's success. Perceived service quality for profit has two processes. First is service differentiation and competitive advantage, which attracts new customers and contributes to market share (Venetis and Ghauri, 2000). Secondly, perceived service quality increases the customer's urge to purchase more and more services, so they become less price conscious; besides it, they have good experiences (Venetis and Ghauri, 2000). Both quality service and customer satisfaction have equal contribution for establishing company relationship with customer. About this relationship, there are two different schools of thought, first: customers who have high perception about perceived service quality (Bolton & Drew, 1991) second: service quality leads towards the customer satisfaction. Services are contradictory from tangible items. The uniqueness of service is dependent upon its impalpable and heterogeneous nature. Services cannot be stored; services are used simultaneously after their production. Quality of service is the observation of customer developed while using the services of that service provider (Gronroos, 2000). Parasuraman et al. (1988) characterized service quality as the interaction and judgment of service consumer concerning an organization incredibleness in the service delivery process. A number of significant market research studies visualize that perception of customer affects his trust and satisfaction for the service provider (Parasuraman et al., 1988; Aydin and Ozer, 2005; Ismail et al., 2006).

**Brand Image:** Barich and Kotler (1991) defined corporate image as Intuition of firm in customer's mind. Nguyen and Leblanc (2001) explained that behavioral and physical attributes define the corporate image e.g. business name, variety of products/services, architecture. These are used by customer while interacting with firm (MacInnis and Price, 1987). Experiences, feelings and ideas that are recollected from memory about a firm and converted into mental image, proceed to the corporate image (Yuille and Catchpole, 1977).

Therefore, evaluation process arises from corporate image. Building an unyielding brand is not just critical in production industry but it is moreover an important issue in services area. Keller (1993) demarcated brand image as acquaintanceship and recognition of brand in customer's brain. It is image of brand in customer's memory, which is indicated by his reaction (Dobni and Zinkhan, 1990). Gronroos (2000) prescribed that every stride of branding makes split observation concerning the brand in the mind of client and extreme outcome is brand image. Relationship marketing highlights relationship building among firms and customers. It also indicates the process of establishing relationship between brand and customer (O'Loughlin et al., 2004).

**Customer Satisfaction:** Tse and Wilton (1988), Oliver (1999) defined customer satisfaction as evaluation of the perceived discrepancy between prior expectations and actual performance of the product. Role of consumer satisfaction is pivotal to construct trust of customers, which in turn leads to the customer loyalty. Oliver (1997) explains customer satisfaction as feedback of customer in the form of attaining satisfaction and pleasure of good decision. Customer satisfaction improves the loyalty of customer, puts a full stop on customers to switch over, and reduces price sensitivity of customers. It creates new customers, thus the number of customers is increased. Indirectly it decreases cost of operation, as a result the advertisement effectiveness enhances and it makes the business reputation lucrative (Fornell, 1992). Satisfaction is an assessment that whether the product/service or company with which customer is associated, is furnishing a preferred level of regulation and satisfies the vows (Oliver et al., 1997). Customer satisfaction is some amount vital to the idea of promoting as much the comprehending of satisfying purchaser necessities and mandates (Spreng et al., 1996). With reference to numerous views of the conduct of customer satisfaction, it is an essential determinant, which can have long lasting impact, for variables like trust, loyalty and additionally for team's monetary advancement (Anderson et al., 1994). Satisfaction is an appraisal that a product/service due to its attributes is providing great level of devouring achievement (Oliver et al., 1997). Satisfaction is the assessment by customers of an item or utility that it has satisfied either their requirements or desires or not. Satisfaction is a stirred degree following expenditures which is a result of correlation among exact and anticipated working of an item is utility, it might happen without any observation or genuine expenditures (Oliver, 1997). Market practitioners are paying too much concentration to the satisfaction of customers. To fulfill customer satisfaction in the best method is thought about a focused playing point. Satisfaction fills the gap between expectations and actual performance of a certain product or service and customer is helpless to buy that product or service (Fornell, 1992). Oliver (1997, 1999) outlined satisfaction, as satisfaction in a pleasurable method. Mouri (2005) finds out encounter satisfaction, which fulfills the necessity and longing on customer, may build the probability of lifelong connection. A customer needs better satisfaction level at offbeat stages of association (Spath and Fähnrich, 2007).

**Customer Trust:** Trust affects relationship commitment significantly (Morgan and Hunt, 1994) and so customer loyalty. Doney and Cannon (1997) emphases that trust reduces cost of retaining customers and make the firm's profit optimum. Thus, trust ensures that customers will not only give good results today but also in future. Hence, it is claimed that good service quality affects trust positively. Trust increases in parallel with customer satisfaction. Rising trust enhances the customer satisfaction. According to Anderson and Narus (1990) trust can be recognized when one party believes that results of the other party's actions would be positive. As a result, customer should perceive service quality positive while trusting a brand. Trust maintains long-term relationship with customers who resist attractive and lucrative short-term strategies of rivals in the market, and then firm takes care to her trustworthy customers (Morgan and Hunt, 1994). If one party has reliability and trustworthiness on other party, then trust exists between them (Morgan and Hunt, 1994). If one mate trusts the different mate then by and by it will advance great behavioral plans towards the second associate (Lau and Lee, 1999). In the event that one associate has an acceptance that whatever the second confederate completes will likely heading off to carry ideal results towards the number one confederate, then the common trust could most likely be reinforced (Anderson and Narus, 1990). Trust is a human property evaluated by one's qualities (Chu, 2009), conducts and causes (Tian et al., 2008). Liang and Wang, (2008) called it the capacity to yield one's particular investment for others.

**Customer Loyalty:** According to Fishbein and Ajzen (1975) attitude towards behavioral intentions predict behavior. Corporate image affects the behavioral intentions like customer loyalty (Johnson *et al.,* 2001). Nguyen and Leblanc (2001) argue that corporate image is positively related with customer loyalty in three sectors i.e. telecommunication, retailing and education. The process of customer loyalty building depends on image, customer satisfaction, and customer trust and service quality of that product or service (good or bad). It is quite simple and cheap to uphold the present employees and customers than making new ones (Ennew and Binks, 1999). It is above board that creation and up keeping of employees as well as loyal customers is essential for any business specifically in the service industry. After going through different research studies, it seems that loyalty of customer is a major source of revenue generating, value and development for any organization. The management's one important priority in any organization is to amazingly influence the creation and support of employees and customer loyalty (Singh, 2000). Loyalty by customers with brand is absolutely ideal for any company. That how it creates nonstop and constant sale of a service/product for a long time period (Assael, 1992). The customer loyalty in consumer community is explained as an indispensable goal and object for long time (Reichheld and Phils, 2000). For both customers and firm, loyalty has a pivotal value.

**Hypotheses, Perspective:** Several research studies suggested relationship between service quality and satisfaction e.g. Cronin et al., 2000; Garbarino and Johnson, 1999; Spreng et al., 1996. As was expected, high service quality gives high satisfaction; the research article of Cronin et al., (2000), evidences it. Strong evidences and validation from the previous research studies support the affect of service quality on the satisfaction of customer (Gotlieb et al., 1994; Brady and Robertson, 2001; Alireza et al., 2011; Raza and Rehman 2012).
*$H_1$:- There is a positive relationship between perceived service quality and customer satisfaction.*

Performance of the service quality contributes in evaluation of the image of respective brand. Ostrowski et al. (1993) declared the service quality as base of the image of brand. He argued, "Positive experience over time (following several good experiences) will ultimately lead to positive image" (p.23). Image of any brand is established from the experiences of customers gained by consumption of service quality. Therefore, service quality affects the image of that brand (Aydin and Ozer, 2005; Alireza et al., 2011).
*$H_2$:- There is a positive relationship between perceived service quality and corporate image.*

Image of brand creates a halo effect in the mind of customer about satisfaction (Andreassen and Lindestad, 1998). Different research studies like Fujun Lai *et al.*, 2009; Raza and Rehman, 2012, conclude that the effect of image contributes into increase or decrease the level of customer satisfaction.
*$H_3$:- Corporate image has positive effect on customer satisfaction.*

Various practitioners (Andreassen and Lindestad, 1998; Garbarino and Johnson, 1999; Cronin et al., 2000) suggested service quality as the base, which includes customer to consume the service; this base helps to make augment customer satisfaction. In this way, contribution of service quality is important for the trust improvement of respective customers.
*$H_4$:- There is a positive relationship between perceived service quality and trust.*

Satisfaction makes a customer to trust on the brand of which service he has consumed. Various research studies are of the opinion that Satisfaction contributes trust in different scenarios (Garbarino and Jhonson, 1999), Christine et al., 1993; Morgan and Hunt, 1994 and Zaman *et al*., 2011). These researchers in their research studies found strong relationship between perceived service quality (PSQ) and trust.
*$H_5$:- There may be a positive relationship between trust and satisfaction.*

Many market practitioners studied satisfaction and trust of customers in different ways but everyone found significant relationship between these variables (Morgan and Hunt, 1994; Sirdeshmukh et al., 2002).
*$H_6$ :- There is a positive relationship between trust and customer loyalty.*

Lam et al., (2004) in different relationship models, have studied satisfaction and loyalty. Satisfaction and loyalty were concluded as the loyalty model variables, which retain customers for long time in one way or the other. This relationship is also evidenced by Khokar *et al.*, (2011); Alireza *et al.*, (2011); Raza and Rehman (2012) in service sector for the fulfillment of company objectives.
$H_7$:- *There can be a positive relationship between satisfaction and customer Loyalty.*

Brand image positively contributes customer loyalty. On this track, Andreassen and Lindestad (1998) in their research study examined role of image in developing loyalty of the customer. Hart and Rosenberger (2004) in Australia replicated the same study. They revealed significant effect of image on the loyalty of customers.
$H_8$:- *Corporate image has a positive effect on customer Loyalty.*

## 3. Methodology

A questionnaire was developed using multiple items to measure variables through constructs of the proposed model. All the items were measured using a seven point interval likert scale ranging from strongly disagree to strongly agree. 508 questionnaires were distributed among different service customers. Out of which 445 were received, so response rate was 76.72%. 406 questionnaires were in the position that there results could be demonstrated in this research study. Response rate of serious respondents was 70%. Perceived service Quality was measured by constructing three items having uni-dimensional measure (Bloemer *et al.,* 1998). Perceived Service Quality was measured based on value added services, promotional activities as well as on the basis of advertisement. Following the footsteps of Narayandas (1996), a scale of five items was adapted to measure customer loyalty. Retention on the current service provider, motivation about service provider i.e. recommending to others and repurchase plan (next-use) were taken as items to measure customer loyalty. Sources used to measure the trust were ethics, reliability, cumulative process and service quality (Aydin and Ozer, 2005). Level of satisfaction, experiences and satisfactory manner; these items were used to measure the customer Satisfaction (Morgan and Hunt, 1994). Data at first was analyzed with the help of factor loading and scale reliability. Its results provided ground for structural equation model, which was applied to obtain the results with the help of AMOS software.

## 4. Results and Discussion

**Construct Validity:** Construct validity of pre-defined items have measured through Pearson correlation. Less than .85 correlation indicates the valid discrimination between the constructs (Kline, 2005). The same author explained this discrimination valid for the Structural Equation Modeling (SEM) technique. Constructs correlated with each other indiscriminately and all the assumptions of this test fulfill appropriately. Person correlation table can be view in the table 1.

**Table 1: Pearson Correlation**

| **Pearson Correlations** | **Customer loyalty** | **Trust** | **Image** | **Satisfaction** | **Perceived Service Quality** |
|---|---|---|---|---|---|
| Customer loyalty | 1 | | | | |
| Trust | 0.78 | 1 | | | |
| Image | 0.61 | 0.68 | 1 | | |
| Satisfaction | 0.67 | 0.70 | 0.68 | 1 | |
| Perceived Service Quality | 0.55 | 0.57 | 0.59 | 0.68 | 1 |

**. Correlation is significant at the 0.01 level (2-tailed).

**Scale measurement:** Item reliability and composite reliability estimates both assess reliability. Factor loading estimates assess item reliability. Results of factor loading and scale reliability with respect to satisfaction (sat), perceived service quality (PSQ), corporate Image (clm), trust (T) and customer loyalty (CL) are as below.

**Table 2: Factor Loading and Scale Reliability**

| Construct/Item | | Standard Estimates | Scale Reliability |
|---|---|---|---|
| | Satisfaction | | .782 |
| Sat1 | I am satisfied with the way I am treated by my existing GSM service operator. | .738 | |
| Sat2 | I am satisfied with the service experience of my existing GSM service operator. | .868 | |
| Deleted | I am satisfied with the level of service provided by my existing GSM service operator. | | |
| Deleted | My existing GSM service operator provides the services in a satisfactory manner. | | |
| | Trust | | .812 |
| T1 | I trust my existing service operator. | .733 | |
| T2 | I trust the billing system of my existing GSM service operator. | .753 | |
| T3 | I believe that my existing GSM service operator will not cheat me. | .832 | |
| Deleted | My existing GSM service operator is reliable. | | |
| Deleted | I feel that I can rely on my existing GSM service operator to serve well. | | |
| | Perceived Service Quality | | .759 |
| PSQ1 | My current service operator is providing good value added services (GPRS, MMS & WAP etc.) | .606 | |
| PSQ2 | My existing GSM service operator has excellent promotional offers. | .814 | |
| PSQ3 | My existing GSM service operator has better advertisement than others. | .683 | |
| Deleted | Network coverage of my existing GSM service operator is adequate. | | |
| Deleted | My existing GSM service operator is providing good customer services. | | |
| | Corporate Image | | .681 |
| CIm1 | My existing GSM service operator is a leading firm in Pakistan GSM industry. | .675 | |
| CIm2 | My existing GSM service operator has a positive image. | .718 | |
| Deleted | My existing GSM service operator contributes to the society. | | |
| Deleted | My existing GSM service operator is stable and firmly established. | | |
| Deleted | My existing GSM service operator is innovative and forward looking. | | |
| | Customer Loyalty | | .758 |
| CL1 | I will continue the service of my existing service provider. | .713 | |
| CL2 | I recommend my existing GSM Service operator to others. | .669 | |
| CL3 | Even if another GSM operator offers cheaper call rates, I will continue using my current GSM service operator. | .756 | |
| Deleted | If I bought a new GSM line, I would prefer my current GSM service operator. | | |
| Deleted | I encourage friends who plan to buy GSM services to opt for my existing GSM service operator. | | |

Sat = Satisfaction, T = Trust, PSQ = Perceived Service Quality, CIm = Corporate Image, CL = Customer Loyalty

Table-1 shows standard estimates and scale reliability of individual items and variables respectively. Values of scale reliability (.7 to .9) provide ground for further analysis.

**Structural Equation Model** (SEM)

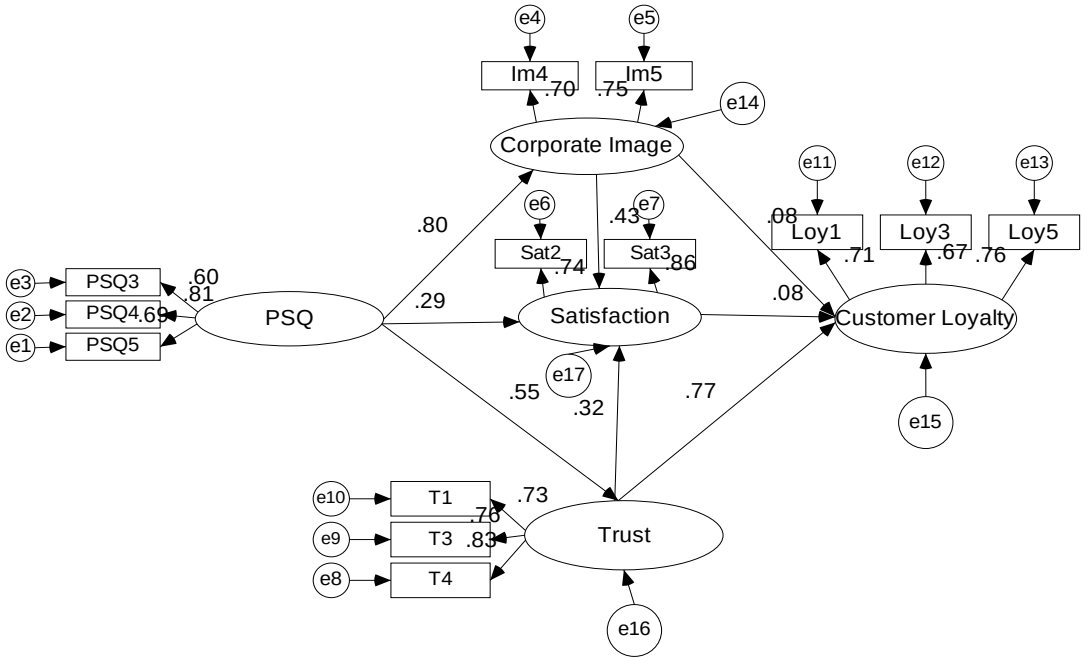



**Table 3: Model Fit Tests & Model Summary**

| | | |
|---|---|---|
| Model Fit Tests | Goodness of Fit Index, GFI | .914 |
| | Adjusted Goodness of Fit Index, AGFI | .863 |
| | Comparative Fit Index, CFI | .920 |
| | Root Mean Square Error Approximation, RMSEA | .091 |
| | Normed Fit Index, NFI | .899 |
| Model Summary | Chi-square | 247.830 |
| | Degree of Freedom | 57 |

**Testing of Hypothesis:** Projected relationships among variables have been tested through Structural Equation Modeling Technique.

**Table 4: Results of Hypotheses testing**

| Path | Hypothesis | Estimate (Beta Values) | P-value |
|---|---|---|---|
| Sat ← PSQ | $H_1$ | .292 | 0.014 |
| CIm ← PSQ | $H_2$ | .797 | < 0.001 |
| Sat ← CIm | $H_3$ | .433 | < 0.001 |
| Trust ← PSQ | $H_4$ | .551 | < 0.001 |
| Sat ← Trust | $H_5$ | .321 | < 0.001 |
| CL ← Trust | $H_6$ | .771 | < 0.001 |
| CL ← Sat | $H_7$ | .083 | 0.615 |
| CL ← CIm | $H_8$ | .080 | 0.511 |

**Interpretation:** P-value for $H_1$ is insignificant (0.014). It means customer satisfaction (sat) does not take effect of perceived service quality (PSQ). Actually, in Pakistan every second adult owns mobile phone. And

every individual is well aware through word of mouth about the service quality of cell phone company. Hence, satisfaction is insignificant to PSQ. The same situation prevails in the telecom sectors of china and Iran (Fujun Lai *et al.*, 2009; Alireza *et al.*, 2011). For second hypothesis ($H_2$) beta value is .797 and p-value <0.001. Hence, we accept our $H_2$ and state that there is an encouraging outcome of perceived service quality for corporate Image (clm). Actually, it is quality of service/product which provides ground for corporate image (clm) in the hearts of customers. Third hypothesis shows significant effect of corporate image on satisfaction. Significance and acceptance of this hypothesis is proved and confirmed with p-value < 0.001. It indicates that customers get satisfaction by the corporate image in their minds. This psychological behavior on the part of customers is natural. It means that in Pakistani markets there is a great space for brand image. Customers take effect of brand name. Fourth hypothesis, effect of service quality on trust is proved and accepted (p-value < 0.001).It means, it is quality service, which makes trust of customers. Once this trust is established then customers perceive good service quality about the corporate image as is proved in second hypothesis. Fifth and sixth hypotheses were also accepted having p-values less than 0.001. So, it is established that there exists a positive relationship between trust and satisfaction. higher the trust is, higher the satisfaction is and vice versa. In addition, there is a positive effect of customer trust on customer Loyalty. It means in Pakistan, trust of customer is pivotal. Because once it is established, customers remain loyal to the corporate image. He/she feels satisfaction by using services of the branded company. $H_7$ and $H_8$ were rejected because their p-values were greater than 0.001. Insignificance of $H_7$ and $H_8$ confirmed our aforementioned results. That is, satisfaction and corporate image do not guarantee customer loyalty. Rather it is trust of customers, which ensures customer satisfaction and loyalty to corporate image.

**Table-5: Hypotheses Summary**

| Path | Significant | Accepted |
|---|---|---|
| $H_1$ | No | No |
| $H_2$ | Yes | Yes |
| $H_3$ | Yes | Yes |
| $H_4$ | Yes | Yes |
| $H_5$ | Yes | Yes |
| $H_6$ | Yes | Yes |
| $H_7$ | No | No |
| $H_8$ | No | No |

**Discussion:** In telecom sector of Pakistan, perceived service quality does not positively affect satisfaction of customers. This is not surprising because it is also previous in Chinese telecom service sector (Fujun Lai *et al.*, 2009). Actually, it is de facto service quality leads to good corporate image in the minds of customers. Customer loyalty is not responsive to satisfaction while the same responses in China (Fujun Lai *et al.*, 2009) and Iran (Alireza *et al.*, 2011). Customers get satisfaction by the use of branded goods (corporate image). There is a great market in Pakistan for branded products. It is human psyche that he/she wants to use the best good or service. One trust of customer is established in any brand. Naturally, he/she feels satisfaction by the use of trusted service/product. It is the situation, where customer gets loyal to the organization. His/her demand is inelastic to price changes by the company. Any company dreams for the same. Last but not the least, we conclude that it is trust, in corporate image (brand name), which guarantees long time loyalty of customers to any company. Service quality, satisfaction, trust and image have significant contribution in making the customers loyal. Preferences of customers for close groups, value added services; General Packet Radio Service (GPRS) etc. are factors beyond the control of service providers in retaining customers. It means some times company is helpless to retain customers. It occurs when due to inducements by closer groups, value added services, GPRS etc customer switch over form one service provider to another (Ulaga and Eggert, 2004; haq, Ijaz, & Mehmood, 2011). This switch over from one company is switch on for other company. It is essence of business if it were not so. Perhaps area of marketing would have been very limited. This research study provides a valid track to all customer oriented srvice providing firms. Loyalty frmaework will help

serivce providers to retain their customers for long time and make them premium customers being loyal customers. The study found loyalty model significantly valid to be used in Pakistan.

## 5. Conclusion

A loyalty model proposed for the telecomm sector of Pakistan. Most of the hypotheses of the study have accepted, which shows the model fits in this region. One of the major points of the study is to give a model through which customer retention can be controlled. As literature discussed, most of the researchers has suggested the loyalty as operative tool to control the retention and make the customers for a long time. In other words, loyalty of the customers of this region can be build through the support of the Service quality, satisfaction, image of the company and by developing the trust of the customer. This model seems operative. When any organization get success in making the relationship the strong with the help of all these or some of these variables, organization will definitely make the customer loyal. This will make the cognitive bound of customer with organization. Through this bounding organization enjoys long term relationship cemented with healthy profit.

**Limitations:** The data were collected from one province (Punjab) of Pakistan. In respondents, university students and faculty members were in majority from different cities of the Punjab. Reason being that university students and faculty members are considered most diversified population as well as opinion leaders.

**Future Research:** Future researches can conduct for different segments telecom or for other rapidly growing communication channels. In addition, individual organizations' loyalty can tested in the telecom sector in Pakistan. This model can test in Pakistan for any other service providing organization. Moreover, same model can also test in other countries having the similarity regarding customer perception i.e. Asian countries etc.

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