

Chapter 8

The Mediating Role of Customer Satisfaction on Brand Loyalty in Relation to Service Quality and Price Among Telecommunication Companies

Sujith T. S.

Bharathiar University, India

M. Sumathy

Bharathiar University, India

ABSTRACT

The present study aimed at examining the influence of service quality and price on brand loyalty through the mediating effect of customer satisfaction. The researcher prepared a well-structured questionnaire and collected data from 150 customers on a convenient sampling method. The population of the study area is Kerala state. The study identified that any change in service quality and price will yield a 37% change in the dependent variable that is the loyalty of the customer. The study also found that there is a mediating effect between the independent and dependent variable. The researcher concluded that customer satisfaction is an important instrument for evaluating service providers' service quality, and it may be measured using customer expectations for a variety of services supplied by telecommunication service providers.

INTRODUCTION

India is the second-largest telecommunications market in the world. In September 2021, the overall subscriber base was 1189.15 million. In September 2021, the teledensity of rural customers increased to 59.33%, up from 58.96% in September 2020. This increase points to a potential increase in demand

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from the rural sector. Long-term profits and long-term prosperity are always a goal for every organization. For long-lasting success, organizations strive to satisfy their customers constantly to keep them and obtain their future repurchase intentions. The major players in the telecommunication sector in India are Jio, Airtel, BSNL, Vodafone idea, etc. The purpose of the study is to examine how service quality and price affect brand loyalty as well as how customer satisfaction mediates these relationships in the telecommunication sector.

Service quality is becoming one of the most significant parts in the field of services. Customers are more conscious of the quality of service they receive, prompting organizations to pay greater attention to the level of service they provide to their customers in order to increase customer satisfaction, which can lead to increased customer loyalty. In today's competitive market, customer satisfaction, customer loyalty, and service quality have all become increasingly important ideas. The present study identifies the linkage between price and service quality on the satisfaction and brand loyalty among the consumers of telecommunication industry.

LITERATURE REVIEW

(Kumar et al., 2014) examined the customer satisfaction towards the mobile service providers like BSNL, Airtel, Reliance, Vodafone, Aircel, and Idea. The researcher used the variables such as network satisfaction, Offers provided by mobile service providers like GPRS, Free-roaming, full talk time, SMS pack, ease of availability of recharge coupons, etc. for analysing the satisfaction of the consumers. The study found that the majority of the customers are satisfied with the performance of Vodafone and Reliance but some of the customers of BSNL and Airtel are dissatisfied with the performance.

(Hajar et al., 2022) examined the effect of value innovation on customer satisfaction and customer loyalty, companies' performance and sustainable growth. The study revealed that all the indicators of measurement model had a high statistical significance and positive relationship between the variables. The researcher revealed that mediating effect and loyalty of both companies performance and long term growth and concluded that the importance of value innovation creating the knowledge, skills, experience, satisfaction and loyalty. The study identified that the value innovation is an efficient approach for firm's performance and sustainable competitive advantage.

(Lie et al., 2019) tested the impact of service quality and consumer trust on the customer loyalty with a mediating variable of customer satisfaction. The study concluded that the constructs such as price and trust have a significant influence on loyalty of the consumers. And the service quality variables are negatively influence the consumer loyalty. The researcher suggested that choosing transportation services for customers, the Go-Jek company should consider auxiliary variables including service quality, cost, and customer confidence. The Go-Jek company must develop a sophisticated system to merge the identity of Go-Jek service users with consideration for customer convenience procedures in the area of service quality.

(G & Shanthi, 2017) studied the perception of customers towards the Indian telecommunication industry. The researcher used the variables like responsiveness, reliability, assurance, tangibility, empathy, and perceived network quality for measuring the perception. The researcher found that the variables positively influence the perception of the customers of Sathyamangalam.

(Ashraf et al., 2018) analysed the linkage between service quality, brand loyalty, corporate image, and perceived value and examined the mediating role of customer satisfaction between these constructs.

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