



FACTORS AFFECTING CUSTOMER LOYALTY AMONG DTAC SUBSCRIBERS
IN BANGKOK

By
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A Thesis submitted in partial fulfillment
of the requirements for the degree of

Master of Business Administration

Graduate School of Business
Assumption University
Bangkok, Thailand

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ABSTRACT

Nowadays, telecommunication business has become fiercely competitive. There are only four players in telecommunication industry, which are AIS (Advance Info Service), DTAC, True Move, and Hutch. However, they compete ferociously by responding quickly to the market, launching effective marketing campaigns, and counterattacking their competitors on marketing strategies. In order to have high customer retention rate and gain new customers, it is important for the companies to be active and alert to market situations. Launching new promotion packages is also a crucial part of DTAC marketing efforts. In addition, rendering supplemental services can add value to the core products and services available. Consequently, mobile phone will become part of people's lifestyles or even basic factor for living.

The conceptual framework and the hypothesis tested in this research aimed to investigate and measure the relationships among corporate image, trust, perceived switching cost, perceived service quality and customer satisfaction and customer loyalty in one of factor affecting customer loyalty towards DTAC subscribers in Bangkok. A primary determinant of customer loyalty and subsequent retention and it has been the key to creating a valuable business organization which includes goods and services in Bangkok. Furthermore, the research surveyed the service quality, customer satisfaction and loyalty of members of DTAC in order to analyze the relationships among the variables. The sample size for data collection consisted of 400 customers of DTAC Subscriber in Bangkok based on five shops and 80 respondents are assigned for each shop. In addition, various subgroups in a population are represented on pertinent sample characteristics to the exact extent desired, discussed more in chapter 4.

The data were analyzed and summarized in a readable and easily interpretable form. The Statistical Package for Social Science (SPSS) was utilized to summarize the data. The results show that there is positive relationship among service quality corporate image, trust, perceived switching cost and customer satisfaction. The study found positive relationships among all the variables; however, the most impact factor

on customer loyalty is trust factor and perceived switching cost seems to have the least impact on customer loyalty among other factors in terms of the correlation criteria. The company needs to provide a comprehensive suite of solutions which provides a variety of package to different customer types with distinctive packages. In order to understand more on the complex nature of the factors that affect customer loyalty, further research can be conducted in the area of the relationship among those factors such as the relationship among service quality, trust, corporate image and perceived switching cost.



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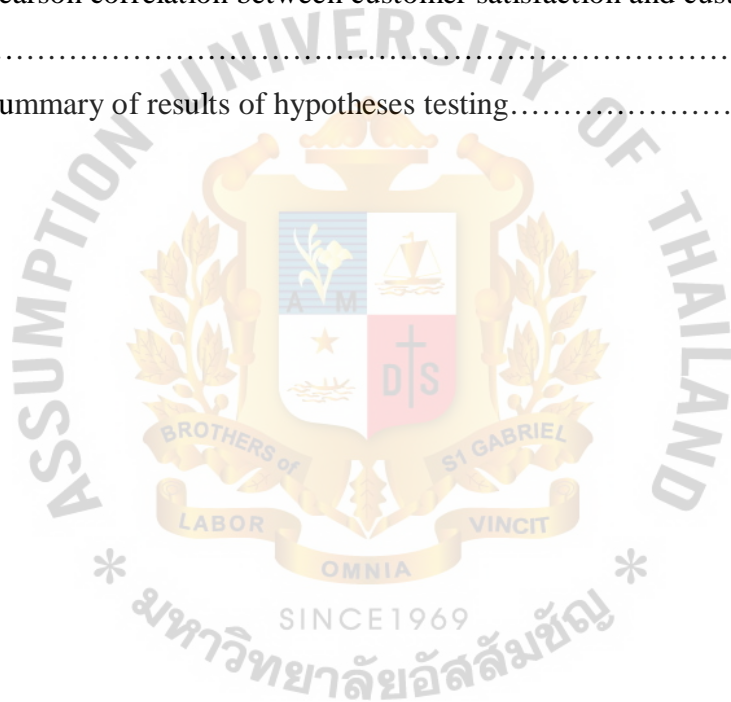
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CHAPTER 1

GENERALITIES OF THE STUDY

1.1 INTRODUCTION

Mobile phone becomes the sophisticated devices. Customers try to find the best brand and model in order to represent who they are. In other words, mobile handsets are not only the communication devices but also the fashionable things to represent their images and social classes. Another crucial factor is the mobile network provider. Customers prefer the good network with the reasonable price. As a result, all telecommunication services providers try their best to increase the network capacities and the attractive tariff and promotion. Moreover, they try to do something more such as personal assistant and discount coupon in many hotels and restaurants in order to achieve the high level of customer satisfaction. They believe that the key successes are to gather the subscribers and generate the revenue from them as much as possible. Consequently, telecommunication services providers attempt to create a high level of customer satisfaction in order to receive the customer loyalty afterwards. Although customer satisfaction is not equal to customer loyalty, there is a relationship between these elements.

According to Novo (2004), customer loyalty describes the tendency of a customer to choose one business or product over another for a particular need. Customers may express high satisfaction levels with a company in a survey, but satisfaction is not equal to loyalty. Loyalty is demonstrated by the actions of the customer; customers can be very satisfied and still not be loyal. However, customer loyalty can be created easier when customers are satisfied with the products or services.

Customer loyalty has become a catch all term for the end results of many marketing approaches where customer's data is used. Telecommunication services providers can say relationship marketing or database marketing or permission marketing or customer relationship management, and what they are really talking

about is trying to increase customer loyalty and customer satisfaction. All of the above approaches have two elements in common; they increase both customer retention and the life time value of customers. Therefore, telecommunication services providers have to concern more about customer satisfaction, customer loyalty creation and retention as well as the factors that influence them. This would be the key success of business in long term.

All telecommunication services providers try to achieve high level of customer satisfaction in many ways. In Thailand, there are many telecommunication services providers. However, the corporate image of three major providers which are AIS, DTAC, and True Move will be examined. AIS represents the innovative and technological competency; DTAC represents the customer oriented, and True Move represents the value for money. As a result, the researcher carefully selected the case study of Total Access Communication Public Company Limited, the second largest telecommunication services providers in Thailand to provide the mobile network and mobile service called "DTAC". After deep in investigation in each DTAC marketing activity, strategic move, and CEO vision, researcher quickly realized that all of them aim to the same outcome which is the customer loyalty mission. In order to understand the clear picture of DTAC, the researcher briefly describes the history and the way they do business.

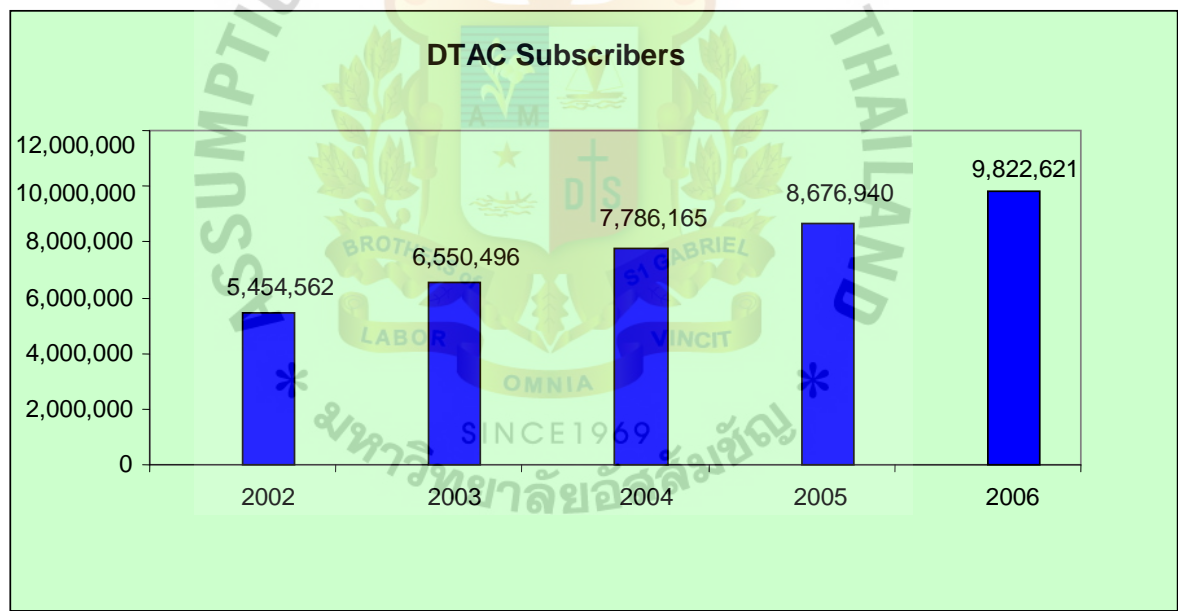
1.1.2 DTAC History

Total Access Communication Public Company Limited or "DTAC" is one of the leading telecommunication services providers in Thailand. Founded in August 1989, it operated 800 MHz and 1800 MHz frequency bands under a concession granted by the Communications Authority of Thailand. To promote the development of telecommunication services in Thailand, the private sector was allowed to participate in the telecommunication market under concessions on a Build-Transfer-Operate basis with two state enterprises, which has been corporative as TOT Corporation Public Company Limited, known as TOT Public Company Limited and CAT Telecom Public Company Limited. Under the BTO arrangement, the private operators, as concession holders, are required to build network infrastructure and transfer the assets to the state agencies granting the concessions. The operators

thereafter have an exclusive right to use the assets during the term of the concession and operate cellular network to provide services on a revenue sharing basis with the state agencies awarding the concessions in return for the exclusive right to the use of the allocated frequency band.

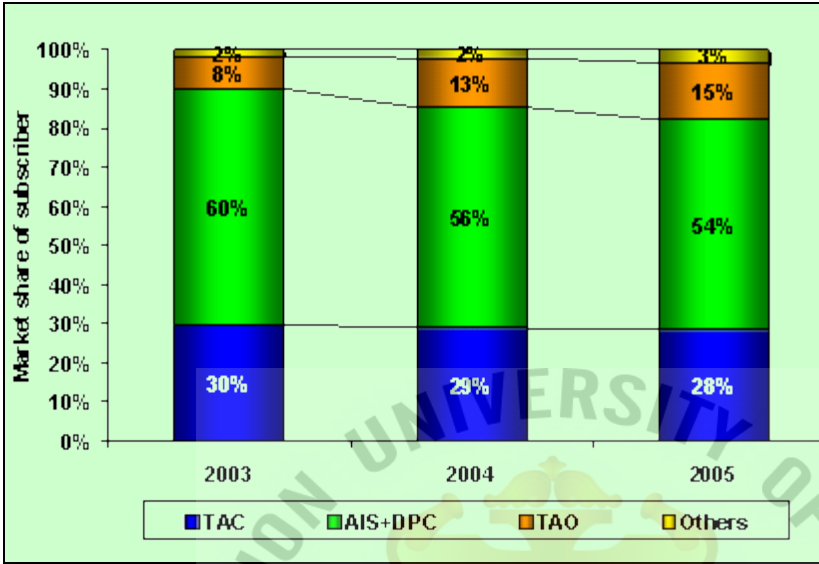
In 2005, DTAC achieved its target of approximately 1.1 million new customers and was able to maintain its market share at approximately 28%. According to DTAC Annual Report (2005), DTAC had 8,676,940 customers with the 83.1% of prepaid customers at the end of December, 2005. The Figure 1 presents the DTAC net subscribers while the Figure 2 represents DTAC market share compared to other service providers.

Figure 1.1: DTAC Net Subscribers



Source: DTAC Annual Report (2005), <http://www.dtac.co.th>, May, 2006.

Figure 1.2: Mobile Subscriber Market Share



Source: DTAC Annual Report (2005), <http://www.dtac.co.th>, May, 2006.

1.1.3 Next Step of Telenor

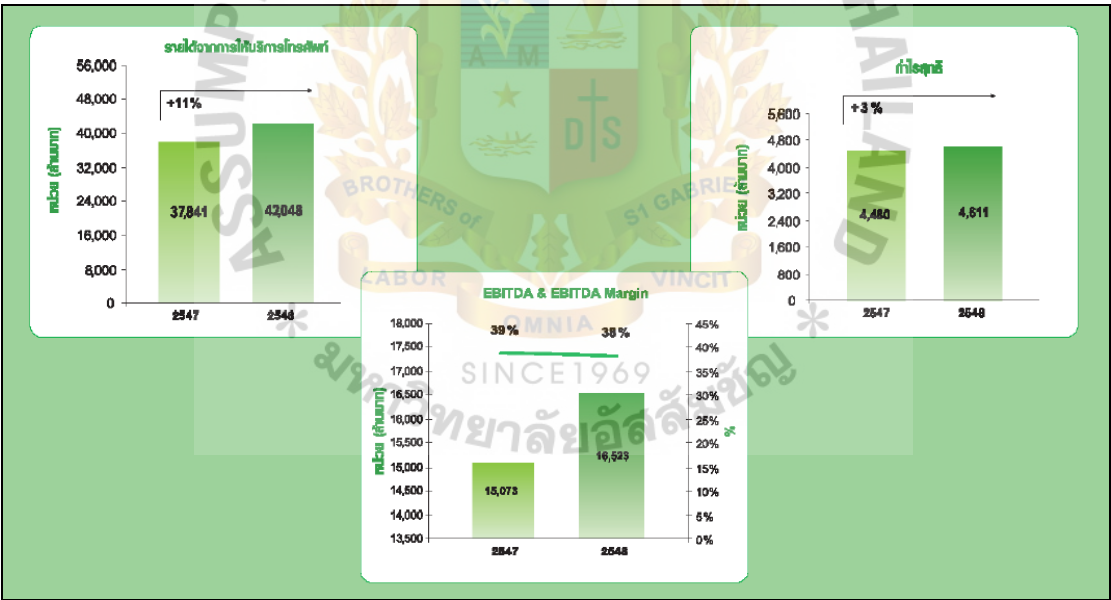
Total Access Communication (DTAC) was taken over by Telecom Norway (Telenor) with the 9.2-billion-baht deal puts the Norwegian strategic partner firmly in the driver's seat of the Thai firm, while both Boonchai and Vichai Bencharongkul have stepped down from their positions as president and co-CEO.

Under the new regulatory regime of the year-old National Telecommunications Commission (NTC), new license holders and new entrants to the Thai market will have no costs while DTAC continues to face the burden of revenue-sharing concessions. DTAC urges the commission to revoke existing concessions and replace them with new licensing fee regimes to create a fair environment for existing players. At the same time, DTAC and other operators are set to apply for 3G licenses once the NTC opens the market, with plans up their sleeves to shift their customers to the new license holders. DTAC realizes that 3G is a gamble and that the amount of demand for multimedia services is uncertain. But it believes 3G is its future for

developing new revenue sources and replacing forever the obsolete land-line home telephone and even 2G technologies over the next five years.

Although Thailand's mobile phone market in 2006 was not as robust as it was in 2005 due to a highly saturated market and intense price competition, DTAC believes it will continue to have sustainable growth. Sigve Brekke, CEO of DTAC, believes the overall mobile penetration rate in Thailand will reach 60% in two to three years, from 45% or 29 million users currently. He still attempts to demonstrate DTAC strategic move, but the major tasks are to increase the number of subscriber and the revenue from each subscribe. In Figure 1.3, it presents the revenue and profit in 2004 and 2005 (DTAC Annual Report, 2005).

Figure 1.3: Revenue and Profit from 2004 to 2005



In order to achieve these two tasks, DTAC has to clearly understand the consumer behaviors. In particular, they will attempt to create customer loyalty rather than only attempting to find the new subscribers. Researcher also gathers information from a variety of sources and realizes that the brand and corporate image of each mobile operator are unique. As mentioned, AIS represents the innovative and technological competency; DTAC represents the customer oriented, and True Move

represents the value for money. As a result, the researcher carefully selected the case study of Total Access Communication Public Company Limited, the second largest mobile operator in Thailand that provides the mobile network and mobile service called “DTAC”.

1.14 DTAC’ Milestones

1990: Received concession from Communication Authority of Thailand

1994: Connected with Telephone Authority of Thailand

1995: Registered to be Public Company Limited

1996: Extended concession period till year 2561

2000: Invested by Telenor (29.94%)

2001: Change from TAC to DTAC

2002: Established UD for selling mobile phone and accessory

2003: Received disclosure awards from Stock Exchange of Thailand

2004: Received technology fast 500 awards from Deloitte

2005: Received “Mobile Operator of the Year Award” from Asian Mobile News Magazine

1.1.5 Why Customer Loyalty is Important?

DTAC always attempts to improve the quality of the network in order to provide the best coverage area and strength to end users. Network planning team is established to monitor and improve the quality around Thailand. The International Roaming team was established to provide the DTAC coverage area when DTAC customers would like to use mobile phone abroad. The value added team was established to provide the non-voice services such as SMS, IVR, MMS, WAP and GPRS. The business solution team was established to provide the mobile solution for enterprises. The marketing team always provides a variety of tariffs to suit all segments. The call center team is very well trained to support DTAC customers when they have the problems with 24/7 basis. DTAC understands that each customer needs different service. The strategic team always investigates the customer behaviors in each segment and provides a wide range of the service. The personal secretary service

was launched to serve the premium group who prefers the personal assistant when they would like to reserve the ticket or hotel. The “work” campaign was launched to serve customers who prefer to talk for a longtime. The GPRS package provides to customers who prefer to surf the Internet or work outside the office. The mobile news was launched to serve the premium customers who prefer to update current issues.

There are many activities that DTAC attempts to do for its customers. As a matter of fact, DTAC is committed to continue with the quality enhancement which will meet the customer satisfaction. Definitely, all of them come with the same objective which is to create the customer satisfaction and receive the customer loyalty afterwards. In this study, the elements that might create the customer loyalty will be examined. Therefore, the researcher decided to conduct the study of customer loyalty towards DTAC subscriber in Bangkok. The researcher strongly believes that the study will reveal the interesting fact, and it would be beneficial for DTAC management team in order to improve the marketing strategy in this competitive market (DTAC Annual Report, 2005).

1.2 STATEMENT OF PROBLEM

The research is mainly focused on how the customers can be loyal to their own service provider which each antecedent factor (perceived service quality, corporate image, trust, perceived switching cost and customer satisfaction) may effectively involve.

The service provider, under a telecommunication service sector, has been rapidly growing and fast-changing in the world today. As mentioned, DTAC is a leading local brand owned by Telenor Corporation from Norway. DTAC keeps improving their service quality as good as possible because they believe that the loyalty from their customers could easily be shifted to other competitors at any time if no enhancements and proper activities are taken. Corporate image is another key factor which involves many current commercial and campaigns on Air.

DTAC always presents the benefit that they could provide to their target customers. DTAC also believe that the continuous improvement along with creating

brand awareness can be the most successful key factor to bring into the customer retention. Additionally, creating brand is creating trust, and maintaining the current customers would cost much cheaper than finding new target customers because the cost of customers switching brand is more critical. DTAC also believes that if the customer is satisfied with the service, he or she will be loyal to DTAC.

This study is aimed to prove and explore the elements that might affect to the customer loyalty. This could also help clarify the problems and how better service quality and corporate image could improve the level of loyalty in customers' repurchasing behaviors. At the same time, trust and switching cost would be analyzed in order to prove whether or not there is any relationship to the customer loyalty. Although customer satisfaction is not equal to customer loyalty, customer who is satisfied with the service tends to be the loyal customer at last (Kasikorn Research Center, 2005).

The research questions that will be answered from this research are expressed below:

1. Is there any relationship between perceived service quality and customer loyalty?
2. Is there any relationship between corporate image and customer loyalty?
3. Is there any relationship between trust and customer loyalty?
4. Is there any relationship between perceived switching cost and customer loyalty?
5. Is there any relationship between perceived service quality and customer satisfaction?
6. Is there any relationship between corporate image and customer satisfaction?
7. Is there any relationship between trust and customer satisfaction?
8. Is there any relationship between perceived switching cost and customer satisfaction?
9. Is there any relationship between customer satisfaction and customer loyalty?

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1.3 RESEARCH OBJECTIVES

According to Reichheld (1996), the customer satisfaction is not equal to the customer loyalty. The researcher would like to study whether or not customers who is satisfied with the service tends to be the loyal customer. The following are main objectives of this study:

1. To study the relationship between perceived service quality and customer loyalty.
2. To explore the relationship between corporate image and customer loyalty.
3. To investigate the relationship between trust and customer loyalty.
4. To learn the relationship between perceived switching cost and customer loyalty.
5. To clarify the relationship between perceived service quality and customer satisfaction.
6. To examine the relationship between trust and customer satisfaction.
7. To show the relationship between corporate image and customer satisfaction.
8. To find the relationship between perceived switching cost and customer satisfaction.
9. To understand the relationship between customer satisfaction and customer loyalty.

1.4 SCOPE OF RESEARCH

The research objective is to find out the potential elements that affect the customer loyalty. The results of this study will be beneficial for DTAC in order to achieve a high level of customer loyalty. In order to ensure the results of the study, the correlation between each five independent variables including perceived service quality, corporate image, trust, perceived switching cost and customer satisfaction relying with customer loyalty will be examined. The research survey is methodologically conducted by distributing the 400 questionnaires covered topics on

service quality, corporate image, trust, perceived switching cost, customer satisfaction and customer loyalty.

1.5 LIMITATIONS OF RESEARCH

There are limitations due to the high amount of the sample size and time allocation in the study. Without those limitations, the finding of the study would be more realistic and reliable. Hence, the results of this study may not applicable to other network providers in Thailand. However, the researcher maximized the reliability of the study by carefully selecting the potential respondents and also establishing the questions in the questionnaire in order to gather the complete information for analyzing the correlation between the customer loyalty and the five potential elements. Finally, due to the time frame for this study, it was not applicable to use on another period time.

1.6 SIGNIFICANCE OF STUDY

The results of this study would be beneficial for DTAC in order to understand how to achieve a high level of customer loyalty. When customers become loyal customer, DTAC can easily create revenue from them. According to DTAC Annual Report (2005), Mr. Sigve Brekke identifies the strategic move for the business success by creating the customer loyalty as well as the revenue per unit. Therefore, achieving customer loyalty is the key of business success.

1.7 DEFINITION OF TERMS

3G: Stands for 3rd-generation. Analog cellular phones were the first generation. Digital phones marked the second generation (2G). The term 3G is loosely defined, but generally includes high data speeds, always-on data access, and greater voice capacity. The high data speeds are possibly the most prominent feature, and certainly the most hyped. They enable such advanced features as live, and streaming video (Nokia Forum, 2005).

ARPU: The average amount of revenue a company collected from each user per month. Companies often try to boost this number by selling extra services to users such as data plans, messaging, and downloadable content (Nokia Forum, 2005).

CDMA: A general type of technology, implemented in many specific technologies. It is a spread spectrum technology, which means that it spreads the information contained in a particular signal of interest over a much greater bandwidth than the original signal (Nokia Forum, 2005).

Corporate Image: The complete bundle of thoughts about a company, product, or service is resulted from a combination of various communications and personal experience. These include the distinguishing character attributes of a brand company (Gilliland, D. I., and Bello, D. C., 2002) “Two Sides to Attitudinal Commitment: The Effect of Calculative and Loyalty Commitment on Enforcement Mechanisms in Distribution Channel”.

Customer Loyalty: The totality of feelings or attitudes that would incline a customer to consider the repurchase of a particular product, service or brand or revisit a particular company, shop or website. Customer loyalty has always been critical to business success and profitability (Reichheld, F., 2001).

Customer Satisfaction: An ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person. The state of satisfaction depends on a number of both psychological and physical variables. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare with the organization's products (Oliver, L., 1997).

Customer Retention: The ability to hold on to customers over time. Unlike customer loyalty and customer satisfaction, which measure aspects of the relationship from the customer's perspective, customer retention is a direct measure of the institution's ability to maintain relationships with customers (Reichheld, F., 2001).

GSM: Dominant 2G digital mobile phone standard for most of the world. It determines the way in which mobile phones communicate with the land-based network of towers (Nokia Forum, 2005).

IVR: A telephony technology in which someone uses a touch-tone telephone to interact with a database to acquire information from or enter data into the database. IVR technology does not require human interaction over the telephone as the user's interaction with the database is predetermined by what the IVR system will allow the user access to (Nokia Forum, 2005).

MMS: A descendant of SMS (Short Messaging Service). MMS extends text messaging to include longer text, graphics, photos, audio clips, video clips, or any combination of the above, within certain size limits (Nokia Forum, 2005).

Perceived Service Quality: The perception on the manner in which service is provided as it influences the degree of satisfaction with a good or service (Chaudhuri, A., and Holbrook, M. B., 2001).

Perceived Switching Cost: The perception on cost associated with switching from one supplier to another (Sharma, N., and Patterson, P. (2000), "Switching Costs, Alternative Attractiveness and Experience as Moderators of Relationship Commitment in Professional, Consumer Services", International Journal of Service Industry Management, Vol. 13, No. 2, pp. 470-490).

SMS: A feature available with some wireless phones that allows users to send and/or receive short text messages. Nearly all digital phones can receive SMS messages. Most phones can also send them. The network must also support sending of text messages (Nokia Forum, 2005).

Trust: A willingness that stems from an understanding of the other party based on the past experience to rely on another party in the face of risk. The firm relies on the integrity, ability, or character of a person or thing (Morgan, M., and Hunt, D., 1994).

CHAPTER 2

REVIEW OF RELATED LITERATURE AND STUDIES

Presently, the concept of customer loyalty has been described in many perspectives. However, few enterprises have achieved in implementing the customer loyalty program. This is because of lack of knowledge and understanding in the customer loyalty. In this chapter, some interesting customer loyalty models and theories as well as potential influence factors are described. The researcher reviews all literatures relevant to the topic of the study to build up a research framework. There are three sections in this chapter which included theories, related review of literature and previous studies.

2.1 THEORY

2.1.1 CUSTOMER LOYALTY

According to Reichheld (1996), customer loyalty describes the tendency of a customer to choose one business or product over another for a particular need. Customer loyalty becomes evident when choices are made and actions are taken by customers. Customers may express high satisfaction levels with a company in a survey. However, customer satisfaction is not equal to customer loyalty. Customer loyalty is demonstrated by the actions of the customers. They can be very satisfied with our products and services and is still not our loyal customer. It has become a catch-all term for the end result of many marketing approaches where customer data is used. The issue can be on relationship among marketing, database marketing, permission marketing, and customer relationship management that generate the customer loyalty and let customers buy or visit the shop or website. All of the above approaches have one element in common; they attempt to increase customer retention.

According to Novo (2004), customer retention is key components in maintaining a profitable business. The goal of customer retention is to convert first-time or occasional buyers into loyal, long term customers. In order to accomplish this, a business needs to understand that converts the occasional or first-time buyer into a loyal customer. Through customer retention marketing, businesses are able to uncover that makes this conversion happen. However, it is essential to understand the types of loyalty before converting retention to loyalty which is presented in the Figure 2.1.

Figure 2.1: Types of Loyalty

Types of Loyalty	
Monopoly loyalty	I have no choice
Cost of change loyalty	I can't bear the thought of all that hassle
Incentivised loyalty	I might as well collect the points
Habitual loyalty	It's so handy
Committed loyalty	They're the best

Source: Novo, J. (2004). “Drilling Down: Turning Customer Data into Profits with a Spreadsheet”, <http://www.booklocker.com>, July, 2006.

1. Monopoly Loyalty

For this type, customers have little or have no choice. Customers might or might not be satisfied with the service but they have to use it.

2. Cost of Change Loyalty

For this type, customers perceive the risk of switching cost. In the competitive situation, all of providers seem to be identical in service quality, brand image and price. Therefore, they don't want to change if the current provider is still in the acceptable condition.

3. Incentives Loyalty

For this type, customers receive rewards in return. Whenever they use the service, they can have the point to exchange for something in return.

4. Habitual Loyalty

For this type, customers use the service because it is convenient to purchase or they are familiar with the service for some reasons. Provider with high levels of customer retention may feel a misleading sense of security. If other providers offered more competitive price, the original provider may find very little loyalty underpinning the previous levels of customer retention.

5. Committed Loyalty

For this type, customers are willing to be their customer loyalty. Real customer loyalty involves more than just making repeated purchases. It represents a positive level of commitment by the customers to the providers, and it is the degree of positive commitment which distinguishes truly loyal customers. The degree of customer commitment can be used in customer satisfaction measurement to segment the customer base and identify those customer groupings that are most at risk of defection. Customer loyalty segments will have different needs and priorities; they will certainly have different perceptions of the performance of provider. Consequently, providers will often need to define distinct strategies for different loyalty segments as described in Figure 2.2 and 2.3.

Figure 2.2: Loyalty Segments

	Our customers	Competitors' customers
FAITHFUL	Totally committed, rate our performance highly, little interest in competitors	Totally committed, rate competitor highly, little interest in us
VULNERABLE	Apparently loyal customers but high level of inertia or some interest in competitors	Repeat buyers with competitors but little positive commitment and some interest in us
FLIRTATIOUS	Little positive commitment, actively interested in alternatives	Little commitment to competitors, may be receptive to our advances
AVAILABLE	Customers showing a strong preference for alternative suppliers	Competitors' customers who already rate us as superior to their existing supplier

Source: Novo, J. (2004). “Drilling Down: Turning Customer Data into Profits with a Spreadsheet”, <http://www.booklocker.com>, July, 2006.

Figure 2.3: Strategies based on royalty segmentation

	Our customers	Competitors' customers
FAITHFUL *	Reward loyalty, stimulate referrals, strong focus on service recovery factors	Don't target
VULNERABLE	Strong focus on PFIs, communications campaigns and rewards to build positive commitment	May be worth targeting if competitors are failing to meet their need in areas where you perform strongly
FLIRTATIOUS	Objective assessment of costs and benefits of retaining this group. Strong focus on closing any perception gaps	Go for the jugular, especially where you believe your strengths match their priorities
AVAILABLE	Cut losses. Chances of retention very low	Should be easy prey but make sure they're not habitual switchers

Source: Novo, J. (2004). “Drilling Down: Turning Customer Data into Profits with a Spreadsheet”, <http://www.booklocker.com>, July, 2006.

Providers should focus on creating customer loyalty by maximizing the customer retention. The key success of creating customer retention is customer commitment. It will often be reflected in customers' behavior and attitudes. Committed customers will believe that their chosen provider is the best. Committed customers tend to buy more often and tend to buy a wider range of products and services from the providers. Providers can provide the service with premium price to those committed customers.

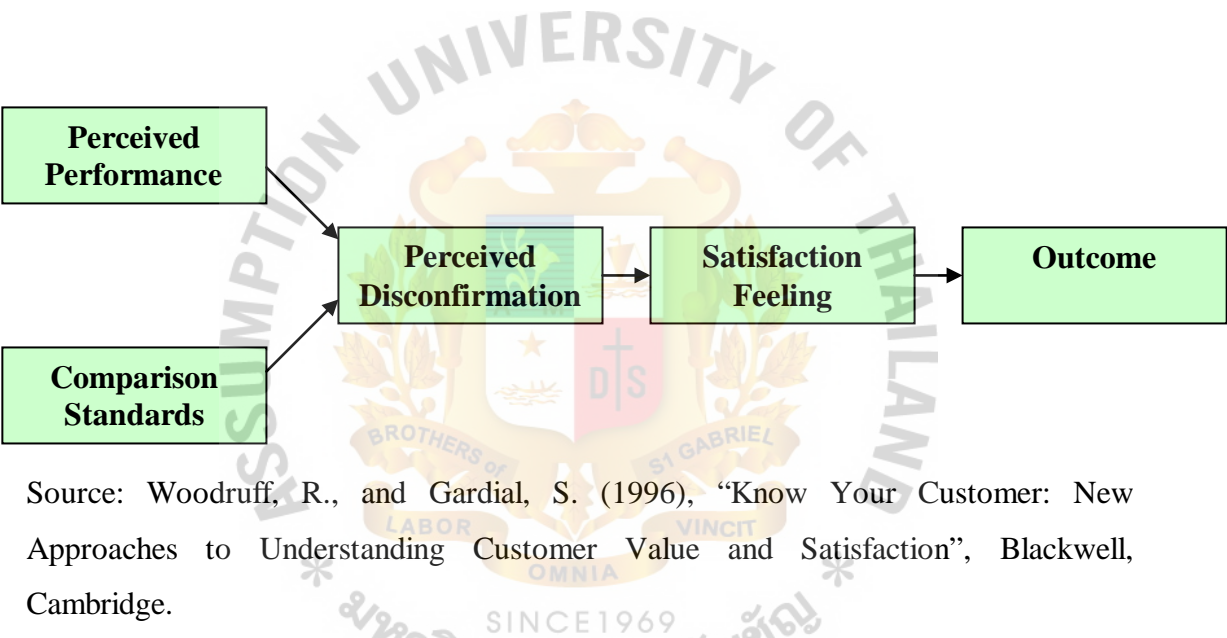
As mentioned, customer loyalty is the results of well-managed customer retention programs; customers who are targeted by a retention program demonstrate higher loyalty to a business. All customer retention programs rely on communicating with customers, giving them encouragement to remain active and choosing to do business with a company. Customer data presents the information that is beneficial to the customer loyalty program. With this data, enterprises can understand their customer behaviors. They also understand their customer segment that tends to use different kinds of service. More precious marketing activities will be used when enterprises deeply understand this information which enables the high level of achievement in customer loyalty creation and retention. However, customer will not be loyal to the particular brands because those brands know the customer profiles. The products and services of those brands have to serve the customer demand and their satisfaction. Customers also need something to ensure the service quality. The corporate image would be considered as well as the perception in switching cost that might occur when switching to other brands. Whenever customers trust in any particular brand, they are willing to repurchase those products or services again and again. Elements that might affect the customer loyalty will be described in the next part.

2.1.2 CUSTOMER SATISFACTION

According to Oliver (1997), satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided a pleasurable level of consumption-related fulfillment. Satisfaction is the state felt by a person who has experienced a performance that has fulfilled his or her

expectations. Satisfaction is thus a function of relative levels of expectation and perceived performance. Expectations are formed on the basis of past experiences with the same or similar situations, statements made by friends and other associates, and statements made by the supplying organization. Satisfaction or dissatisfaction is more than a reaction to the actual performance quality of a product or service. It is influenced by prior expectations regarding the level of quality. Customer satisfaction also refers to the extent which customers are happy with the products and services provided by a business. In Figure 2.4, it presents model of customer satisfaction.

Figure 2.4: Model of Customer Satisfaction



Source: Woodruff, R., and Gardial, S. (1996), “Know Your Customer: New Approaches to Understanding Customer Value and Satisfaction”, Blackwell, Cambridge.

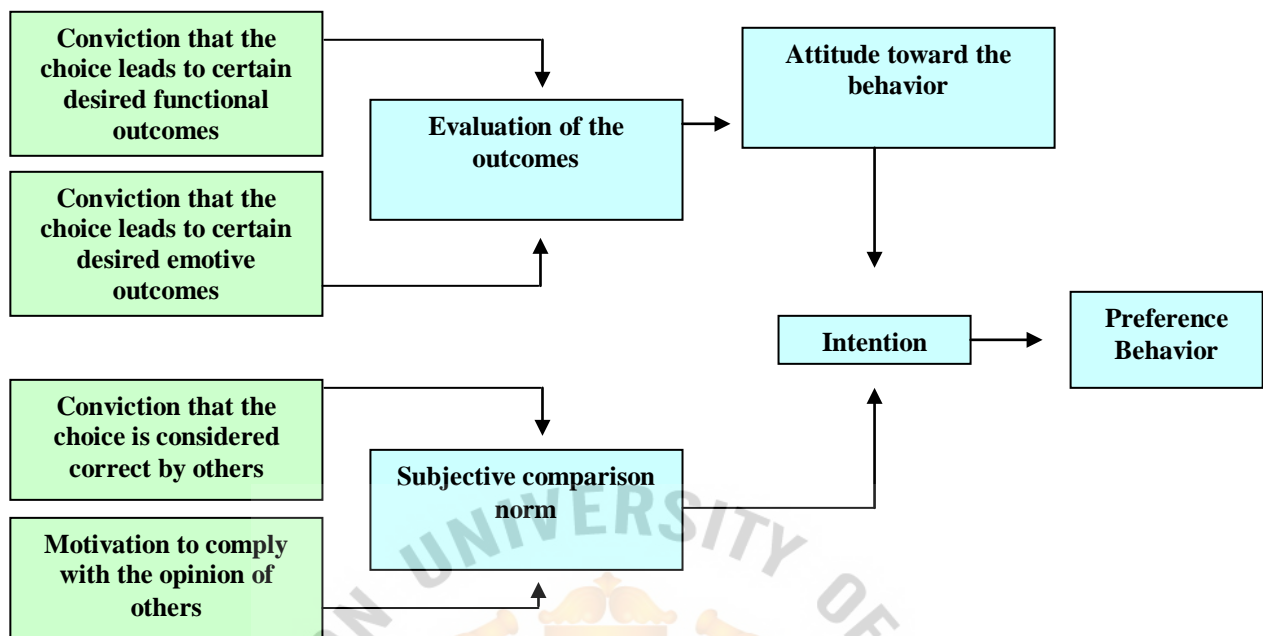
- Perceived performance often differs from objective or technical performance, especially when a product/service is complex, intangible, and when the consumer is unfamiliar with the product/service.
- Comparison standards can come from numerous sources that can vary widely by individual, by situation, and by product/service type.
- Perceived disconfirmation is the evaluation of perceived performance according to one or more comparison standards. Disconfirmation can have a positive effect, a negative effect, or a zero effect.

- Satisfaction feeling is a state of mind, an attitude. The phrase “mixed feelings” applies here, as a consumer may have different levels of satisfaction for different parts of a product/service experience
- Outcomes of satisfaction feelings may involve intent to repurchase, word-of-mouth and complaints. These outcomes also are moderated by other variables.

In order to understand customer satisfaction, it is essential to understand another element which is the customer preference. The idea that customers prefer one product or one service over another is not new. The ability to identify and measure the elements of such preference decisions with any accuracy and reliability has only recently become available. Research into this area of consumer behavior has brought understanding to some of the major issues with standard customer satisfaction research. However, preference has demonstrated the ability to be effectively measured and to provide meaningful insight into the choices consumers make when selecting one provider over another and when determining to continue a relationship over time. The theory of reasoned action represents a comprehensive integration of the attitude components that ultimately are the building blocks of preference. The model is designed to provide a better understanding of how consumer preference is formed, and correspondingly to provide the means to accurately predict consumer preference behavior

In the Figure 2.5, it provides an overview of customer preference formation from the theory of reasoned action point of view. In order to understand preference we need to determine the functional or performance demands involved in the purchase, the desired emotive outcomes, and the subjective norms consumers use to determine their desire for one product or service over another. The primary assumption of the model is that individuals make considered purchases. In some cases the consideration may be minimal and the purchase behavior almost habitual. In another the period of consideration may be extensive and each element of the consideration process carefully examined.

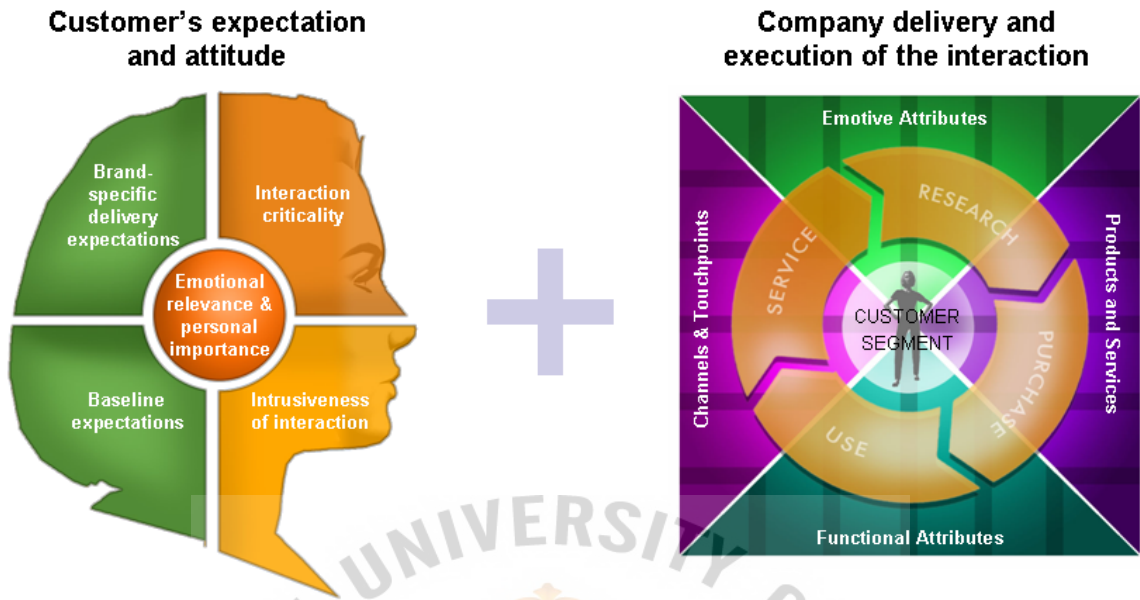
Figure 2.5: Model of Customer Preference Formation



Source: Schiffman, L., and Kanuk, L. (2004), “Consumer Behavior”, Prentice Hall, New York.

The important contribution of the reasoned action model is the realization that consumers utilize the model in all purchase experiences to a lesser or greater extent. Of equal importance is the realization that the components used to make a preference decision are also the ones employed by a consumer to evaluate the performance success of the product or service purchased and the company responsible for them. Therefore, as the components of preference change, the elements influencing satisfaction change accordingly. The relationship is dynamic and fluid, therefore, static or predetermined satisfaction analytic packages often miss the most important elements of preference and can create a false sense of security on the part of companies who think that since their customer satisfaction scores are high, they must in turn have relatively loyal customers. Customer preference analysis is really a call to action. By understanding the preference formation components and the preference expectation evaluations by group or segment of customers, companies can design response strategies that are truly responsive to vital customer expectations and that differentiate in the marketplace. In Figure 2.6, it presents the delivering performance at the intersection of preference and expectation.

Figure 2.6: Delivering Performance at the Intersection of Preference and Expectation

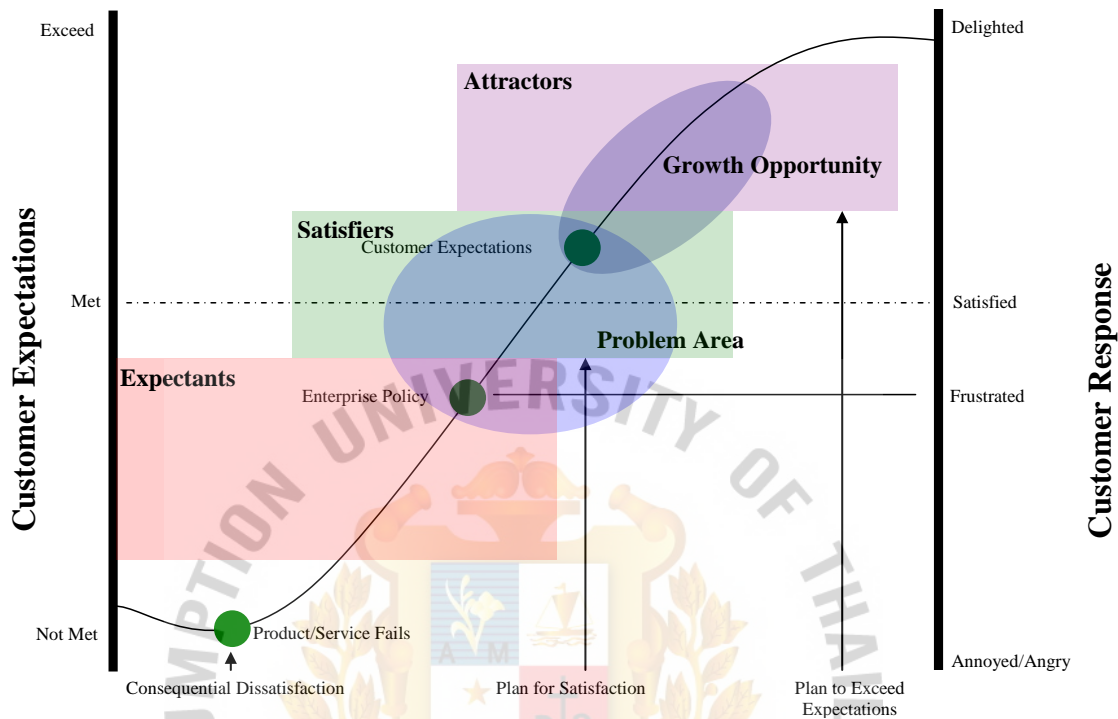


Source: Schiffman, L., and Kanuk, L. (2004), "Consumer Behavior", Prentice Hall, New York.

Customer satisfaction can begin to play a very important role as a measure of a company's ability to deliver and execute against preference evaluation elements of a given customer segments. These expectations can now be differentiated into:

- Expectants - basic, cost-of-entry preference expectations,
- Satisfiers - preference expectations that help to constrain abandonment or churn
- Attractors - preference enhancements that attract new customers.

Figure 2.7: Customer Expectation across the Lifetime of a Single Product/Service Experience



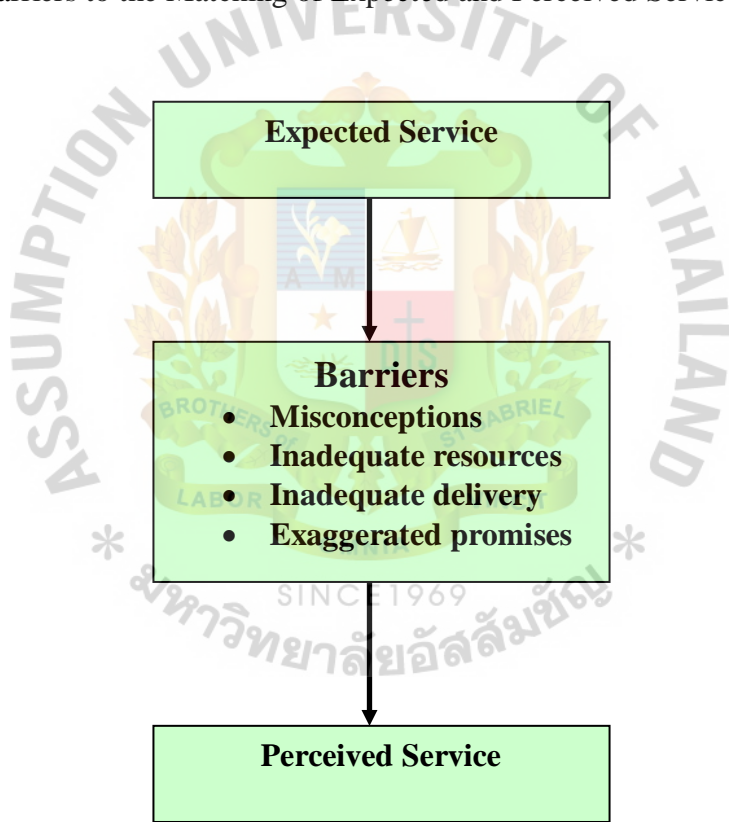
Source: Schiffman, L., and Kanuk, L. (2004), “Consumer Behavior”, Prentice Hall, New York.

Oliver (1994) observed that customer satisfaction results from a process of internal evaluation that actively compares expectations before purchasing a product or service with perceived performance during, and at the conclusion of a purchase experience. The deployment of the theory of reasoned action as a model for preference formation explains why such evaluation takes place. Satisfaction is a product of the alignment among prescribed functional, emotive performance elements and the ability of the company to meet the performance expectations. Sustainable preference is a product to meet these requirements over time.

2.1.3 PERCEIVED SERVICE QUALITY

According to Jobber (2001), improving service quality will increase customer satisfaction, which leads to higher sales and profits. Definitely, it has been shown that companies which are rated higher on service quality perform better in terms of market share growth and profitability. There are four causes of poor perceived quality as presented in Figure 2.8. These are the barriers that separate the perception of service quality from what customers expect.

Figure 2.8: Barriers to the Matching of Expected and Perceived Service Levels



Source: Jobber, D. (2001), “Principles and Practice of Marketing”, McGraw-Hill, London.

- Misconceptions Barrier

This arises from management’s misunderstanding of what the customer expects. Lack of marketing research may lead managers to misconceive the important

service attributes that customers use when evaluating a service, and the way in which customers use attributes in evaluation.

- **Inadequate Resources Barrier**

Managers may understand customer expectations but be unwilling to provide the resource necessary to meet them. This may arise because of a cost reduction or productivity focus, or simply because of the inconvenience it may cause.

- **Inadequate Delivery Barrier**

Managers may understand customer expectations and supply adequate resources but fail to select, train and reward staff adequately, resulting in poor or inconsistent service. This may manifest itself in poor communication skills, inappropriate dress, and unwillingness to solve customer problems.

- **Exaggerated Promises Barrier**

Even when customer understanding, resources, and staff management are in place a gap between customer expectations and perceptions can still arise through exaggerated promises. Advertising and selling messages that build expectations to a pitch that cannot be fulfilled may leave customers disappointed even when receiving a good service.

According to Oliver (1997), a key to provide service quality is the understanding and meeting of customer expectations. To achieve this stage, it requires a clear picture of the criteria used to form these expectations, and to recognize that consumers does not value only the outcomes of the service encounter, but also the experience of taking part in it. According to Zeithaml et al. (1990), service quality is often conceptualized as the comparison of service expectations with the actual performance perceptions. It has been proposed that service quality is a multidimensional concept. The mentioned dimensions consist of reliability, responsiveness, assurance, empathy, and tangible.

Reliability is defined as the ability to deliver the promised service dependably and accurately. It is about keeping the promises about delivery, pricing and complaint handling. Responsiveness can be described as the willingness to help customers and provide prompt service. This dimension stresses service personnel's attitude to be personal attentive to customer requests, questions and complaints. Assurance is the service quality dimension that focuses on the ability to inspire trust and confidence. Empathy is the service aspect that stresses the treatment of customers as individuals. Finally, tangible is the service dimension that focuses on the elements that represent the service physically (Anderson, 1996).

Attention to service quality can help an organization differentiate itself from other organizations and gain a lasting competitive advantage and customer loyalty. High quality of service is considered an essential indication of the long-term profitability not only of service organizations, but also of manufacturing organizations. In some manufacturing industries, service quality is considered a more important order winner than product quality. Superior service quality is the key to improved profitability, and not the cost of doing business.

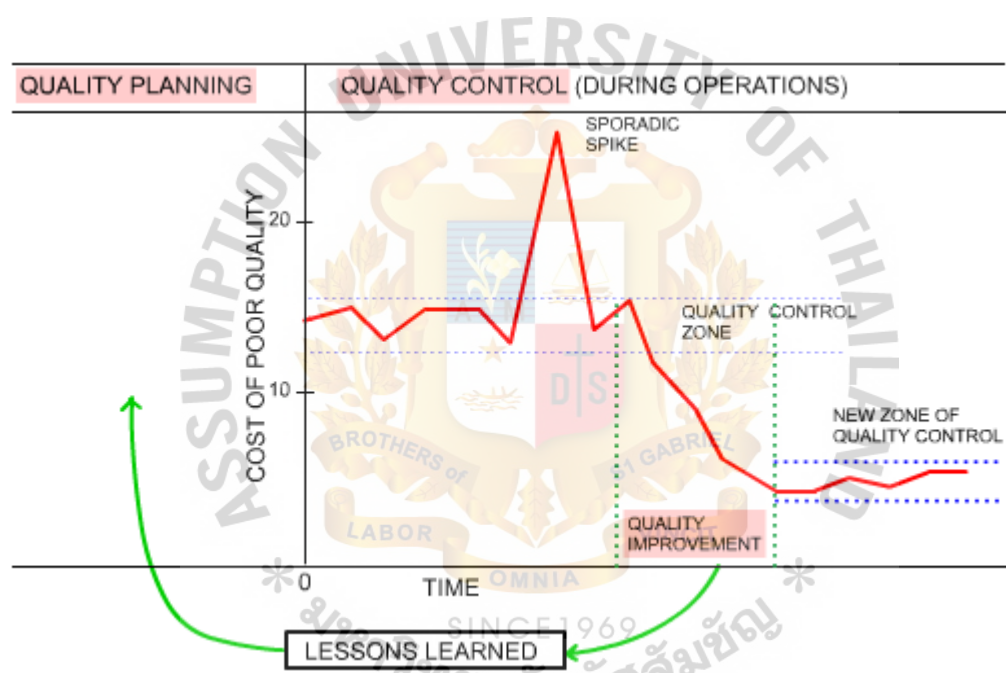
Service quality affects the repurchase intentions of both existing and potential customers. Customers who are dissatisfied with a service will divulge their experiences to more than three other people. Thus, it is reasonable to conclude that poor service will reduce the potential customer base. Positive conversation can be a very powerful tool for attracting new customers. Negative conversation can have a devastating impact on the credibility and effectiveness of organizations' efforts to attract new customers. In addition, customer service expectations are constantly rising while their tolerance for poor service is declining. As a result, customers are increasingly likely to migrate to competitors with a perceived higher "service quality" (Fornell, 1992).

The need for improving business results by improving the quality of products, and services and processes is driven by macro-economic events and customer demands for better products and services at the lowest possible costs. The tools and techniques to achieve a greater level of quality in the past may not be enough for today. The changing needs of society, customers, shareholders and regulators are

some of the reasons that your organization must continually improve and breakthrough to new levels.

According to Juran (1999), Juran Trilogy Model provides a model of how an organization can improve its bottom line by better understanding the relationship between processes that plan, control, improve quality and enhance business results. In Figure 2.9, it presents Juran Trilogy Model, which defines managing for quality as three basic qualities.

Figure 2.9: Juran Trilogy Model



Source: Juran, M. (1999), “Juran Quality Handbook”, McGraw-Hill, New York.

- **Quality Planning:** The process for designing products and services and processes to meet new breakthrough goals.
- **Quality Control:** The process for meeting goals during operations.
- **Quality Improvement:** The process for creating breakthroughs to unprecedented levels of performance.

Juran Trilogy Explanation

The starting point is quality planning. Creating a product, service or process will be able to meet the established goals. To achieve this stage, it depends on operating conditions. These processes go by many names such as design for Six Sigma, or concurrent engineering. Following the plan, the process is turned over to the operating forces. They carry out quality control to ensure that the process is run at optimal effectiveness, or at least to ensure that any level of chronic waste caused in the process does not worsen. Chronic waste, which is a cost of poor quality that can exist in any process, may exist due to various factors including deficiencies in the original planning. The cost can range from rework time to scrap product to overdue receivables. If the waste does get worse, a corrective action team is brought in to determine the cause or causes of this abnormal variation.

Once the cause has been determined and taken corrective action, the process again falls into the zone defined by the quality control limits. Maintaining control will not guarantee your business is successful. You must constantly challenge your processes and continuously improve them. The Trilogy figure shows that in due course the chronic waste falls to a much lower level, to adhere to a new zone of quality control. Such a reduction does not happen on its own accord. It results from purposeful quality improvement or breakthrough (Juran, 1999).

2.1.4 CORPORATE IMAGE

The corporate image tends to associate with the customer loyalty because it is a perception of an organization reflected in the associations held in consumer memory. According to Petrick et al. (2001), the corporate image is the image of the identity of the organization as it is perceived by its target group. It is the attitude of the public toward the organization. The corporate image will be applied to every business and every organization equally to corporations, business, government and non profit organization. Every organization will have their own corporate image no matter they want it or not. According to Lau and Lee (1999), the corporate image will reflect the level of the organization commitment to the quality, the relationship with the

customer, the employee in their own organization and the general public view to the company.

The corporate image consists of two components; functional and emotional. According to Gilliland and Bello (2002), functional related to the tangible characteristic such as the logo, the color use, and the name of the organization while emotional related to psychological dimension that concern on feeling and attitude towards the company. Corporate image is the result of the process. The process stems from ideas, feelings and consumption experiences with a firm that are retrieved from memory and transformed into mental images. And for both marketing and management perspective, corporate image management needs to be integrated into the organization's development at all level, starting from the top level to the officer level.

First of all, the corporate image should be integrated with the corporation's mission and strategic plan in order to support and sustain the corporation mission. The management should develop a corporate image to create the perception of its key internal and external audiences, and the position occupied in the market place based on the organization characteristic, by concerning on the internal communication. Internal communication is very important to corporate image and corporate communication. The misfit between the perception of the employee and desire corporate identity may, therefore, lead to undesirable image. The communication perceived by the external also related to the company employee behaviors and their communication with the target groups.

The effective internal communication strategy and the environment that free expression of the idea can create more understanding of the desirable image of the company express to the target groups and public. A weak or strong corporate image can make significant effect in terms of the company sales volume and the customer loyalty. It will also affect the customer acceptance of the company product and service provided. A strong corporate image is obviously better than a weak image, but for the marketing perspective, it seems to be important that the company expresses and sends the desired image to the audience correctly

According to Lau and Lee (1999), corporate image also refers to how a corporation is perceived. It is a generally accepted image of what a company stands

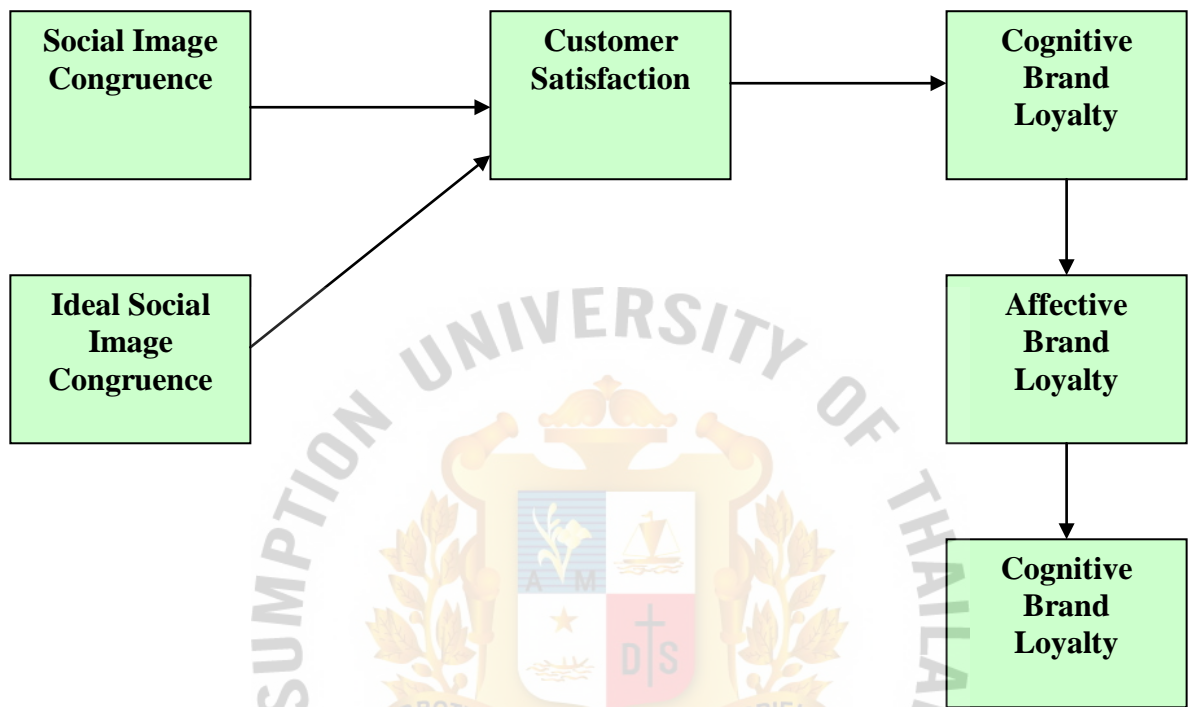
for. The creation of a corporate image is an exercise in perception management. It is created primarily by marketing experts who use public relations and other forms of promotion to suggest a mental picture to the public. Typically, a corporate image is designed to be appealing to the public, so that the company can spark an interest among consumers, create share of mind, generate brand equity, and thus facilitate product sales.

A corporation's image is not solely created by the company. Other contributors to a company's image should include news media, journalists, labor unions and environmental organizations. Corporations are not the only form of organization that creates these types of images. Governments, charitable organizations, criminal prevention organizations, religious organizations, political organizations, and educational organizations all tend to have a unique image, an image that is partially deliberate, accidental, self-created and exogenous. Corporate image should be consistent with the positioning of the company's product, product line, or brand. Any incongruence between the overall corporate image and the positions of individual product offerings will be confusing to potential customers and will tend to reduce sales revenue. A good overall corporate image can be seen as the sum of all the images associated with the firm's individual product positions. The corporate name and logo must also be consistent with the overall corporate image.

Corporate identity is the crucial factor that reflects on the corporate image. It is designed to accord with and facilitate the attainment of business objectives, and is usually visibly manifested by way of branding and the use of trademarks. Corporate identity comes into being when there is a common ownership of an organizational philosophy which is manifested in a distinct corporate culture - the corporate personality. At its most profound, the public feel that they have ownership of the philosophy. In general, this amounts to a logo and supporting devices and commonly assembled within a set of guidelines. These guidelines govern how the identity is applied and confirm approved color palettes, typefaces, page layouts and other such methods of maintaining visual continuity and brand recognition across all physical manifestations of the brand. Many companies pay large amounts of money for an identity that is extremely distinguishable, so it can appeal more to its targeted

audience. In Figure 2.10, it describes the relationship between the social image and loyalty.

Figure 2.10: Back’ Conceptual Framework



Source: Back, K. (2005), “The Effects of Image Congruence on Customers’ Brand Loyalty in the Upper Middle-Class Hotel Industry” Journal of Hospitality & Tourism Research, Vol. 31, No. 2, pp. 448-467.

The value of strong corporate image and positive corporate image will give the benefit to the organization as:

- It gives the company authority and it is the basis for success and continuity.
- It create the company differentiate from their competitors.
- To create recognized added value to the products and service marketed or deliver by the organization.
- A positive corporate image can make the customer more emotional surplus in buying product which gives the long term competitive advantage than specific product characteristic.

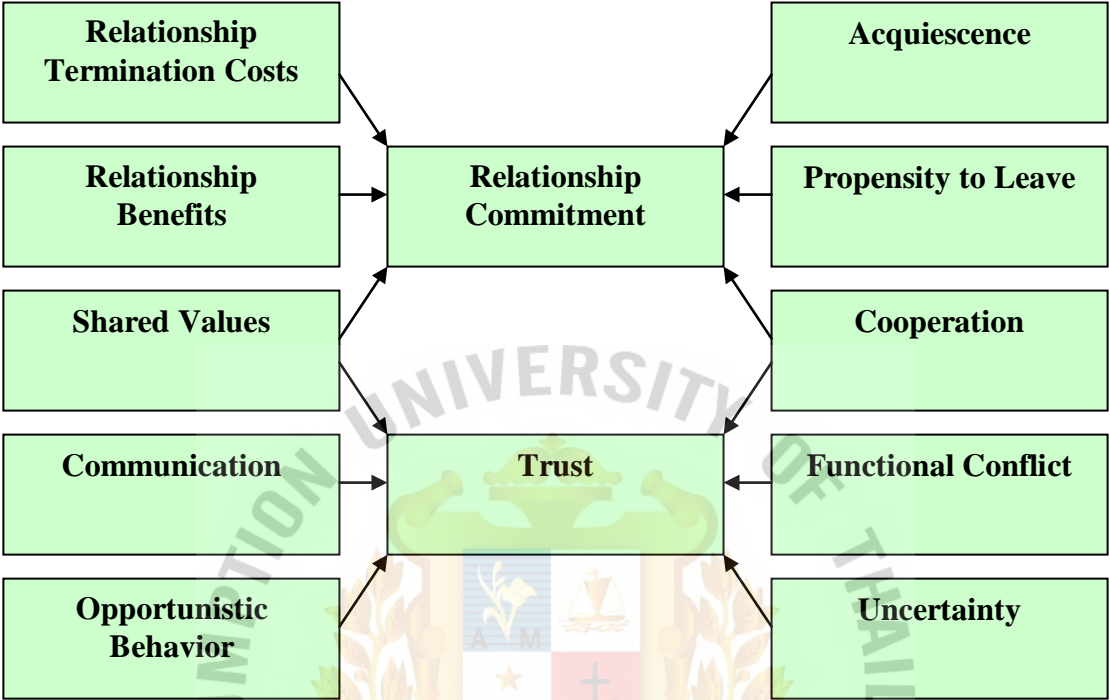
- Create and maintain customer relationship and easily to apply and use the marketing program to the customer.
- Its support the company in attracting more easily the people that crucial for its success such as the investor, partner and employee.

According to Schmitt and Simonson (1997), corporate image gives the good benefit to the company product when the customer meets the situation of insufficient information on the company product, the customer's purchasing decisions are based on their past experience and the image of that organization. In this period, the corporate image is used for considering and influencing the customer on purchasing decision of the product. Corporate image is becoming more important recently in terms of high competitive market. The corporate image is also one key of the company success. The ultimate for winning and maintaining customer relationship is to take place in the mind, heart, emotions and the perception of the customers.

2.1.5 TRUST

According to Morgan and Hunt (1994), trust is a willingness that stems from an understanding of the customers based on past experience to rely on customers in the face of risk. Morgan and Hunt (1994) propose that trust and relationship commitment are key variables for successful relationships because they promote cooperative behaviors among customers and encourage them to maintain long term relationships which would lead to the customer loyalty at last. They also suggest that relationships characterized by trust and commitment allow customers to accept high-risk situations more because customer believes that they will be inclined to engage in activities that are in the long-term best interests. The commitment-trust theory presented in Figure 2.11 proposes that trust and commitment are key factors that function as mediating variables between five important antecedents and outcomes.

Figure 2.11: Commitment-Trust Model

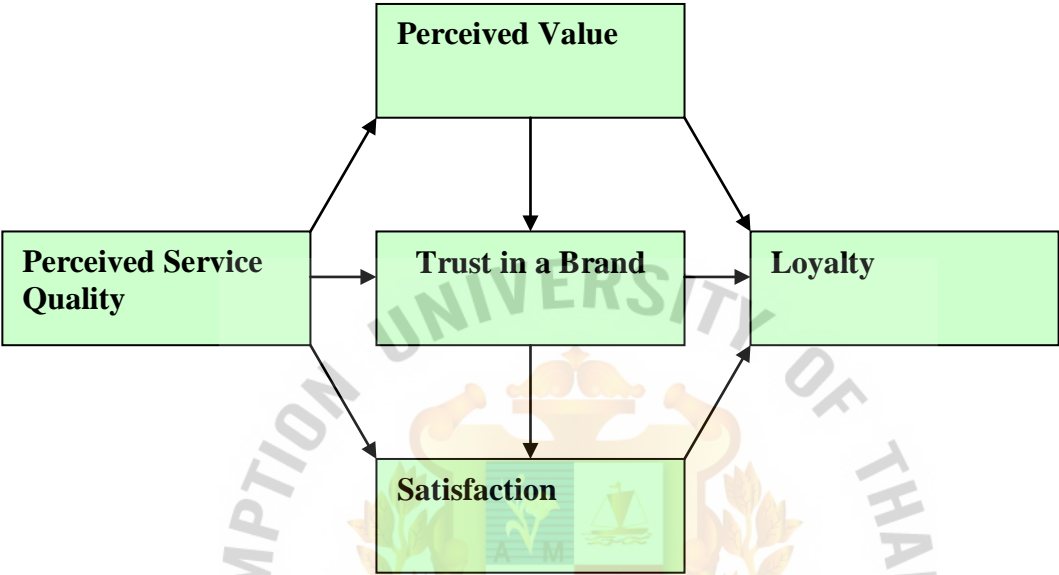


Source: Morgan, M., and Hunt, D. (1994), “The Commitment-Trust Theory of Relationship Marketing”, *Journal of Marketing*, Vol. 58, No. 3, pp. 20-38.

Morgan and Hunt (1994) conceptualize trust as confidence in an exchange customer’s reliability and integrity. They propose that trust is enhanced when customers share similar values and when customers communicate. Trust is decreased when customers are perceived to engage in opportunistic behavior. Shared values, which were already described as antecedent to commitment, are also antecedent to trust. Perceptions of shared values between customers increase the perceived ability of customers to predict the other’s motives and behaviors and, therefore, increase trust.

According to Chaudhuri and Holbrook (2001), trust has been recognized as an important role in affecting relationship commitment and so customer loyalty. It appears that if customer trusts in products or services, it is likely to develop some forms of positive behavioral intention towards those products and services. Accordingly, when a customer trusts a brand, this means that he or she is also likely to

form a positive buying intention towards the brand. Hence, it is claimed that there is a positive relationship between trust and customer loyalty consistent with the past research. According to Harris and Goode (2004), to win loyalty, marketers have to focus on building and maintaining trust. Donath also stated that there is a linkage between trust and loyalty in his study as shown in Figure 2.12.



Source: Harris, L., and Goode, M. (2004), “The Four Levels of Loyalty and the Pivotal Role of Trust: A Study of Online Service Dynamics”, Journal of Retailing, Vol. 80, No. 2, pp. 139-158.

Donath (1999) also suggested that the construction of trust involves a calculative process based on the ability of a party to continue to meet its obligations and on an estimation of the costs versus rewards of staying in the relationship. Therefore, to trust a brand, customers should not only perceive positive outcomes but also believe that these positive outcomes will continue in the future. Consequently, service quality should positively affect trust in the operator. According to Harris and Goode (2004), trust reflects credibility and credibility affects the long-term orientation of a customer by reducing the perception of risk associated with opportunistic behaviors by the firm. Specifically, trust reduces uncertainty in an environment in which consumers feel vulnerable, since they know that they can rely on the trusted brand.

2.1.6 PERCEIVED SWITCHING COST

In many markets, consumers are forced to incur costs when switching from one supplier to another. These costs are called switching costs and can come in many different shapes. The definition of switching costs is quite broad. According to Klemperer (2006), a consumer faces a switching cost between sellers when an investment to his current seller must be duplicated for a new seller. As these definitions indicate, switching costs can arise for several different reasons. The examples of switching costs include the effort needed to inform friends and relatives about a new telephone number after an operator switch, costs related to learning how to use the interface of a new mobile phone from a different brand and costs in terms of time lost due to the paperwork necessary when switching to a new electricity provider.

Type of Switching Cost

Types of switching costs include: exit fees, search costs, learning costs, cognitive effort, emotional costs, equipment costs, installation and start-up costs, financial risk, psychological risk, and social risk. Some of these costs are easy to estimate. Exit fees include contractual obligations that must be paid to the current supplier and compensatory damages that may be awarded for breach of contract. Vendors often combine sign-up incentives with penalties for early cancellation. Careful buyers who read the fine print should not be surprised by exit fees. Search costs and learning costs, the effort and expense required to find an alternative supplier and learn how to use the new product, are also usually expected. On the other hand, the psychological, emotional, and social costs of switching are often overlooked or underestimated by both buyers and sellers.

Gourville (2003) lists several rules of thumb to help understand why many consumers do not immediately switch from a product they currently use to the latest innovative improved product, even if the cost difference is minimal.

1) People are sensitive to the relative advantages and disadvantages of any change from the current condition. Whenever, vendors improve their services, no matter how great they are on their own merit, must be significantly better than what the consumers are currently using before.

2) Different people have different reference points. For example, a hi-tech traveling salesman would evaluate the advantages of a cellular over a landline phone from a much different perspective than a home-bound, fixed-income, and retiree.

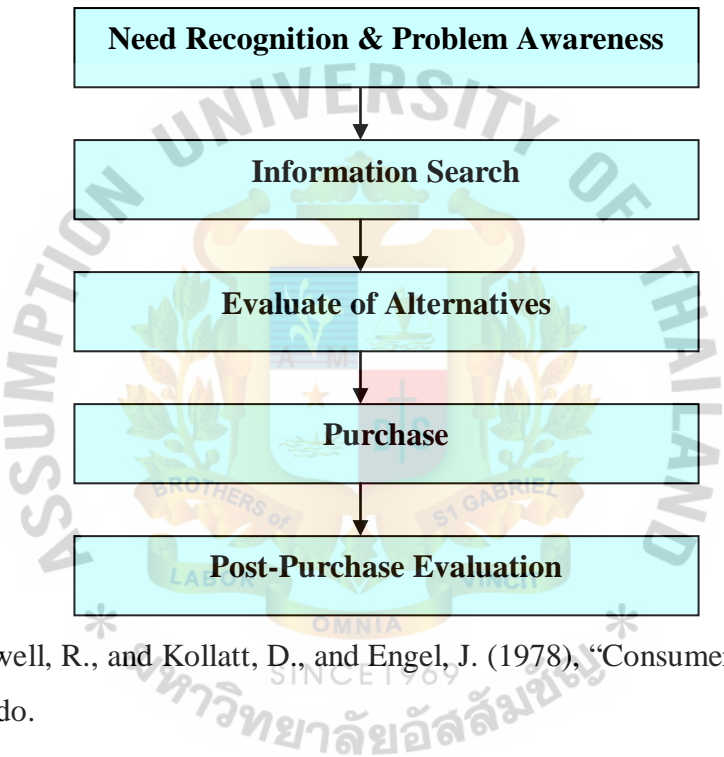
3) People exhibit loss aversion. The pain of giving up a benefit is much more significant than the pleasure of gaining that benefit.

Competition is also influenced by switching costs, especially in markets with strong network effects. Switching costs affect competition by strengthening incumbents and hindering new entrants, who must overcome both the collective and individual switching costs to be able to succeed in the market. Switching costs are likely to present a large class of markets. The importance of understanding switching costs has been emphasized with the rise of information technologies, since switching costs seems to be a phenomenon that is especially strong in the information economy.

It appears that the switching cost is one of the crucial factors that create the direct and indirect customer loyalty. Customer might be loyal to some service providers because no one can ensure the quality of other service providers to them. According to Klemperer (1995), switching costs is the costs involved in changing from one service or product to another. In order to measure the switching cost when customers switch from DTAC to other service providers, customers need time and psychological factors when they face problems or deal with a new service provider. Moreover, switching costs are sometimes used as a representative for the market structure or the level of customer perceived uncertainty.

For instance, switching costs for services those are intrinsically difficult to understand and evaluate, or for which there is only a limited number of suppliers are high. In addition to customer risk and uncertainty and also structure of the market, the level of competition and loyalty might create the perceived and actual cost of switching. Procedural switching costs originally arise from the process of the customers’ purchasing decision. The model of buying processes is presented in Figure 2.13.

Figure 2.13: The Consumer Decision-Making Process



Source: Blackwell, R., and Kollatt, D., and Engel, J. (1978), “Consumer Behavior”, Dryden, Orlando.

Normally, when customers would like to switch from one to other providers, most of them seek the necessary information in order to evaluate the alternative operators in many dimensions. Most of them expect the better coverage area, billing collection and customer service while most of them worry about informing the new mobile telephone number to their friends or their colleagues. According to Sharma and Patterson (2000), customers always perceive high risk with the brand they have never used. Focuses in services, many customers prefer to try other service providers. Risks occur because service quality can not be evaluated before purchasing. This is called “post-purchase cognitive dissonance”. In this process, customer can compare

between the new one and previous one. According to Etzel et al. (1997), customers who want to decrease cognitive dissonance prefer brands that they have used before.

2.2 RELATED REVIEW OF LITERATURE

As mentioned in the previous section, customer loyalty is the crucial factor in order to maintain the competitive advantage. The customer loyalty can be created when enterprise takes the customer-centric into the account. According to Dick and Basu (1994), marketing theory and practice have become increasingly customer-centered during the past years and customer loyalty has turned out to be a strategic weapon to attract and retain valuable customers to impact the purchasing and non-purchasing behaviors of a customer, which maximizes customer equity that is defined as the total net present value of the whole customer base of a firm. Therefore, customer equity management is critically important to improve customer loyalty that leads to sustainable competitive advantages based on effective non-price competition.

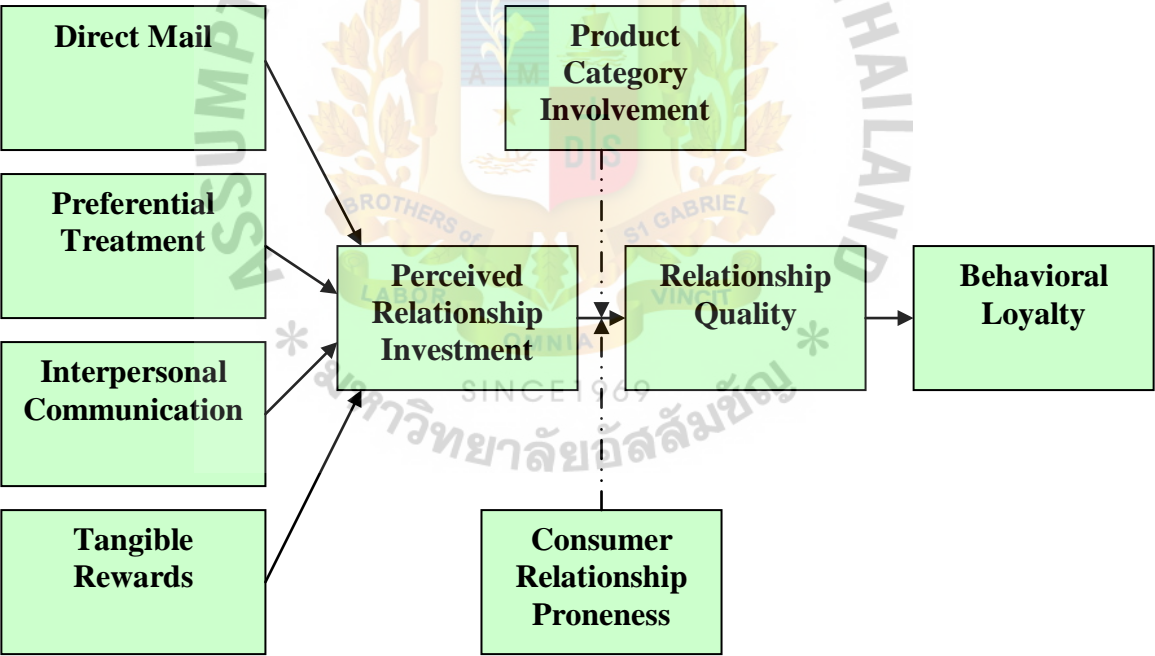
In the mean time, there are related literatures from other researchers who have also pointed out that relationship can not continue in a long term basis if both parties receive no benefits they desire. Moreover, the switching costs might influence customers' disposition towards different services. However, no agreement has been arrived about the measurement of customer loyalty and how to build customer loyalty and relevant result are rather divergent. Therefore, it is urgently needed to conduct an integrated research into customer loyalty in a contingency base model.

With the increasingly intense business competition and the strong trend of globalization, the role of the customer has changed from that of a mere consumer to a multi-faceted role as consumer, co-operator, co-producer, co-creator of value, and co-developer of knowledge and competencies, which implies a much more important position of the customer than ever. As a result, there has been a substantial increase in interest of superior customer loyalty by way of retaining and acquiring customers. To do so, they need an in-depth understanding of the underlying impact of the key drivers of the customer equity on customer loyalty and how these drivers might be enhanced in practice.

2.2.1 The Related Literature of Customer Loyalty and Quality

Palmatier et al. (2006) studied the impact of relationship marketing tactics on behavioral loyalty of customers. In the study, Plamatier et al. (2006) found that there is the relationship between quality and customer loyalty. Maintaining the strong customer relationship has been suggested as a means for gaining a competitive advantage. The study revealed that a small increase in retention rates can have dramatically effects on the profits of a company because the cost of retaining an existing customer is less than the cost of acquiring a new customer. Moreover, the existing customers tend to purchase more than new customers.

Figure 2.14: Siangliew’ Conceptual framework



Source: Palmatier, R., and Gopalakrishna, S., and Houston, M. (2006), “Returns on Business-to-Business Relationship Marketing Investments: Strategies for Leveraging Profits”, Journal of Marketing Science, Vol. 25, No. 5, pp. 477-493.

The study revealed some interesting information as shown below;

1. A higher perceived level of preferential treatment leads to a higher perceived level of relationship investment
2. A higher perceived level of interpersonal communication leads to a higher perceived level of relationship investment
3. A higher perceived level of tangible rewards leads to a higher perceived level of relationship investment
4. A higher perceived level of relationship investment leads to a higher perceived level of relationship quality
5. A higher perceived level of relationship quality leads to a higher perceived level of behavioral loyalty

Therefore, service providers should reward their loyal customers by offering attractive airline promotion and launch point accumulation scheme. They should educate and train its employees to know how to interact with customer. Marketing and sales managers should also screen for social abilities when hiring sales personnel. Moreover, they should make customers feel special by placing them to the first priority group to know about new campaigns or new releases of the company. In addition, they should develop the up-to-date technology in order to serve the customers' lifestyles, attitudes and interest.

2.2.2 The Related Literature of Customer Loyalty and Trust

Morgan and Hunt (1994) stated that customers who are not willing to trust their network providers are unlikely to be loyal. Trust is sometimes conceived of having two components, performance or credibility trust and benevolence trust, as Park and Kim (2000) pointed out in a business-to-business context. In this context, Park and Kim (2000) found strong effects for credibility trust on relationship commitment but not for benevolence trust. He argued that this was because businesses base their purchase and selling decisions much more on performance issues. Clearly, performance or credibility trust is important in business-to-consumer relationships as

well. He also argues that in a business-to-consumer context, the benevolence component of trust may be strong in determining loyalty.

The researcher argues that, first of all, because many service markets where loyalty is important have a credence component. Firstly, the consumer cannot always tell if the service provider is up to standard. That leaves the consumer to trust the benevolence and integrity of the service provider. Secondly, benevolence and trust may be critical because the consumer may perceive the firm as being in a more powerful position due to the difficulty of switching. The consumer is sometimes vulnerable, and therefore, they trust in the benevolence of the firm. It must be admitted that in a market that service providers lack of global and benevolence trust, it will lead to negative loyalty. However, positive benevolence and global trust may not necessarily lead to positive loyalty. In telecommunication industry where all or nearly all mobile operators are trustworthy, customers could trust many mobile operators equally, and therefore the loyalty would be taken into the account.

2.2.3 The Related Literature of Customer Loyalty and Image

Back (2005) observed that there are many factors that have an influence on customer purchasing of any products and services such as image congruence. Many researchers explored the impact of the image congruence on customers' behaviors that effect customer' reaction to brands. These all researcher agree on the fact that customer prefer products with image congruence. The research objectives are to examine the result of image congruence on customer repurchasing behaviors and to study the relationship among image congruence, customer satisfaction, and brand loyalty. According to Back (2005), there are interested information as shown below:

1. Social image congruence has a positive effect on customer satisfaction
2. Ideal social image congruence has a positive effect on customer satisfaction
3. Customer satisfaction has a positive effect on cognitive brand loyalty
4. Cognitive brand loyalty has a positive effect on affective brand loyalty
5. Affective brand loyalty has a positive effect on cognitive brand loyalty

2.2.4 The Related Literature of Customer Loyalty and Switching Cost

In consumer research, customer loyalty was approached predominantly from a customer preference perspective. Reichheld (2001) defined customer loyalty as a feeling of attachment to or affection for a company's people, products, or services. Dick and Basu (1994) stated that true loyalty only exists when repeat patronage coexists with a high relative attitude and customer preference. Hence, customer loyalty is approached as a customer preference construct. Customer preference denotes the degree to which a consumer's disposition towards a service is favorably inclined. This is reflected, for instance, in the willingness to recommend a service provider to other consumers or the commitment to repatronise a preferred service provider. Based on a favorable attitude towards a service provider, customers may develop preference loyalty. In addition to attitude, it has been argued that loyalty may also be based on cognition (Oliver, 1997).

Many literatures have been written on the relation between customer loyalty and consumer satisfaction. This relation seems quite obvious. Oliver (1997) describes the process of consumer satisfaction with help of the disconfirmation theory. This theory assumes that consumer satisfaction or dissatisfaction results from a positive or negative discrepancy between the outcome and the expectations regarding a purchase.

According to Dick and Basu (1994), switching costs can be defined as the costs involved in changing from one service provider to another. In addition to objectively measurable monetary costs, switching costs may also pertain to time and psychological effort involved in facing the uncertainty of dealing with a new service provider. According to Klemperer (1995), it has been argued that the costs of switching providers tend to be higher for services than for goods. In contrast, switching costs for services that are essentially difficult to evaluate, or for which there is only a limited number of suppliers are high (Patterson and Johnson, 1993).

In addition to customer uncertainty and structure of the market, the level of competition and loyalty program may increase the perceived and actual cost of switching. According to Klemperer (2006), switching costs have influence on customers' cognitive loyalty, emotional loyalty and behavioral loyalty, although switching costs do not directly affect customer satisfaction, it does so indirectly via customer equity and value perceptions. In conclusion, it appears that there is a positive relationship between the level of switching costs and customer loyalty in services.

2.2.5 The Related Literature of Customer Loyalty and Customer Satisfaction

According to Fornell (1992), when services are difficult to evaluate, corporate image is believed to be an important factor influencing the perception of quality, and customer loyalty. A favorable image is viewed as a critical aspect of a company's ability to maintain its market position, as image has been related to core aspects of organizational success such as customer patronage. A conceptual model treating satisfaction and image as latent variables with multiple attributes is proposed. Fornell (1992) also stated that corporate image has a strong effect on loyalty and customer satisfaction. Customer satisfaction also has high significant effect on loyalty. For managers, this finding has important implications with regard to brand building strategies. Key to profitability is customer loyalty. The researcher has documented that corporate image is the dominant route to customer loyalty.

2.3 PREVIOUS STUDY

Choi (2001) studied the influence of overall service quality on consumer satisfaction and member's repurchase intentions at fitness clubs in South Korea. The influence of customer satisfaction on the level of their repurchase intentions was also examined. This study was conducted by selecting from two fitness clubs in the winner of 2000/ 2001. A total of 468 fitness clubs members participated in this study. The utilized instrument was a self-assessment questionnaire developed by Chang of Ohio State University to measure the influence of the nine service quality factors on

customer satisfaction and repurchase intentions. The questionnaire consisted of four sections: Service Quality Scale, Customer Satisfaction Scale, Customer Repurchase Intention Scale, and Demographic Information. The simple and multiple regression statistical methods were employed to find out the influence level of service quality factors on customer satisfaction and repurchase intentions in order to obtain the result that which were the most influential factors.

The result showed that the perceived service quality factor was the most influential predictor on both levels of customer satisfaction and their repurchase intentions. The variance of the level of overall customer satisfaction was explained by the following predictors in the order of higher to lower: Perceived Service Quality, Contact with Physical Environment, Interpersonal Interaction, and Program. Also, the variance of the level of repurchase intentions was predicted by the following factors in the order of higher to lower: Perceived Service Quality, and Interpersonal Interaction. Additionally, the result showed that there was a relationship between overall customer satisfaction and customer repurchase intentions. A clear path was seen from the independent variable, Customer Satisfaction to the dependent variable, Repurchase intentions.

Srisuk (1999) studied the customers' expectation on mobile telephone service in Bangkok Metropolitan in aspects of convenience, special services, call center service and the method of payment. The data were collected from 400 digital mobile telephone customers in Bangkok Metropolitan by questionnaires. The findings were summarized as follows: age and education were at the 0.95 level of significance. By using T-Test, there were no differences in sex, socio-economic and occupational factors. The customers' expectation was more than the customer service rendered in all aspects; convenience, special services, call center service and the method of payment. The customers' expectation was also not related to the customer service.

From the outcome of this study, several beneficial suggestions are worth considering; 1) customer convenience: more emphasis on communication network for a wider range coverage is required; 2) special services: the services should be provided free of charge or charge in the appropriated rate; 3) call center service;

quicker responses and follow-ups on problems must be considered; 4) the method of payment: monthly invoice statement should be submitted quickly and accurately.

Na Nakorn (2001) studied the customers' behavior on using mobile phone services and factors affecting consumers' behavior and opinion of mobile phone services in Bangkok metropolitan. The results from this study could be essential for improving mobile operator marketing plan. This study used the secondary data to analyze the market situation and also use the primary data from 400 samples to analyze consumers' behavior. The study used Chi-Square in order to test the relationship between consumers' behavior and opinion of using mobile phone services and personal factors.

According to the empirical results, significant factors which affect consumers' opinion and behavior of choosing services and clarity and density of communication signal in any area, tuning theft protection of mobile phone, sales promotion, service cost per minute, monthly service fee and cost of mobile phone. The study of the relationships between personal characteristics and consumers' opinion and behavior of choosing services indicated that tuning theft security is related to education, cost of mobile phone, advertisement and public relation related to sex. The study also revealed that advertisement and public relation related to income of sale promotion. Therefore, service providers should focus on quality of their communication signal and continue to sue sales promotion strategy. Service providers might also use different strategies for different groups of people such as using different advertisement and public relation in each gender.

Butcher (2000) created a study of "Effects of Relational Outcomes on Customer Loyalty" The study was to determine both direct and indirect effects of relational outcomes on customer loyalty. Relational outcomes are defined as: the thoughts, feelings, and relationships perceived by customers arising from the interaction with a service quality. The effects of relational outcome antecedents were compared to service evaluation antecedents such as customer satisfaction, quality, and value. A study collected survey data from 406 customers of hairdressing salons, cafes, and naturopathic clinics. The study used Pearson Correlation in order to test the correlation between relational outcomes and customer loyalty.

The results indicate that there is the relationship between relational outcomes and customer loyalty. Their effects on loyalty as a psychological state are both direct and indirect. The strength of the effects of relational outcomes on loyalty compares favorably with the effects of service evaluation measures on loyalty. The construct of friendship between individual customer and service quality was found to be related significantly and positively with customer loyalty. The effect of personal friendship appears to have as strong an effect as perceptions of core quality and service encounter satisfaction.

Kim et al. (2004) created a study of “The effects of customer satisfaction and switching barrier on customer loyalty in Korean mobile telecommunication services”. The study was to investigate how customer satisfaction and the switching barrier influence customer loyalty. The adjustment effect of the switching barrier on customer satisfaction and customer loyalty is also analyzed. A study collected survey data from 350 current users of mobile telecommunication services. The study used Chi-Square in order to test the correlation between customer satisfaction, switching barrier and customer loyalty.

The results indicate that there are the relationship between customer satisfaction, switching barrier and customer loyalty. The study also revealed that a customer support service can help resolve customer dissatisfaction. It is suggested that each carrier’s differentiated price plans and device strategies do not increase the level of customer satisfaction. Moreover, trust and the personal relationships between the company and the customer are also significant in the mobile telecommunication industry. The study also revealed that mobile carriers must maximize customer satisfaction and the switching barrier in order to enhance customer loyalty. In particular, mobile carriers must focus on service quality and offer customer-oriented services to heighten customer satisfaction. At the same time, efforts to raise the switching barrier must build a long-term relationship with customers by further

CHAPTER 3

RESEARCH FRAMEWORK

In this chapter, the theoretical frameworks related to customer loyalty and its antecedents are presented. Based on these theoretical frameworks, the conceptual framework and research hypotheses are developed. Moreover, operational of the variables is given in order to provide a clear picture of the research framework and all related variables in this study.

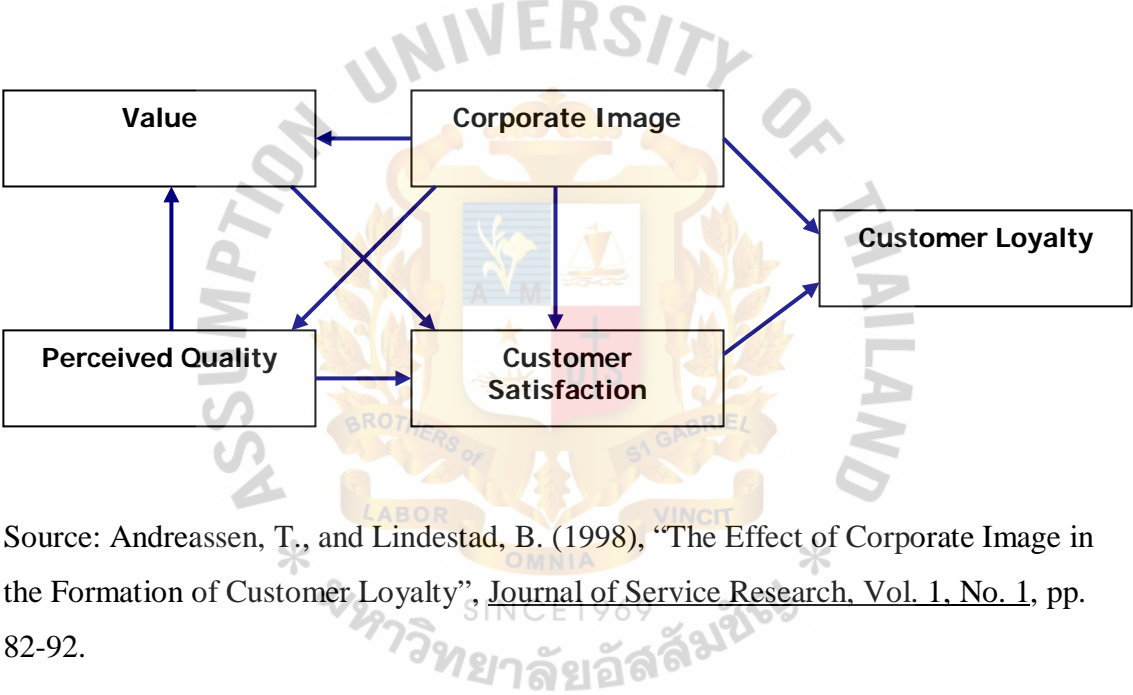
3.1 THEORETICAL FRAMEWORK

According to the relationship between variables in the literature review, the researcher gathers the related studies in order to form the conceptual framework. Therefore, some studies are demonstrated in this research. The first study, researcher demonstrates the study of customer loyalty and complex services. This research reveals the relationship between customer loyalty and other variables.

According to Andreassen and Lindestad (1998), customer loyalty is a function of customer satisfaction, which is a function of a cognitive comparison of expectations prior to consumption and actual experience. Although customer loyalty does not mean the customer satisfaction, it enables good perception on the service quality. Customer satisfaction/ dissatisfaction require experience with the service and influenced by perceived quality and the value of the service. Based on the transaction driven nature of the satisfaction experience, corporate image is a function of the cumulative effect of customer satisfaction and dissatisfaction. As can be seen in their conceptual model in Figure 3.1, there are relationship between customer loyalty and mentioned variables.

When services are difficult to evaluate, corporate image is believed to be an important factor influencing the perception of quality, customers' evaluation of satisfaction with the service and customer loyalty. They also reveals that value is an aggregated variable reflecting the perception of all quality attributes as a function of price is believed to impact the satisfaction judgment of the transaction. Loyalty to the same service company or same product or service is based on a confirmation based satisfaction of previous purchases and a general attitude toward the company. This is illustrated in Figure 3.1

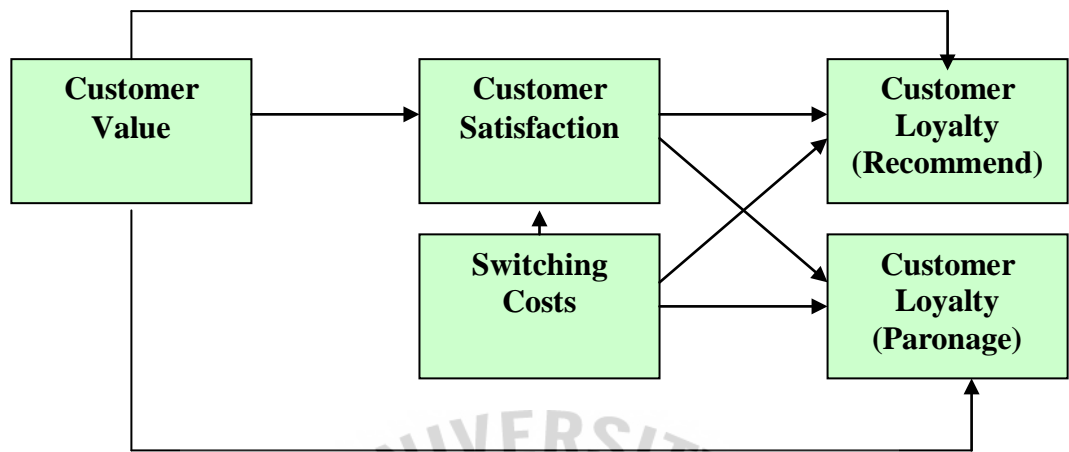
Figure 3.1: The Conceptual Model: The Study of Customer Loyalty and Complex Services



Source: Andreassen, T., and Lindestad, B. (1998), “The Effect of Corporate Image in the Formation of Customer Loyalty”, Journal of Service Research, Vol. 1, No. 1, pp. 82-92.

For the second study, the researcher presents the study of customer value, satisfaction, switching cost, and customer loyalty. Lam et al. (2004) conducted the study in order to analyze a conceptual framework that considers customer perceived value, customer satisfaction and switching costs as antecedents of customer loyalty as shown in Figure 3.2.

Figure 3.2: Lam et al’ Conceptual Framework



Source: Lam, S., and Shankar, V., and Erramilli, M. (2004), “Customer Value, Satisfaction, Loyalty and Switching Costs: An Illustration from a Business to Business Service Context”, Journal of the Academy of Marketing Science, Vol. 34, No. 4, pp. 32.

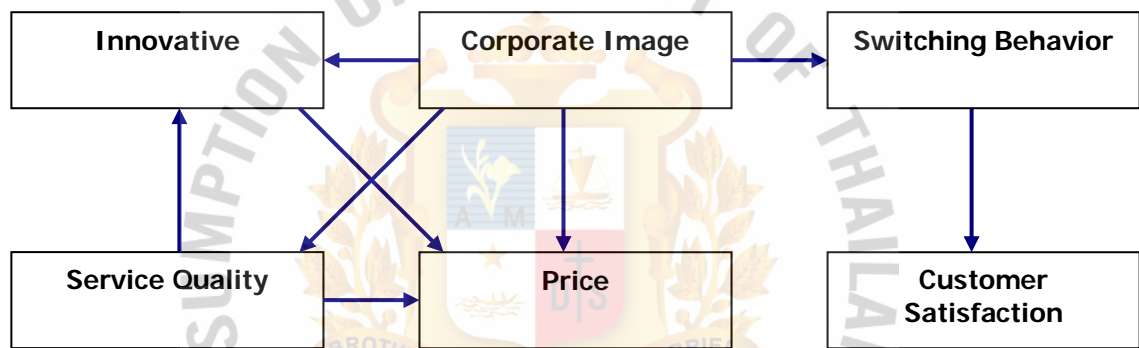
The study revealed interested information as shown below;

1. Customer value has a positive effect on customer satisfaction
2. Customer satisfaction has a positive effect on customer loyalty (Recommend)
3. Customer satisfaction has a positive effect on customer loyalty (Patronage)
4. Switching cost have a positive effect on customer loyalty (Patronage)

For the third study, the researcher presents the study of customer satisfaction tends to support market segmentation as well as explaining the switching behaviors. According to Armstrong and Tan (2001), there is the relationship between Innovative, Service Quality, Corporate Image and Price. Whenever customers are interested in the innovative product and service, they will accept the premium price. Although they have to pay for the premium price, they will receive the service quality in return. Those customers also feel confident with other product line that produce or provide by the same brand or the same company. This would reflect the corporate image that is viewed by customers. Consequently, customer will not change to other brand because they do not want to take risk from switching to the other brand. Definitely, customers will be satisfied with the product and service at last.

Armstrong and Tan (2001) also conclude that there is the relationship between switching behavior and customer satisfaction. Although customer satisfaction does not mean the customer loyalty, both elements tend to go in the same direction. In order to achieve the high level of customer loyalty, network providers have to do more tasks on customer database. Therefore, the customer satisfaction and related elements are explained in the section, and the customer satisfaction model is also illustrated in Figure 3.3.

Figure 3.3: The Conceptual Model: Corporate-Customer Satisfaction in the Banking Industry of Singapore

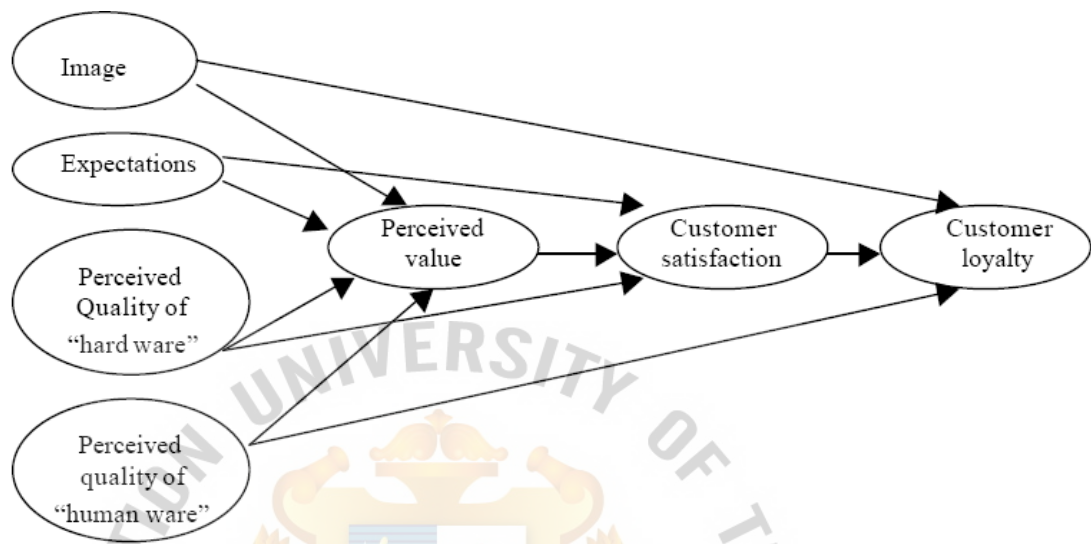


Source: Armstrong, R. W., and Tan, B. S. (2001) “An Operationalization of “Guanxi” ”, Asian Journal of Marketing, Vol. 8, No. 2, pp. 14.

The last study is on the relationship of customer loyalty and other interested elements. One of those elements is the corporate image which is an independent variable having direct relationship with dependent variable, loyalty, has been hypothesized and borne out in the marketing literature. Those who do not trust the vendor corporate image in a competitive marketplace are unlikely to be loyal. However, it must be admitted that, while in a market with suitable alternatives lack of global and benevolence trustworthy should lead to negative loyalty (desire and intention to switch), positive benevolence and global trustworthy may not necessarily lead to positive loyalty. In some markets where all or nearly all vendors are very good in corporate image equally, one could expect the corporate image as a normal part of doing business, and therefore be loyal or not without reference to the corporate image. Therefore, the corporate image – customer loyalty relationship, while positive, may be

weak in some markets. The relationship between the corporate image and customer loyalty is presented in the ECSI model in Figure 3.4.

Figure 3.4: ECSI Model



Source: ECSI Technical Committee (1998), “European Customer Satisfaction Index”, Foundation and Structure for Harmonized National Pilot Projects, London.

From the above study, there are many elements that affect the customer loyalty. Researcher carefully selected the above frameworks in order to gather and evaluate the necessary information for forming the conceptual framework. There is a relationship between customer loyalty and many elements such as customer satisfaction, quality, expectation, corporate image, trust, innovative, price, and switching cost. The researcher also described how those elements are related to the customer loyalty as well as to each other.

However, this study aims to prove that whether DTAC is going in the right direction of creating the customer loyalty. According to the CEO vision in the annual report in 2005, DTAC attempts to achieve the level of customer loyalty because they believe that the key success in the wireless business is from gathering the subscribers into the network and generating revenue from them as much as possible. However, customer can be in the network for a very short period of time. The key success definitely depends on the customer retention and customer loyalty. CEO of DTAC,

Sigve Brekke, also explain four tasks that DTAC have to focus in order to achieve the high level of customer loyalty as follows:

1. Positioning themselves to be the best service provider in service quality

They try their best to extend the coverage area and signal strength in order to ensure the signal quality excellence. Whenever customers drop call cause from the network, DTAC will refund the fee instantly.

2. Positioning themselves to be the best service provider in corporate image

They try their best to create the best corporate image by re-branding from TAC to DTAC. Every products and services have to be easy to use and easy to understand with the reasonable price. Although there are many sub brand for pre-paid and post-paid customer such as MAXIMIZE, MY and HAPPY, all of them reflect the same corporate image which is kindness and customer happiness.

3. Positioning themselves to be the best service provider in Trust Worthy

They try their best to expand call center capacity in order to serve DTAC customers. When customers want to ask for further information, they can contact DTAC call center very easily. Every problem has to be solved within the period that indicates in the service level agreement. All customers can consult DTAC call center with 24/7 basis.

4. Positioning themselves to be the best choice for everyone

They try their best to provide the attractive program such as Personal Secretary for the premium customer who use DTAC network more than 1 year. Moreover, DTAC always provide the special tariffs to the current users. The program aims to achieve the customer retention and customer satisfaction. DTAC believe that when their customers impress in the service they are offering, customer would perceive risk when they want to switch to other network.

After investigation on tasks mentioned above, DTAC have focused on some elements in order to achieve the customer loyalty. Those elements are Service Quality, Corporate Image, Trust, and Perceived Switching Cost. Researcher would

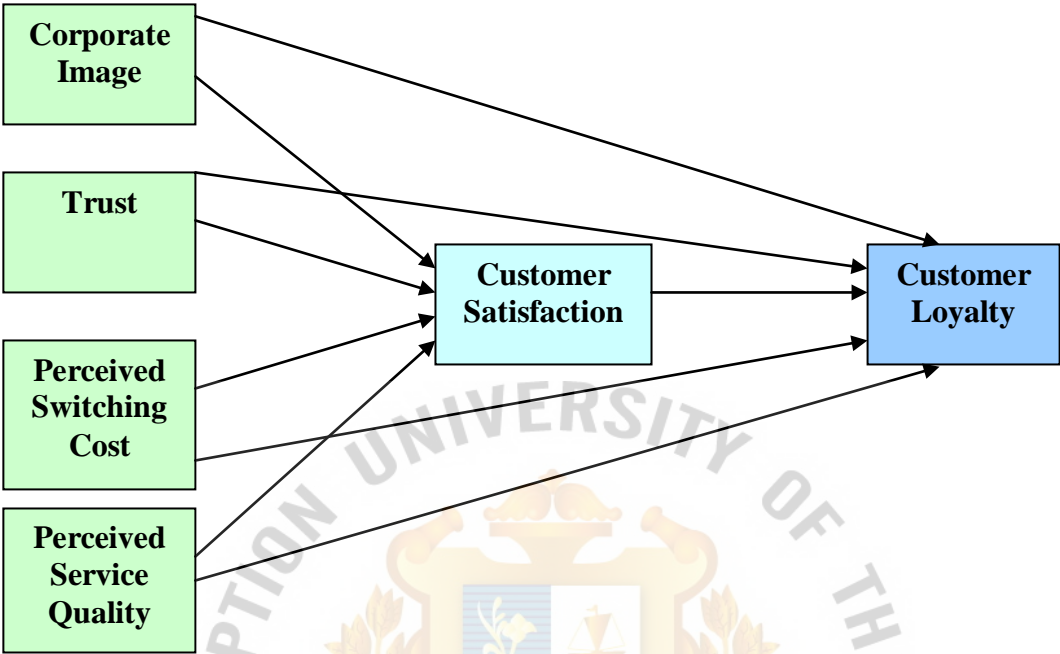
like to study that whether or not there are relationships between customer loyalty and those elements. In addition, the researcher would like to study the relationship between customer satisfaction and those elements as well as the relationship between customer satisfaction and customer loyalty. Therefore, researcher formed the conceptual framework as shown in the Figure 3.4. Researcher believes that the study would be beneficial for DTAC management team as well as their marketing team in order to improve their marketing strategy for their business success.

3.2 CONCEPTUAL FRAMEWORK

According to the theoretical framework, researcher focused on some variable that affect to customer loyalty. As mentioned, customer will be loyal with the service when customer satisfies with the quality of service. Moreover, customers will be loyal when they trust the provider who has very good corporate image. Definitely, they do not want to take any risks because they recognize the switching cost. Those variables are taken into the account because the researcher is confident in these facts.

In this research, there are 5 independent variables, which consist of perceived service quality, corporate image, trust, customer satisfaction and switching cost. The dependent variables are customer satisfaction and customer loyalty. The researcher will find out the effects of these fifth independent variables on customer satisfaction and customer loyalty. In addition, the researcher will also find out the effects of the customer satisfaction and customer loyalty. The conceptual framework is shown below in Figure 3.4.

Figure 3.5: Conceptual Framework



3.3 RESEARCH HYPOTHESES

According to the research objectives of the study, there are nine hypotheses developed from the research objective of this study. They are divided into three main groups of the research hypotheses. The first group consists of H1o – H4o, which determines the relationship between potential elements with customer loyalty. The second group consists of H5o – H8o, which determines the relationship between potential elements with customer satisfaction. The last group consists of H9o, which determines the relationship between customer satisfaction and customer loyalty.

Hypothesis 1

H1o: There is no relationship between perceived service quality and customer loyalty.

H1a: There is a relationship between perceived service quality and customer loyalty.

Hypothesis 2

H2o: There is no relationship between corporate image and customer loyalty.

H2a: There is a relationship between corporate image and customer loyalty.

Hypothesis 3

H3o: There is no relationship between trust and customer loyalty.

H3a: There is a relationship between trust and customer loyalty.

Hypothesis 4

H4o: There is no relationship between perceive switching cost and customer loyalty.

H4a: There is a relationship between perceive switching cost and customer loyalty.

Hypothesis 5

H5o: There is no relationship between perceived service quality and customer satisfaction.

H5a: There is a relationship between perceived service quality and customer satisfaction.

Hypothesis 6

H6o: There is no relationship between corporate image and customer satisfaction.

H6a: There is a relationship between corporate image and customer satisfaction.

Hypothesis 7

H7o: There is no relationship between trust and customer satisfaction.

H7a: There is a relationship between trust and customer satisfaction.

Hypothesis 8

H8o: There is no relationship between perceive switching cost and customer satisfaction.

H8a: There is a relationship between perceive switching cost and customer satisfaction.

Hypothesis 9

H9o: There is no relationship between customer satisfaction and customer loyalty.

H9a: There is a relationship between customer satisfaction and customer loyalty.

3.4 OPERATIONALIZATION OF THE DEPENDENT VARIABLES

According to research objectives of the study, there are three main groups of research hypotheses as shown below;

1. The relationship between potential elements with customer loyalty.
2. The relationship between potential elements with customer satisfaction.
3. The relationship between customer satisfaction and customer loyalty.

Each question in the questionnaire gather the necessary information in order to find out as mentioned above.

Table 3.1: Operational Definition of customer loyalty and potential elements

Variables	Operational Definition	Operational Component	Level of measurement (Measurement scale)
Perceived Service Quality	The perception on the manner in which service is provided as it influences the degree of satisfaction with a good or service	1. DTAC provides very good network quality. 2. DTAC provides very good quality of customer services. 3. DTAC provides very good quality of value added services. 4. DTAC billing is very accurate.	Interval
Corporate Image	The complete bundle of thoughts about a company, product, or service is resulted from a combination of various communications and personal experience. These include the distinguishing character attributes of a brand or company	5. DTAC looks strong and stable. 6. DTAC looks innovative and trendy. 7. DTAC conducts a contribution for public society. 8. DTAC treats customers very good.	Interval
Trust	A willingness that stems from an understanding of the other party based on past experience to rely on another party in the face of risk. Firm relies on the integrity, ability, or character of a person or thing	9. I believe that DTAC service is better than the others. 10. I believe that DTAC billing is accurate. 11. I believe that DTAC customer support can help me when my cell phone has a problem. 12. I believe that DTAC will provide the suitable tariff to customers.	Interval

Variables	Operational Definition	Operational Component	Level of measurement (Measurement scale)
Perceived Switching Costs	The perception on cost associated with switching from one supplier to another	<p>13. Other operators might not provide very good network quality as DTAC.</p> <p>14. Other operators might not provide very good quality of customer services as DTAC.</p> <p>15. Other operators' billing system might not accurate as DTAC.</p> <p>16. Other operators might not provide very impressive tariffs and promotions as DTAC.</p>	Interval
Customer Satisfaction	An ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person. The state of satisfaction depends on a number of both psychological and physical variables.	<p>17. I satisfy with DTAC network quality.</p> <p>18. I satisfy with DTAC price offering.</p> <p>19. I satisfy with DTAC customer support.</p> <p>20. I satisfy with other DTAC additional services.</p>	Interval
Customer Loyalty	The totality of feelings or attitudes that would incline a customer to consider the re-purchase of a particular product, service or brand or re-visit a particular company, shop or website.	<p>21. I will continue using DTAC Network.</p> <p>22. If I have to buy the new one, I would prefer DTAC.</p> <p>23. I suggested my friend to change to DTAC.</p> <p>24. Although other providers provide the better price, I still continue using DTAC.</p>	Interval

CHAPTER 4

RESEARCH METHODOLOGY

This chapter explains how the study was conducted. It also describes how the data were collected and analyzed. It consists of four sections in this chapter. The first section is a method of research that indicates the method and procedures for collecting and analyzing data. The second section demonstrates the information regarding the respondents and sample size. The third section is the instrument that provides measurement from the questionnaire and methods. The fourth section is the statistical treatment of data that provides and explain the statistical technique used for calculation. The fifth section is the pilot study, which the reliability was examined.

4.1 RESEARCH METHOD

According to this study, descriptive research is being applied. It has been designed to describe the characteristics of a population or phenomenon. Descriptive research method seeks to find the answers from who, what, when, where and how questions (Gay et al., 2006).

Nowadays, mobile phone is considered a necessary equipment being use to connect to others people. The customers have to think of many factors that affect the decision making to buy mobile phone. Therefore, mobile phone network became an important factor that customers have to concern such as range of network, air time, promotion, and customization of services. If the network providers can satisfy their customers, they will become loyalty customers.

In this research, the survey is used to conduct a set of questionnaire to find out the effect of several independent variables that affect the customer loyalty on mobile phone operator. The researcher selected main five independent variables, which consist of perceived service quality, corporate image, trust, perceived switching cost

and customer satisfaction that relate to the dependent variable which is customer loyalty.

4.2 RESEARCH DESIGN

4.2.1 POPULATION

In this research, the population is DTAC subscribers in Bangkok. The researcher collected data from the sample and used inferential statistics to interpret the results that received from the sampled data which represents the whole population.

4.2.2 SAMPLE SIZE

Because DTAC subscribers in the Bangkok are the unknown population, the researcher applied the population proportion to determine the sample size in this research. According to McClave et al. (2004), the used of the population proportion was presented to determine the amount of sample size in represent the whole group of population which can be used for the unknown population. The concept is applied to this research by using the formula in calculation of the sample size.

The level of precision, sometimes called sampling error, represents the range in which the true value of the population is estimated to be. In this research, it is set at $\pm 5\%$. The level of confidence or risk level is based on ideas encompassed under the Central Limit Theorem in that when a population is repeatedly sampled, the average value of the attribute obtained by those samples is equal to the true population value. Moreover, the values obtained by these samples are distributed normally about the true value. In normal distribution, approximately 95% of the sample values are within two standard deviations of the true population value (e.g. mean). For this reason, a confidence level of 95% is selected in this study. This means that 95 out of 100 samples will have true population value within the range of precision specified earlier.

The proportion of unknown population whether they are DTAC subscribers or not is not accurate. According to Vanichbancha (2001), the value of pq is at its maximum when p equal to 0.5, so that the research conservatively large value of n by approximately p by 0.5 or values close to 0.5.

With the unknown population of DTAC subscribers, the level of precision of $\pm 5\%$, the confidence level of 95%, and proportion of DTAC subscribers equal to 0.5 ($p=.5$) and the people are not DTAC subscribers equal to 0.5 ($q=.5$) with the largest maximum value of n, the maximum value of n in this research equal to 384.16. The formula and the calculation are shown below.

Formula:

$$n = \frac{(Z_{\alpha/2})^2 P Q}{B}$$

Calculation:

$$n = \frac{(Z_{\alpha/2})^2 P Q}{B} = \frac{(1.96)^2 (0.5) (0.5)}{0.05^2} = 384.16$$

Source: McClave, J., and Benson, P., and Sincich, T. (2004), “Statistics for Business and Economics”, Prentice-Hall, New York.

According to McClave et al. (2004), the finding of the research should round up the value upward to ensure that the sample size will be sufficient to achieve the specified reliability. Therefore, the sample size of 400 is used in this study.

4.2.3 SAMPLING PROCEDURE

The sampling unit in this study is individual. Questionnaires are given to respondents to fill out in DTAC shops. The researcher believes that the data received in DTAC shop is reliable because all of them are DTAC subscribers. Moreover, the questionnaires will be provided in the shop. Therefore, customers would be willing to spend their time which reflects to the reliable data.

In the first step, a simple random sampling is used. According to DTAC (2007), there are 25 DTAC shops in Bangkok. The researcher wrote down all branch names in a paper and put in a box and only five names are drawn from the box. For the target sampling units, the researcher chose people who were waiting in line to pay bill in DTAC shop. This method assures that each element in the population has an

equal chance of being included in the sample. The selected branches located in Bangkok Metropolis are as follows:

- 1. Future Park Rangsit
- 2. Siam Paragon
- 3. Jusco Ratchada
- 4. Central Bangna
- 5. Seacon Square

In the second step, quota sampling is used. The number of respondents is assigned to each DTAC shop. Since the total number of sample of 400 respondents are to be achieved and five shops are selected. 80 respondents are assigned for each shop. This method ensures that the various subgroups in a population are represented on pertinent sample characteristics to the exact extent desired. It is a convenient method and also helps speed the data collection and lower the costs.

1. Future Park Rangsit	total sample	80 respondents
2. Siam Paragon	total sample	80 respondents
3. Jusco Ratchada	total sample	80 respondents
4. Central Bangna	total sample	80 respondents
5. Seacon Square	total sample	80 respondents
Total		400 respondents

For the last step, convenience sampling, which is one of the non-probability sampling methods, is utilized. This method obtains data from people who are most conveniently available in each shop. The researcher will collect the data by distributing the questionnaire at the sample DTAC shop. The data will be collected from the people who are paying mobile phone bill in DTAC shops in each DTAC shop until 80 respondents are achieved. The merit of this method is that it is quick and economical.

4.3 DATA COLLECTION PROCEDURES

In this study, the researcher used primary data collected via self-administered questionnaires distributed to people who are paying mobile phone bill in DTAC Shops at the selected area. Thus, before the researcher distribute questionnaire, the researcher asked them again to make sure that person is using DTAC number. The questionnaires are distributed from Monday to Friday 12.00 – 18.00 until the total sample size is achieved.

4.4 RESEACH INSTRUMENTS / QUESTIONNARE

To understand the customer perspective, the researcher deploys questionnaires as survey methods. The questionnaires will gather the primary data about consumers' attitudes toward independent and dependent variables. The questionnaires are divided into two main parts. Each questionnaire contains 28 questions in total.

The questionnaire has been developed from the conceptual framework of this study. The 5 point scale was chosen as it was suitable for multi- variable analysis (Fournier, 1998). Researcher used five point Likert Scales where Strongly Disagree = 1, Disagree = 2, Neutral = 3, Agree = 4 and Strongly Agree = 5. The “very low” to “very high” represented the degree of disagreement/ agreement. The mean score which falls into “very low” range represented the strongly disagreement level of those factors. On the other hand, the mean score which falls into “very high” range represented strong agreement of those factors as well. The purpose is to categorize the range of mean scores in order to simplify the calculation and understanding. All questions are presented in four following parts:

Part I – Demographic

This part will obtain the general information of respondents which consists of gender, age; average monthly income and education level. The total are 4 close-end questions.

Part II – Factors Affecting Customer Satisfaction and Customer Loyalty

In this part, the respondents will be asked to express their perception toward factor affecting customer satisfaction and customer loyalty.

Part III – Customer Satisfaction

In this part, the respondents will be asked to express their perception toward customer satisfaction.

Part IV – Customer Loyalty

In this study, the respondents will be asked to express their perception toward customer loyalty.

4.5 PILOT STUDY

Churchill (1991) stated that each question in the questionnaire must ensure that it is not confusing or ambiguous and the respondents do not feel offensive. Therefore, the questionnaire has to be reviewed carefully. The small pilot study will be useful in determining how reliable and valid the questionnaire is. In order to detect the weakness and error in the instrument (questionnaire), pre-testing is required before any actual testing is conducted. Pretests are considered essential to detect the problems of the questionnaire when obtaining information for respondents.

In order to avoid respondents misunderstanding the questions, pre-testing of the questionnaire was conducted before the actual questionnaires were distributed. According to Seymour (1983), a pilot test of 20 - 50 cases is usually sufficient to discover the major flaws in a questionnaire before they damage the main study. Therefore, the sample size of 40 is used in the pretest study. Forty questionnaires were distributed on September 9th, 2006 at DTAC ship in Siam Paragon. The reliability test was conducted on the 6 variables – Perceived Service Quality, Corporate Image, Trust, Perceived Switching Cost, Customer Satisfaction and Customer Loyalty – that were in the questionnaire. The variables are considered to be reliable only when Cronbach’s alpha levels is more than or equal to 0.6 and considered to be unreliable when it is less than 0.6 (Sekaran, 1983).

Reliability Test

Table 4.1: The Value of Reliability Analysis

Questionnaire Components	Alpha
Potential Factors	
1. Customer Loyalty	0.7835
2. Customer Satisfaction	0.7420
3. Perceived Service Quality	0.8370
4. Corporate Image	0.7410
5. Trust	0.8500
6. Perceived Switching Costs	0.6510

The data were coded and processed by SPSS program to find the reliability by using the Cronbach’s Coefficient Alpha test. The result shows an alpha coefficient value of customer loyalty, customer satisfaction, perceived service quality, corporate image, trust, and perceived switching costs were 0.7835, 0.7420, 0.8370, 0.7410, 0.8500, and 0.6510, respectively which were all higher than 0.6. Therefore, it can be concluded that the questionnaire used in this study was reliable. The Cronbach’s

Alpha value of each question from the questionnaire was higher than 0.6 which confirmed the reliability of the questionnaire.

4.6 Statistical treatment of data

Once the necessary data were collected, the data were analyzed and summarized in a readable and easily interpretable form. The Statistical Package for Social Science (SPSS) was utilized to summarize the data where needed. After collecting the data from 400 respondents, it was coded into the symbolic forms that are used in the SPSS software.

Descriptive statistic including frequency and percentage was used in order to describe each variable that is associated with respondent personal data, such as gender, age, income, and education. For inferential statistic, Linear Regression and Multiple Regression were used to test all the hypotheses set in Chapter 3. Multiple regression is an extension of the bivariate correlation. The results of the regression are an equation that represents the best prediction of a dependent variable from several independent variables.

The average mean and standard deviation were also used. For inferential statistic, Pearson Product Moment Correlation was used to test all the hypotheses set. The Pearson Product Moment Correlation Coefficient (r) is a parametric technique, which gives a measure of the strength of association between two variables. The correlation coefficient (r) ranges from +1.0 to -1.0. If the value of r is 1.0 or -1.0, there is a perfect positive or negative linear relationship, respectively.

According to Cann (2003), Pearson correlation calculations are based on the assumption that both X and Y values are sampled from populations that follow a normal distribution, at least approximately, although with large samples. The calculation of correlation coefficient (r) is shown below:

$$r = \frac{\sum xy - \frac{(\sum x)(\sum y)}{n}}{\sqrt{\left(\sum x^2 - \frac{(\sum x)^2}{n}\right)\left(\sum y^2 - \frac{(\sum y)^2}{n}\right)}}$$

Where

Σ = the sum

n = number of paired items

y_i = output variable

x_i = input variable

y = \bar{y} = mean of y 's

x = \bar{x} = mean of x 's

s_y = standard deviation of y 's

s_x = standard deviation of x 's

Table 4.2: R-value and measure the strength of association

Correlation (r)	Interpretation
0	No linear association
1	Perfect positive linear association
0.90 to 0.99	Very high positive correlation
0.70 to 0.89	High positive correlation
0.40 to 0.69	Medium positive correlation
0 to 0.39	Low positive correlation
-1	Perfect negative linear association
0 to -0.39	Low negative correlation
-0.40 to -0.69	Medium negative correlation
-0.70 to -0.89	High negative correlation
-0.90 to -0.99	Very high negative correlation

Source: Miles, J., and Shevlin, M. (2001), “Applying Regression and Correlation: A Guide for Students and Researchers”, Sage Publication, London.

CHAPTER 5

DATA ANALYSIS

In this part, the researcher presents the findings, results as well as analysis obtained from the survey in order to answer the research questions and hypotheses indicated in the previous chapters. It discusses the findings from the reported data which 400 samples were collected from the DTAC Shops during May 2007. In this research, the researcher attempts to determine the potential factors that affect the customer loyalty. In order to analyze and evaluate the data, the Statistical Package for the Social Sciences for Window (SPSS program) was employed. The data analysis can be divided into 3 sections which are descriptive statistics (demographic factors), analysis of means and standard deviations, and inferential analysis (hypotheses testing). In total, 9 hypotheses are included in the study.

5.1 ANALYSIS OF FREQUENCY AND PERCENTAGE

Descriptive analysis refers to the transformation of the raw data into a form that will make them easy to understand and interpret. Describing responses or observations is typically the first form of analysis, which is commonly done by calculating averages, frequency distributions and percentage distributions. This section provides four themes concerning respondents' gender, age, monthly income, and education level. The profiles are displayed through the use of the frequency distribution and percentage as presented in Table 5.1 to 5.4

Table 5.1: Respondents’ Gender

P1_1 gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 male	118	29.5	29.5	29.5
	2 female	282	70.5	70.5	100.0
	Total	400	100.0	100.0	

Table 5.1 The above the table have categorized the respondents on the basis of gender. The sample consists of that 70.50% (282 respondents) are female while 29.50% (118 respondents) are male.

Table 5.2: Respondent’ Age

P1_2 age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 below 25 years	124	31.0	31.0	31.0
	2 26-35 years	154	38.5	38.5	69.5
	3 36-45 years	98	24.5	24.5	94.0
	4 above 45 years	24	6.0	6.0	100.0
	Total	400	100.0	100.0	

Table 5.2 The above the table have categorized the respondents on the basis of age. The sample consists of shows that 38.50% (154 respondents) are in the age range of 26-35 years old, 31% (124 respondents) are less than 25 years old , 24.50% (98 respondents) are in the age range of 36-45 years old, and 6% (24 respondents) are grater than 45 years old.

Table 5.3: Respondent’ Monthly Income

P1_3 monthly income					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 10,000 baht and below	7	1.8	1.8	1.8
	2 10,001-25,000 baht	99	24.8	24.8	26.5
	3 25,001-50,000 baht	192	48.0	48.0	74.5
	4 50,001-100,000 baht	84	21.0	21.0	95.5
	5 100,000 baht and above	18	4.5	4.5	100.0
	Total	400	100.0	100.0	

Table 5.3 The above the table have categorized the respondents on the basis of monthly income. The sample consists of shows that 48% (192 respondents) have monthly income between 25,001-50,000 Baht, 24.8% (99 respondents) have monthly income between 10,001-25,000 Baht., 21% (84 respondents) have monthly income between 50,001-100,000 Baht, 1.80% (7 respondents) have less monthly income than 10,000 Baht and 4.5% (18 respondents) have greater monthly income than 100,000 Baht.

Table 5.4: Respondent’ Education Level

P1_4 education level					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Certificate / Diploma	8	2.0	2.0	2.0
	2 Bachelor degree	194	48.5	48.5	50.5
	3 Master degree	145	36.3	36.3	86.8
	4 Doctorial degree	53	13.3	13.3	100.0
	Total	400	100.0	100.0	

Table 5.4 The above the table have categorized the respondents on the basis of education level. The sample consists of shows that 48.50% (194 respondents) held Bachelor Degree, 36.3% (145 respondents) held Masters Degree, and 13.30% (53 respondents) held Doctoral Degree and Certificate / Diploma 2% (8 respondents).

5.2 ANALYSIS OF MEAN AND STANDARD DEVIATION

For this part, the respondents were asked to rate the level of agreement on the 6 factors, which are perceived as service quality, corporate image, trust, perceived switching cost, customer satisfaction, and customer loyalty.

Table 5.5: Mean, Standard deviation and Interpretation of perceived service quality

Descriptive Statistics			
	Mean	Std. Deviation	N
DTAC provides very good network quality.	3.48	1.230	400
DTAC provides very good quality of customer services.	3.59	.951	400
DTAC provides very good quality of value added services.	3.44	.882	400
DTAC billing is very accurate.	3.17	.793	400
Mean of Perceived Service Quality	3.416250	.7888944	400

Table 5.5 presents the implementation in terms of perceived service quality factor. There are four items in this category, which have the range of mean score between 3.17 and 3.59. The average mean was 3.41 which was between 3 (Neutral) and 4 (Agree). Therefore, it can be concluded that the level of agreement on perceived service quality was between neutral and agree.

Table 5.6: Mean, Standard deviation and Interpretation of corporate image

Descriptive Statistics			
	Mean	Std. Deviation	N
DTAC looks strong and stable.	3.47	1.092	400
DTAC looks innovative and trendy.	3.56	1.072	400
DTAC conducts a contribution for public society.	3.26	1.027	400
DTAC treats customers very good.	3.40	1.021	400
Mean of Corporate Image	3.418750	.8225889	400

Table 5.6 presents the implementation in terms of the corporate image factor. There are four items in this category, which have the range of mean score between 3.26 and 3.56. The average mean was 3.41 which was between 3 (Neutral) and 4 (Agree). Therefore, it can be concluded that the level of agreement on corporate image was between neutral and agree.

Table 5.7: Mean, Standard deviation and Interpretation of trust

Descriptive Statistics			
	Mean	Std. Deviation	N
I believe that DTAC service is better than the others.	3.29	1.038	400
I believe that DTAC billing is accurate.	3.17	.793	400
I believe that DTAC customer support can help me when my cell phone has a problem.	3.32	.870	400
I believe that DTAC will provide the suitable tariff to customers.	3.23	1.011	400
Mean of Trust	3.247500	.7444405	400

Table 5.7 presents the implementation in terms of trust factor. There are four items in this category, which have the range of mean score between 3.17 and 3.32. The average mean was 3.24 which was between 3 (Neutral) and 4 (Agree). Therefore, it can be concluded that the level of agreement on trust was between neutral and agree.

Table 5.8: Mean, Standard deviation and Interpretation of perceived switching cost

Descriptive Statistics

	Mean	Std. Deviation	N
Other operators might not provide very good network quality as DTAC.	3.19	.642	400
Other operators might not provide very good quality of customer services as DTAC.	3.47	.933	400
Other operators' billing system might not accurate as DTAC.	2.92	1.077	400
Other operators might not provide very impressive tariffs and promotions as DTAC.	3.23	.961	400
Mean of Perceived Switching Cost	3.199375	.4985250	400

Table 5.8 presents the implementation in terms of perceived switching cost factor. There are four items in this category, which have the range of mean score between 2.92 and 3.47. The average mean was 3.19 which was between 3 (Neutral) and 4 (Agree). Therefore, it can be concluded that the level of agreement on perceived switching cost was between neutral and agree.

Table 5.9: Mean, Standard deviation and Interpretation of customer satisfaction

Descriptive Statistics

	Mean	Std. Deviation	N
I satisfy with DTAC network quality.	3.50	1.092	400
I satisfy with DTAC price offering.	3.83	.838	400
I satisfy with DTAC customer support.	3.44	.910	400
I satisfy with other DTAC additional services.	3.28	.881	400
Mean of Customer Satisfaction	3.510000	.6483254	400

Table 5.9 presents the implementation in terms of customer satisfaction factor. There are four items in this category, which have the range of mean score between 3.28 and 3.83. The average mean was 3.51 which was between 3 (Neutral) and 4 (Agree). Therefore, it can be concluded that the level of agreement on customer satisfaction was between neutral and agree.

Table 5.10: Mean, Standard deviation and Interpretation of customer loyalty

Descriptive Statistics			
	Mean	Std. Deviation	N
I will continue using DTAC Network.	3.45	.842	400
If I have to buy the new one, I would prefer DTAC.	3.41	1.275	400
I suggested my friend to change to DTAC.	3.11	1.127	400
Although other network's billing is cheaper, I still continue using DTAC.	3.12	.951	400
Mean of Customer Loyalty	3.270000	.8216067	400

Table 5.10 presents the implementation in terms of customer loyalty factor. There are four items in this category, which have the range of mean score between 3.11 and 3.45. The average mean was 3.27 which was between 3 (Neutral) and 4 (Agree). Therefore, it can be concluded that the level of agreement on customer loyalty was between neutral and agree.

5.3 HYPOTHESIS TESTING

Hypothesis 1

- H1o. There is no relationship between perceived service quality and customer loyalty.
- H1a: There is a relationship between perceived service quality and customer loyalty.

Table 5.11: Pearson correlation between perceived service quality and customer loyalty

Correlations		Mean of Customer Loyalty	Mean of Perceived Service Quality
Mean of Customer Loyalty	Pearson Correlation	1	.571(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Perceived Service Quality	Pearson Correlation	.571(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The analysis of Pearson correlation in Table indicates that the significant is equal .000, which is less than .01 ($.000 < .01$). It means that the null hypothesis was rejected. Therefore, there is a relationship between perceived service quality and customer loyalty at the 0.000 significant levels.

0.571 means that there is a medium positive correlation between perceived service quality and customer loyalty or these two variables have the same direction. Based on this study, the link between perceived service quality and customer loyalty has been investigated. The results have indicated that the two constructs are indeed dependent, implying that an increase in one is likely to lead to an increase in another.

Hypothesis 2

H2o: There is no relationship between corporate image and customer loyalty.

H2a: There is a relationship between corporate image and customer loyalty.

Table 5.12: Pearson correlation between corporate image and customer loyalty

Correlations

		Mean of Customer Loyalty	Mean of Corporate Image
Mean of Customer Loyalty	Pearson Correlation	1	.598(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Corporate Image	Pearson Correlation	.598(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The analysis of Pearson correlation in Table indicates that the significant is equal .000, which is less than .01 ($.000 < .01$). It means that the null hypothesis was rejected. Therefore, there is a relationship between corporate image and customer loyalty at the 0.000 significant levels.

0.598 means that there is a medium positive correlation between corporate image and customer loyalty or these two variables have the same direction. Based on this study, the link between corporate image and customer loyalty has been investigated. The results have indicated that the two constructs are indeed dependent, implying that an increase in one is likely to lead to an increase in another.

Hypothesis 3

H3o: There is no relationship between trust and customer loyalty.

H3a: There is a relationship between trust and customer loyalty.

Table 5.13 Pearson correlation between trust and customer loyalty

Correlations		Mean of Customer Loyalty	Mean of Trust
Mean of Customer Loyalty	Pearson Correlation	1	.769(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Trust	Pearson Correlation	.769(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The analysis of Pearson correlation indicates that the p value is equal .000, which is less than .01 ($.000 < .01$). It means that the null hypothesis was rejected. Therefore, there is a relationship between trust and customer loyalty at the 0.001 significant level.

0.769 means that there is a high positive correlation between trust and customer loyalty or these two variables have the same direction. Based on this study, the link between trust and customer loyalty has been investigated. The results have indicated that the two constructs are indeed dependent, implying that an increase in one is likely to lead to an increase in another.

Hypothesis 4

H4o: There is no relationship between perceive switching cost and customer loyalty.

H4a: There is a relationship between perceive switching cost and customer loyalty.

Table 5.14: Pearson correlation between perceived switching cost and customer loyalty

Correlations

		Mean of Customer Loyalty	Mean of Perceived Switching Cost
Mean of Customer Loyalty	Pearson Correlation	1	.453(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Perceived Switching Cost	Pearson Correlation	.453(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The analysis of Pearson correlation in Table indicates that the significant is equal .000, which is less than .01 ($.000 < .01$). It means that the null hypothesis was rejected. Therefore, there is a relationship between perceived switching cost and customer loyalty at the 0.000 significant levels.

0.453 means that there is a medium positive correlation between perceived switching cost and customer loyalty or these two variables have the same direction. Based on this study, the link between perceived switching cost and customer loyalty has been investigated. The results have indicated that the two constructs are indeed dependent, implying that an increase in one is likely to lead to an increase in another.

Hypothesis 5

H5o. There is no relationship between perceived service quality and customer satisfaction.

H5a: There is a relationship between perceived service quality and customer satisfaction.

Table 5.15: Pearson correlation between perceived service quality and customer satisfaction.

Correlations

		Mean of Customer Satisfaction	Mean of Perceived Service Quality
Mean of Customer Satisfaction	Pearson Correlation	1	.523(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Perceived Service Quality	Pearson Correlation	.523(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The analysis of Pearson correlation in Table indicates that the significant is equal .000, which is less than .01 ($.000 < .01$). It means that the null hypothesis was rejected. Therefore, there is a relationship between perceived service quality and customer satisfaction at the 0.000 significant levels.

0.523 means that there is a medium positive correlation between perceived service quality and customer satisfaction or these two variables have the same direction. Based on this study, the link between perceived service quality and customer satisfaction has been investigated. The results have indicated that the two constructs are indeed dependent, implying that an increase in one is likely to lead to an increase in another.

Hypothesis 6

H6o: There is no relationship between corporate image and customer Satisfaction.

H6a: There is a relationship between corporate image and customer Satisfaction.

Table 5.16: Pearson correlation between corporate image and customer satisfaction

Correlations

		Mean of Customer Satisfaction	Mean of Corporate Image
Mean of Customer Satisfaction	Pearson Correlation	1	.697(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Corporate Image	Pearson Correlation	.697(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The analysis of Pearson correlation in Table indicates that the significant is equal .000, which is less than .01 ($.000 < .01$). It means that the null hypothesis was rejected. Therefore, there is a relationship between corporate image and customer satisfaction at the 0.000 significant levels.

0.697 means that there is a strong positive correlation between corporate image and customer satisfaction or these two variables have the same direction. Based on this study, the link between corporate image and customer satisfaction has been investigated. The results have indicated that the two constructs are indeed dependent, implying that an increase in one is likely to lead to an increase in another.

Hypothesis 7

H7o: There is no relationship between trust and customer satisfaction.

H7a: There is a relationship between trust and customer satisfaction.

Table 5.17: Pearson correlation between trust and customer satisfaction

Correlations

		Mean of Customer Satisfaction	Mean of Trust
Mean of Customer Satisfaction	Pearson Correlation	1	.749(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Trust	Pearson Correlation	.749(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The analysis of Pearson correlation indicates that the p value is equal .000, which is less than .01 (.000<.01). It means that the null hypothesis was rejected. Therefore, there is a relationship between trust and customer satisfaction at the 0.001 significant level.

0.749 means that there is a high positive correlation between trust and customer satisfaction or these two variables have the same direction. Based on this study, the link between trust and customer satisfaction has been investigated. The results have indicated that the two constructs are indeed dependent, implying that an increase in one is likely to lead to an increase in another.

Hypothesis 8

H8o: There is no relationship between perceive switching cost and customer satisfaction.

H8a: There is a relationship between perceive switching cost and customer satisfaction.

Table 5.18: Pearson correlation between perceive switching cost and customer satisfaction

Correlations

		Mean of Customer Satisfaction	Mean of Perceived Switching Cost
Mean of Customer Satisfaction	Pearson Correlation	1	.605(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Perceived Switching Cost	Pearson Correlation	.605(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The analysis of Pearson correlation in Table indicates that the significant is equal .000, which is less than .01 ($.000 < .01$). It means that the null hypothesis was rejected. Therefore, there is a relationship between perceive switching cost and customer satisfaction at the 0.000 significant levels.

0.605 means that there is a medium positive correlation between perceive switching cost and customer satisfaction or these two variables have the same direction. Based on this study, the link between perceive switching cost and customer satisfaction has been investigated. The results have indicated that the two constructs are indeed dependent, implying that an increase in one is likely to lead to an increase in another.

Hypothesis 9

H9o: There is no relationship between customer satisfaction and customer loyalty.

H9a: There is a relationship between customer satisfaction and customer loyalty.

Table 5.19: Pearson correlation between customer satisfaction and customer loyalty

Correlations

		Mean of Customer Satisfaction	Mean of Customer Loyalty
Mean of Customer Satisfaction	Pearson Correlation	1	.599(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Customer Loyalty	Pearson Correlation	.599(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The analysis of Pearson correlation in Table indicates that the significant is equal .000, which is less than .01 ($.000 < .01$). It means that the null hypothesis was rejected. Therefore, there is a relationship between customer satisfaction and customer loyalty at the 0.000 significant levels.

0.599 means that there is a medium positive correlation between customer satisfaction and customer loyalty or these two variables have the same direction. Based on this study, the link between customer satisfaction and customer loyalty has been investigated. The results have indicated that the two constructs are indeed dependent, implying that an increase in one is likely to lead to an increase in another.

Table 5.20: Summary of results of hypotheses testing

Hypothesis	Statistic Test	Level of Significant	Correlation coefficient	Result
H1o: There is no relationship between perceived service quality and customer loyalty.	Pearson Correlation	0.000	0.571	Reject Ho
H2o: There is no relationship between corporate image and customer loyalty.	Pearson Correlation	0.000	0.598	Reject Ho
H3o: There is no relationship between trust and customer loyalty.	Pearson Correlation	0.000	0.769	Reject Ho
H4o: There is no relationship between perceive switching Cost and customer loyalty.	Pearson Correlation	0.000	0.453	Reject Ho
H5o: There is no relationship between perceived service quality and customer satisfaction.	Pearson Correlation	0.000	0.523	Reject Ho
H6o: There is no relationship between corporate image and customer satisfaction.	Pearson Correlation	0.000	0.697	Reject Ho
H7o: There is no relationship between trust and customer satisfaction.	Pearson Correlation	0.000	0.749	Reject Ho
H8o: There is no relationship between perceive switching cost and customer satisfaction.	Pearson Correlation	0.000	0.605	Reject Ho
H9o: There is no relationship between customer satisfaction and customer loyalty.	Pearson Correlation	0.000	0.599	Reject Ho

CHAPTER 6

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter presents the summary, conclusion and recommendation based on the results of the study, and is divided into three sections. The first section summarizes the findings of the research questions and hypotheses of the study. The second section concludes and discusses the important findings of the study. The last section offers recommendations that are based on the results of the study. Finally, suggestions are made for further study.

6.1 Summary of Findings

This research was conducted with the aim of studying the relationship between corporate image, trust, perceived switching cost, perceived service quality, customer satisfaction and customer loyalty. The results of the study were described and explained in the previous chapter. A summary of findings together with the statement of problem, research questions And hypotheses, are provided in the following sections.

6.1.1 Summary Descriptive Statistics

The first respondent's profile (gender): The majority of the respondents who participated in the research were female (70.5%) and male (29.5%).

The second respondent's profile (age): The majority of respondents were aged between below 25 years old (31%) while the rest were aged between 26-35 years old (38.5%), 36-45 years old (24.5%), and above 45 years old (6%).

The third respondent's profile (income level): The majority of respondents had incomes of 10,000 baht and below (1.8%), 10,001-25,000 baht (24.8%), 25,001-50,000 baht (48%), 50,001-100,000 baht (21%) and 100,000 baht and above (4.5%).

The forth respondent's profile (education level): The majority of respondents had bachelor degree (48.5%), and certificate/diploma (2%). master degree (49.5%),

The results of this study can be summarized as below:

A study on relationship between service qualities, corporate image, trust, perceived switching cost, and customer loyalty shows that there is a statistically significant relationship between them. It means that these factors will affect the customer's decision making when they decide to select the network. The significant level of service quality, corporate image, trust, perceived switching cost is 0.000 (level of significant).

Based on the result of correlation coefficient, the highest correlation between 4 independent variables and customer loyalty is on the trust which is 0.726 and followed by service quality, corporate image, and perceived switching cost with the correlation coefficient of 0.720, 0.615, and 0.212, respectively. Therefore, it can be concluded that trust has the strongest relationship with customer loyalty followed by, service quality, corporate image, and perceived switching cost respectively.

6.2 Discussions and Implications

The research shows that the most impact factor on customer loyalty is trust factor which is strongly concerned how the customer believes and is convinced with the level of services provided by DTAC. In addition, the customer who feels good about products and services is to be perceived such the capabilities of efficient operators handling various issues, effective billing system services, service-mind and etc. Therefore, when the customers feel appreciated with those kinds of services, they will extremely react with higher satisfactions on each particular operator they chose. As a result, it leads to a strong positive correlation of customer loyalty.

Regarding the corporate image, the research also shows that the corporate image has a positive effect on the customer loyalty. Since the corporate image is crucial in today's business including telecommunication industry, the importance of creating and defending the company's reputation must be given a high priority. It can

be seen in the above research that includes the corporate image as an important element in assessing customer satisfaction. It indicates how the firm creates, gathers and maintains its good reputation in terms of recognition and awareness throughout the organization to the public. In addition, the continuing innovation and visionary statement of the company reflects the perception of the customers toward the company inevitably. The research also indicates that Service quality is a medium positive correlation factor. It has impacted the customer loyalty, and also, relates to another key driver which is Trust. For example, customers prefer DTAC to other operators because DTAC gives a better quality of services and network coverage than some certain providers to some extent. The more satisfaction the customers perceive with their current services, the better loyalty they remain using services with that particular operator.

Based on this particular study, it indicates that only perceived switching cost seems to have the least impact on customer loyalty among other factors in terms of the correlation criteria. In other words, it can be concluded that the perceived switching cost is not a major factor related to any change made in customer loyalty even though there is still a relationship existing between them. It may imply that the customers do not change the current operator because of the low switching cost. In other words, they do not want to change their current operator because they do not like to change or stop using their current mobile numbers which are known by others. They feel that it would be more difficult for them to adjust and eventually switch to other operators.

6.3 Conclusions

Based on the above study, it examines the key drivers of customer satisfaction which is related to customer loyalty of DTAC services. It shows that there is a positive relationship between customer satisfaction and customer loyalty. Furthermore, the research examines across four factors that drive customer satisfaction and customer loyalty, including service quality; corporate image; trust and perceived switching cost. The study also provides the results of hypothesis testing supported by the literature reviews coupled with the research and insights into trends in customer

perceived behavior. As a result, there is a positive relationship among service quality, corporate image, trust, perceived switching cost and customer satisfaction.

Based on the results of research, the most impact factor on customer loyalty is trust factor and perceived switching cost seems to have the least impact on customer loyalty among other factors in terms of the correlation criteria.

However, the results may vary upon the sample size and selection criteria of target group. The researcher maximized the reliability of the study by carefully selecting the potential respondents and also establishing the questions in the questionnaire in order to gather the complete information for analyzing the correlation between the customer loyalty and the five potential elements.

6.4 Recommendations

Nowadays, the intensity of competition in telecommunication service industry has been increased in relation to other sectors. Additionally, there are continuous changes in demands because people tend to turn into the digital technology and also other new technological innovations. Many service providers in this industry have to adjust themselves with this fast changing, and continue using multi-strategies to gain the major market share and remain their competitive advantages. However, one way to achieve the long term business goal, the marketer must create the customer loyalty. In this matter, the marketers have to understand each factor that influences the customer loyalty. Regarding the study on the previous chapter, it reveals that all factors in this study including service quality, trust, corporate image and perceived switching cost have shown significant positive effects to customer loyalty in some different degrees. Trust indicates the highest effective contribution to customer loyalty, following with corporate image. The third component is service quality and the lowest contribution to customer loyalty is perceived switching cost.

It is clearly stated that trust is the most crucial factor to build customer loyalty. In other words, it takes a lot less investment to increase your retention of current customers rather than to find new ones. However, the marketers in telecommunication

service industry should also take other factors into account seriously in order to improve customer loyalty. Even though trust factor is the most important key driver, other factors include service quality, corporate image, and perceived switching costs need to be considered as well. In consideration in regards to the retention of customer loyalty in association with the key factor of “Trust”, a number of strategic plans must be considered.

Based on the study, it is crucial for DTAC to provide services that are very different from those of the competition in order to build customer loyalty for sustainable growth and profitability. To achieve this plan, it is essential to analyze and develop a plan through accurate demand planning with tighter execution. Through the usage of Customer Relationship Management (CRM), it enables DTAC to understand, anticipate and respond to the customers' needs in a consistent way, right across the organization by collecting customer detailed profiles, customer preferences, and histories. As a result, DTAC is able to develop better communication channels and provide higher quality of services in relations to different customer preferences. In addition, DTAC can identify new selling opportunities and cross-selling by utilizing CRM database.

DTAC needs to provide a comprehensive suite of solutions that provides a variety of package to different customer groups with distinctive packages. It is crucial to respond to customers' needs with know-how and enthusiasm by regular monitoring and assessment in order to meet their expectations with relevant technologies and services. As a result, DTAC is able to serve different customers' needs with distinctive services where price is not the primary buying factor for them. Customers are able to fit themselves to the package that they expect. At the same time, the company needs to provide even minor, incremental service improvements to existing customers to make them feel privilege. It would be incredibly advantageous to the business.

Furthermore, in order to acquire the loyalty contribution factors mentioned above, a strategic plan that the marketer should have taken could be in form of the campaign which created both trust and other independent variables mentioned at the same time. DTAC may send a simple newsletter, conduct a free seminar or inform the customers to update the company's services as well as some other useful information.

Moreover, the marketer must bear in mind that each customer loyalty contribution factor the marketer has tried to acquire has also reacted toward other factors as well. However, in order to strengthen the trust factor, the firm must be able to keep on building up the trust among the customers by paying more attention to complaints handling and consistent billing system. DTAC needs to promptly follow up and resolve a customer's complaints. The customer might be even more likely to do business than the average customer who didn't have a complaint. Also, the firm must be able to keep on the promise and deliver the products which can meet or exceed the expectation of customer satisfaction. By doing so, the firm must create a strong relationship with the customer. In turn, with the strong relationship between the firm and customer, the firm must also develop trust on the brand over the period of time.

Regarding the competition in the telecommunication industry, another most powerful weapon against competitions are knowledge and human resource. In order to build customer loyalty, staff morale and knowledge must be improved. Building customer loyalty will be a lot easier if you have a loyal and knowledgeable workforce.

As employees' knowledge is the important source of competitive advantage, DTAC needs to employ strategies to help the firm exploit that knowledge effectively and retain employees. A recommended action in building task for DTAC is to implement the training and development program. Another recommended action in linking task is to implement the knowledge management. The training and development program should cover all of the products relevant to the trend of technology. At this stage, DTAC is able to deliver the comprehensive solution to customer because staff understands well in all aspects of the technology. It also differentiates DTAC from other competitors.

6.5 Further Study

From the above mentioned, still there are other areas for further consideration and study. Clearly, our solution is to limit on one industry sector only, which is the telecommunication service. Therefore, the replication of this study to other industry sectors and examining any change in the result of each research setting could be interested. The replication can also be in the form of more representative sample.

Also, this research tested the relationship between the independent variables mentioned and customer loyalty. However, the result did not provide any related information when taking the demographic factors into consideration. Therefore, further research could be done in the areas of the differences in the opinions of each variable when it is determined by demographic factors such as gender, age level, education level, and etc. Since the independent variables in this research are treated separately among each other. In order to understand more on the complex nature of the factors that affect customer loyalty, further research can be conducted in the area of the relationship among those factors such as the relationship among service quality, trust, corporate image and perceived switching cost.



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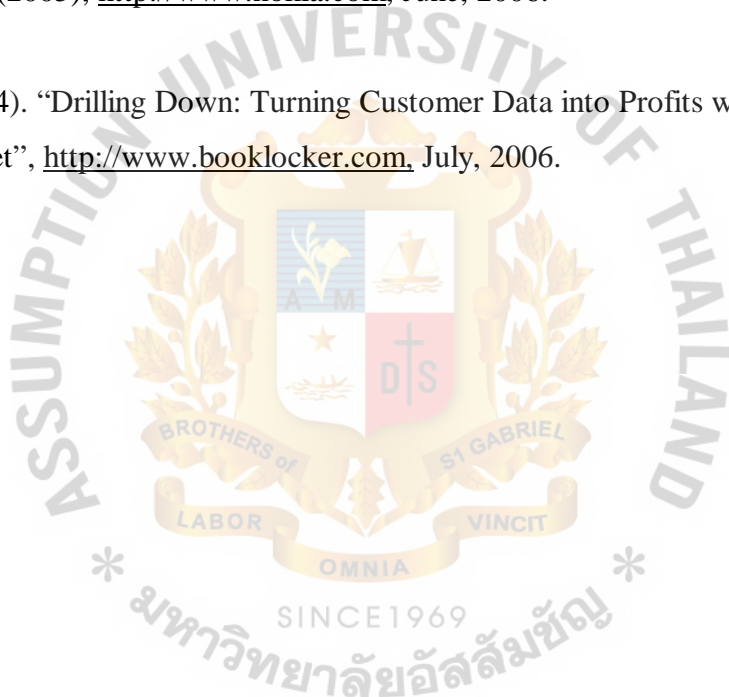
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Appendix A

Questionnaire

QUESTIONNAIRE (English Version)

This questionnaire is established to obtain information for the study on “A Study of Factor Affect Customer Loyalty of DTAC Subscribers in Bangkok”, which is contributed to MBA thesis, Assumption University conducted by Miss Mukda Santiyanont. In order to collect the data for analysis, would you please fill in all questions accurately. Thank you very much for your kind cooperation.

Background Information

Customer Loyalty is one of the key success for mobile network provider.

Questionnaire

Part 1 – Demographic

1. Gender
☐ Male ☐ Female
2. Age
☐ Below 25 ☐ 26-35 ☐ 36-45 ☐ Above 45
3. Income
☐ Below 10,000 ☐ 10,001-25,000 ☐ 25,001-50,000
☐ 50,001-100,000 Baht ☐ Above 100,000 Baht
4. Education Level
☐ Certificate/diploma ☐ Bachelor degree
☐ Master degree ☐ Doctorial degree

Part 2 – Factor Affecting Customer Satisfaction and Customer Loyalty

Please indicate your agreement with each of the following statements by choosing one of these Figures as following;

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

Question	1	2	3	4	5
1. DTAC provides very good network quality. 2. DTAC provides very good quality of customer services. 3. DTAC provides very good quality of value added services. 4. DTAC billing is very accurate. 5. DTAC looks strong and stable. 6. DTAC looks innovative and trendy. 7. DTAC conducts a contribution for public society. 8. DTAC treats customers very good. 9. I believe that DTAC service is better than the others. 10. I believe that DTAC billing is accurate. 11. I believe that DTAC customer support can help me when my cell phone has a problem. 12. I believe that DTAC will provide the suitable tariff to customers. 13. Other operators might not provide very good network quality as DTAC. 14. Other operators might not provide very good quality of customer services as DTAC. 15. Other operators' billing system might not accurate as DTAC. 16. Other operators might not provide very impressive tariffs and promotions as DTAC.					

Part 3 – Customer Satisfaction

Please indicate your agreement with each of the following statements by choosing one of these Figures as following;

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

Question	1	2	3	4	5
17. I satisfy with DTAC network quality.					
18. I satisfy with DTAC price offering.					
19. I satisfy with DTAC customer support.					
20. I satisfy with other DTAC additional services.					

Part 4 – Customer Loyalty

Please indicate your agreement with each of the following statements by choosing one of these Figures as following;

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

Question	1	2	3	4	5
21. I will continue using DTAC Network.					
22. If I have to buy the new one, I would prefer DTAC.					
23. I suggested my friend to change to DTAC.					
24. Although other providers provide the better price, I still continue using DTAC.					

แบบสอบถาม (ภาษาไทย)

แบบสอบถามฉบับนี้จัดทำขึ้นเพื่อเก็บข้อมูลสำหรับศึกษาในหัวข้อ “ความสมัครใจเป็นลูกค้าประจำของลูกค้าดีแทคในกรุงเทพมหานคร” ซึ่งเป็นส่วนหนึ่งของวิทยานิพนธ์ระดับปริญญาโท ของมหาวิทยาลัยอัสสัมชัญ ซึ่งจัดทำโดย น.ส. มุกดา ศานติยานนท์ เพื่อที่จะนำข้อมูลไปวิเคราะห์ กรณารอกข้อมูลตามความเป็นจริง ขอขอบคุณที่ให้ความร่วมมือ

ข้อมูลเบื้องต้น

ลูกค้าประจำเป็นปัจจัยสำคัญต่อความสำเร็จของผู้ให้บริการโทรศัพท์เคลื่อนที่

แบบสอบถาม

ส่วนที่ 1 – ข้อมูลทั่วไป

1. เพศ
☐ ชาย ☐ หญิง
2. อายุ
☐ ต่ำกว่า 25 ปี ☐ 26 ถึง 35 ปี ☐ 36 ถึง 45 ปี ☐ สูงกว่า 45 ปี
3. รายได้
☐ ต่ำกว่า 10,000 บาท ☐ 10,001-25,000 บาท ☐ 25,001-50,000 บาท
☐ 50,001-100,000 บาท ☐ สูงกว่า 100,000 บาท
4. การศึกษา
☐ ต่ำกว่าปริญญาตรี ☐ ปริญญาตรี
☐ ปริญญาโท ☐ ปริญญาเอก

ส่วนที่ 2 – ปัจจัยที่มีผลต่อความพึงพอใจของลูกค้า และความสมัครใจเป็นลูกค้าประจำ

กรณารับความเห็นของคุณในแต่ละคำถามตามรายละเอียดดังนี้

- 1 = ไม่เห็นด้วยอย่างมาก
- 2 = ไม่เห็นด้วย
- 3 = เฉยๆ
- 4 = เห็นด้วย
- 5 = เห็นด้วยอย่างมาก

Question	1	2	3	4	5
1. ดีแทคเป็นเครือข่ายที่มีคุณภาพดี					
2. ดีแทคมีบริการลูกค้าที่ดี					
3. ดีแทคให้บริการเสริมที่ดี					
4. ดีแทคมีระบบการคิดเงินที่ถูกต้องมั่นใจได้					
5. ดีแทคมีความน่าเชื่อถือและมีความมั่นคง.					
6. ดีแทคมีความทันสมัยและมีบริการที่สร้างสรรค์					
7. ดีแทคมีกิจกรรมตอบแทนสังคมสม่ำเสมอ					
8. ดีแทคดูแลลูกค้าเป็นอย่างดี					
9. คุณมั่นใจว่าดีแทคดีกว่าเครือข่ายอื่นๆ					
10. คุณมั่นใจว่าดีแทคมีระบบการคิดเงินที่ถูกต้องเชื่อถือได้					
11. คุณมั่นใจว่าฝ่ายบริการลูกค้าสามารถช่วยคุณเมื่อโทรศัพท์คุณมีปัญหาได้					
12. คุณเชื่อว่าดีแทคได้กำหนดราคาค่าโทรศัพท์อย่างเหมาะสม					
13. เครือข่ายอื่นๆอาจให้บริการไม่ดีเท่าดีแทค					
14. เครือข่ายอื่นๆอาจไม่มีบริการลูกค้าที่ดีเท่าดีแทค					
15. เครือข่ายอื่นๆอาจมีระบบคิดเงินไม่ถูกต้องเท่าดีแทค					
16. เครือข่ายอื่นๆอาจมีการกำหนดราคาไม่เหมาะสมเท่าดีแทค					

ส่วนที่ 3 – ความพึงพอใจของลูกค้า

กรุณาระบุความเห็นของคุณในแต่ละคำถามตามรายละเอียดดังนี้

1 = ไม่เห็นด้วยอย่างมาก

2 = ไม่เห็นด้วย

3 = เฉยๆ

4 = เห็นด้วย

5 = เห็นด้วยอย่างมาก

Question	1	2	3	4	5
17. คุณพึงพอใจในคุณภาพของเครือข่ายของดีแทค					
18. คุณพึงพอใจในราคาที่ดีแทคกำหนด					
19. คุณพึงพอใจในบริการลูกค้าของดีแทค					
20. คุณพึงพอใจในบริการเสริมของดีแทค					

ส่วนที่ 4 – ความสมัครใจเป็นลูกค้าประจำ

กรุณาระบุความเห็นของคุณในแต่ละคำถามตามรายละเอียดดังนี้

1 = ไม่เห็นด้วยอย่างมาก

2 = ไม่เห็นด้วย

3 = เฉยๆ

4 = เห็นด้วย

5 = เห็นด้วยอย่างมาก

Question	1	2	3	4	5
21. คุณต้องการเป็นลูกค้าของดีแทคต่อไป					
22. ถ้าคุณจะเปิดเบอร์ใหม่ คุณต้องการใช้ดีแทค					
23. ถ้าเพื่อนคุณจะเปิดเบอร์ใหม่ คุณจะแนะนำดีแทค给朋友					
24. แม้ว่าเครือข่ายอื่นกำหนดราคาที่ถูกลงกว่า คุณจะใช้ดีแทคต่อไป					



Appendix B

SPSS results

Reliability tests

1. Customer Loyalty

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.783	4

2. Customer Satisfaction

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.742	4

3. Perceive service quality

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.837	4

4. Corporate image

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.741	4

5. Trust

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.850	4

6. Perceive switching costs

Case Processing Summary

		N	%
Cases	Valid	40	100.0
	Excluded ^a	0	.0
	Total	40	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.651	4

Descriptive analysis

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 male	118	29.5	29.5	29.5
	2 female	282	70.5	70.5	100.0
	Total	400	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 below 25 years	124	31.0	31.0	31.0
	2 26-35 years	154	38.5	38.5	69.5
	3 36-45 years	98	24.5	24.5	94.0
	4 above 45 years	24	6.0	6.0	100.0
	Total	400	100.0	100.0	

Monthly income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 10,000 baht and below	7	1.8	1.8	1.8
	2 10,001-25,000 baht	99	24.8	24.8	26.5
	3 25,001-50,000 baht	192	48.0	48.0	74.5
	4 50,001-100,000 baht	84	21.0	21.0	95.5
	5 100,000 baht and above	18	4.5	4.5	100.0
	Total	400	100.0	100.0	

Education level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 Certificate / Diploma	8	2.0	2.0	2.0
	2 Bachelor degree	194	48.5	48.5	50.5
	3 Master degree	145	36.3	36.3	86.8
	4 Doctorial degree	53	13.3	13.3	100.0
	Total	400	100.0	100.0	

Inferential Analysis

Correlations

		Mean of Customer Loyalty	Mean of Perceived Service Quality
Mean of Customer Loyalty	Pearson Correlation	1	.571(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Perceived Service Quality	Pearson Correlation	.571(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

Correlations

		Mean of Customer Loyalty	Mean of Corporate Image
Mean of Customer Loyalty	Pearson Correlation	1	.598(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Corporate Image	Pearson Correlation	.598(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

Correlations

		Mean of Customer Loyalty	Mean of Trust
Mean of Customer Loyalty	Pearson Correlation	1	.769(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Trust	Pearson Correlation	.769(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

Correlations

		Mean of Customer Loyalty	Mean of Perceived Switching Cost
Mean of Customer Loyalty	Pearson Correlation	1	.453(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Perceived Switching Cost	Pearson Correlation	.453(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

Correlations

		Mean of Customer Satisfaction	Mean of Perceived Service Quality
Mean of Customer Satisfaction	Pearson Correlation	1	.523(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Perceived Service Quality	Pearson Correlation	.523(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

Correlations

		Mean of Customer Satisfaction	Mean of Corporate Image
Mean of Customer Satisfaction	Pearson Correlation	1	.697(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Corporate Image	Pearson Correlation	.697(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

Correlations

		Mean of Customer Satisfaction	Mean of Trust
Mean of Customer Satisfaction	Pearson Correlation	1	.749(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Trust	Pearson Correlation	.749(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

Correlations

		Mean of Customer Satisfaction	Mean of Perceived Switching Cost
Mean of Customer Satisfaction	Pearson Correlation	1	.605(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Perceived Switching Cost	Pearson Correlation	.605(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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

Correlations

		Mean of Customer Satisfaction	Mean of Customer Loyalty
Mean of Customer Satisfaction	Pearson Correlation	1	.599(**)
	Sig. (2-tailed)		.000
	N	400	400
Mean of Customer Loyalty	Pearson Correlation	.599(**)	1
	Sig. (2-tailed)	.000	
	N	400	400

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