



## Factors Affecting on Customer Retention in Mobile Telecommunication Industry in Sri Lanka

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### **ABSTRACT**

It is obvious that customers are important stakeholders in organizations and their retention is a priority to the business. From the years, mobile telecommunications industry is evolving drastically by creating utmost competition resulting an increased level of customer penetration throughout years. Maintaining existing customers are less costly than acquiring new customers, thus this study is focused to identify factors affecting on customer retention and measure the impact of each identified factor on customer retention. Based on the literature, network quality, customer experience and perceived price are important factors that decides the level customer retention.

Primary data were collected through survey method and sample techniques applied was convenience sampling and sample size is 384. The developed hypotheses were tested using Multiple Regression analysis in SPSS. All the hypotheses were accepted proving that network quality, customer experience and perceived price have a significant impact on the level of customer retention.

**Keywords:** *Customer Experience, Customer Retention, Network Quality, Perceived Price,*

## **1. INTRODUCTION**

Mobile communication industry has steadily but surely been transformed from an exclusively positioned luxury goods to a consumer item affordable across most income segments and it has become a fast-moving consumer service in Sri Lanka. Lowering of initial cost and rapid expansion in rural areas has appealed to the mass market resulting in increased demand for mobile telephone service (Caylar & Ménard). Also, it is understood that the mobile communication services play an important role in the development of society's infrastructure (Reiter, 2017) as well as it has become an essential service to every individual citizen in Sri Lanka and the industry is going towards high market penetration rate by grabbing the attention of local and foreign investors.

The rapid expansion, technology advancement and the business interest has opened avenue for mobile operators under Telecommunication Regulatory Commission Sri Lanka (TRCSL) by enabling nearly 30 million of subscriptions at the end of 2017. (Telecommunications Regulatory Commission of Sri Lanka, n.d.)

## **2. BACKGROUND OF THE STUDY**

The exceptional competition between different telecom organizations has diminished the cost of the rates for the service offered. It is now much simpler for customers to select their service provider as the available substitutes are more feasible and bring same benefits for the customer. With the increase of subscribers among operators, have brought challenges to maintain long term relationships. Thus, the organizations are concerned in giving better service with relatively similar bundles for the consumers to increase the retention (Ansar & Lodhi, 2015) and also operators focused to learn consumer needs and cater those needs smarter than the competitor to attain customer loyalty towards their brand. The situation has shaped instability in the industry by complaints by increased customer turnover, network interruptions, irresponsible customer service and customer preferences which impact on customers repurchase intention towards a particular brand. Therefore, this study aims to discuss the factors that influence the customers repurchase intention of the customers of mobile telecommunications industry.

## **3. PROBLEM STATEMENT**

Therefore, the problem focused in this research is to identify the factors affecting on customer retention and investigate how far each identified factor influences or impact on the customer retention in mobile telecommunication industry in Sri Lanka.

### **3.1. Objectives of the Research**

- To identify the factors that effect on the customer retention
- To measure the impact of each identified factor on customer retention

- To recommend the industry on how to improve the customer retention based on the findings of the research

### **3.2. Research Questions**

- What are the factors affecting on customer retention?
- What is the degree of impact made by each factor on customer retention?
- What types of strategies can be applied by the industry to improve customer retention?

## **4. LITERATURE REVIEW**

In here, the underpinning theories, models, concepts and critical literature related to customer retention are discussed.

### **4.1. Theories, Models and Concepts Related to Customer Retention**

Several researches and theories developed on justifying the argument of customer retention focusing onto significant factors that affect consumer behavior and perception towards a particular product or service. This section of research, illustrates the theories and models correlate the emphasis built upon factors affecting on customer retention. Those theories can be found in both contexts of manufacturing and services industries. Out of the following theories reviewed, SERQUAL mainly focus on services industries while other theories discussed in general about the customer retention.

#### **4.1.1. Equity Theory**

This assumes that persons in social exchange relationship compare with each other ratios of their inputs into the exchange to their outcomes from the exchange. Similar terms it suggests that to maintain an equal relationship, the parties involved in the business should obtain equal ratios of perceived profits/gains to the perceived investment. Buyers are more attentive for the price paid by the other customers for the same product in the market. Whenever customers reveal that the price brings them comparatively loss ratio, it results in demotivation of market exchanges (Martins & Monroe, 1994). Inequity is said to exist when the perceived inputs and/or outcomes in an exchange relationship are psychologically inconsistent with the perceived inputs and/or outcomes of the referent. In the pricing context, perception of exchange fairness and price fairness depend on the gain or loss ratio of exchange partners. Martins & Monroe, (1994) further argued that in consumer's perspective perceived disadvantageous price inequity could be experienced by a customer in the event where they pay a higher price for the product but they receive a product in terms of lesser quality or quantity. However, if the customer identifies an inequity in the event of acquiring a service the repurchase intention is adversely affected.

#### **4.1.2. Attribution Theory**

This assumes that people use their past experiences when they enter or face into new situation. According to (Nunes & Boatwright, 2004) , Typical willingness to pay for a product or service is formed through exposure to existing prices but the decision could be changed if the new information is shared with the customer. Through continuous usage people do asses the quality of the product or service for the price they spend. For some customers it is not always the previous experience, if the customer finds a similar product in the market and the experience will be influenced by seller and it creates an impact on the future purchase decision. Thus, the theory explains that the consumer judgments and experience were influenced by the sellers and change the re-purchase habit where the outcomes are likely to affect the customer retention (Vaidyanathan & Aggarwal, 2003)

#### **4.1.3. Prospect Theory**

This inculcates an experiential evidence on risk taking of expected utility. Many researchers have utilized this theory in pricing and marketing related study to determine the attitude, value and risk (Urbany & Dickson, 1990) describes that Kahneman and Tversky's well-known prospect theory predicts customers will mostly choose the assured gain when selecting a sure gain and a risky gain of equal expected value (Kahneman & Tversky, 1979). In other words, this can demonstrate as that people's attitude towards taking risks concerning gains are differing from the attitude towards concerning losses.

#### **4.1.4. Total Customer Experience (TCE)**

This refers to the holistic view of the customers in any organization and it describes the relationship that a customer has with the business. It is made up all the interactions that customer had with business from the time that customer made contact with the company to the present day. It sums up the opinion of the customer regarding company products. If the customer is happy, they will promote the product among their friends and if they are unhappy company likely not receive future business from those customers. The loyalty is referred from the sum of all the experience that the customer receives from an organization, all its touch points and experiential elements (Calhoun, 2001). This model requires continuous engagement and development in 4P's (Product, Price, Promotion, and Place) to support TCE model towards achieving customer retention.

#### **4.1.5. Customer Relationship Management (CRM)**

CRM is an approach that manage and organizations relationships and interactions with current customers and potential customers. Firms make decisions not only based on their Experiences and Forecasts, but they focus on the Knowledge that is gathered by analyzing customer's data. The collected data is carefully analyzed and processed to derive business decisions to attract and retain the customers.

Firms apply this model in to the business as a system incorporated with information technology (Urbanskienė, Žostautienė, & Chreptavičienė, 2008). Urbanskienė et al. (2008) argued, that implementation of CRM system in an organization doesn't guarantee that a company become customer oriented or customers become loyal, instead it is an integration of elements such as Technology, Processes and People that support to build continuous relationship with the customers towards achieving customer loyalty.

## 4.2. SERVQUAL

This theory derived from the study performed by Parasuraman, Zeitham and Berry in 1985, which was based on expectation and perception gap model (Parasuraman, Zeithaml, & Berry, 1985). If what is perceived below than expected, consumer measures that the quality of the product is low and in other term if what is perceived is meets more than the expected, consumer comes to decision that the quality of the product is high (Daniel & Berinyuy, 2010). This approach could support to understand customer's perceptions and also understand internal employees of the organization to achieve desired objectives. However, this tool tends to measure the service quality and compare customer expectation before a service encounter (Shahin & Chan, 2006). This model is developed based on five key service dimensions such as Tangible, Reliable, Responsiveness, Assurance and Empathy. Defined attributes would further support to understand customer's perceptions towards a service and the performance level perceived by the customers. SERVQUAL model introduced by Parasuraman et al. (1985), mainly focus on to identify the gap between expectation and experience. (Iwaarden & Wiele, 2002) Further explained this model focus on five generic dimensions (RATER Metric) and stated as follows,

**Reliability:** Ability to perform the promised service dependably and accurately that empower the team and keep them focused on the customers. The service provider needs to ensure that the information provided to customers are accurate and relevant information are shared with the customer timely as promised in specified deadline. Though companies must develop customized strategies with more care to ensure a reliable service to the customer (Leninkumar, 2016)

**Assurance:** Knowledge and courtesy of the employees and their ability to inspire trust and confidence of the customers in terms of meeting their expectation and address concerns competently. Exchange of information is vital in the business for each party to build a trust and confidence level of the service perceived and offered. The quality assurance is built within the customers by the staff who maintain the consistency and if the company optimize best QA practices by applying KPI's for each communication channel would assure the quality consistency that offered by the company (Alton, 2017).

**Tangibles:** Physical facilities and equipment and appearance of personnel that depends with environment which company creates through professional looks. In modern context customers look for

convenience using technologies to acquire product or services. Tangibility entails physical evidence of the service where the concept refers to the physical facilities and appearance that of stores, personnel, equipment and tools includes in a service facility in which attracts the customers in repurchase the product or service (Iddrisu, Nooni, Fianko, & Mensah, 2015)

**Empathy:** Caring and individualized attention that the firm provides to its customers, the customized solutions available with organization and acknowledging specific concerns. This is the area that the most of the company's neglect. Evey (2014), Identified that even any product or service hold the expected quality and features, it requires to stress the concern on how the product or service will be their solution for their purpose. This may achieve mostly building up close relationships with personalized care with customers and making them feel that they are merely part of the business transaction. It requires companies to hire right staff who shares customer centric mindset and needs to be empowered with more control and power to know the what it will take to retain the customer with the best solution to increase the repurchase habit.

**Responsiveness:** Willingness to help customers and provide prompt service through multiple service channels (email, phone, social media) and acknowledge complaints immediately.

Furthermore, many authors in previous studies have explicated that RATER metrics efficiently bridge the GAP between customer perception and expectation by understanding the exact dimension that needs to be utilized to support the customer retention for a service offered through a firm.

### **4.3. Customer Retention**

Customer retention refers to a set of activities and actions that companies follow to empower their customers to repurchase their goods or services continuously by reducing no of customer defections (Lake, 2009), proposes that 80% of the sales come from 20% of the customers and hence customer retention is not only a cost effective and profitable strategy but also the necessity of today's business world. Many arguments have been developed to justify the perceived price and customer experience in various dimensions to repeat the purchase from the same service provider. The findings reveal that these factors will create different intentions in consumers by way of bringing adverse impact on retention (Headley & Miller, 1993)

#### **4.3.1. Antecedents of Customer Retention**

- **Perceived Price and Customer Retention**

Price is one of the major factors that determine the customer retention and repurchase decision in Telecommunication service sector. Since all the operators deliver similar services, the pricing strategy will effect on customer behavior due to the level of switching cost of this service is very least. The

threat of substitution is very high in telco industry as the substitutes are readily available for the customer to purchase at any given time. According to porter's 5 forces model, if close substitutes available in a market, it increases the probability of customers switching to alternatives in response to price increase (Ojo, 2010). Price or value of money determines the benefits that customer obtain by way of consuming the service (Kotler & Armstrong, 2017)

The high competition will create a positive avenue for the customers on to perceive a good price in terms of acquiring a service (Corrocher & Lasio, 2013). This is the fact that the most operators enter telco markets with low pricing strategies to make maximum use of the competitive advantages which prevailing in the industry (Chakraborty & Sengupta, 2014). With ample choices of similar products and services in the market, the business needs to keep abreast with innovative pricing trends to attract new and retain the existing customers for a profitable business (Ndubisi, 2007).

Customers are expected to receive equal gains in terms of any spending, if they realized inequity by acquiring a service from an operator the intention of repurchase will be affected. Thus, the argument built on equity theory by Adams in 1960, explicate the fairness and equity as the key to motivation of an individual. However, Telco operators must ensure that expected quality and value is embedded with the service offered to the customers in order to determine the outcome against their investment. Nazari et al, (2014) identified that the Price fairness and satisfaction as the most important fields in pricing. These models hold a firm link with the customer perception in re-purchasing the service. Service marketing is different to goods marketing and usually more complex to manage due to its distinctive features Thus, achieving a rational pricing structure is quite important to meet the perception and expectations of the customers which is obtained through a service (Aksoy, Buoye, Aksoy, Larivière, & Keiningham, 2013). Jiang & Sun, (2014), emphasized that according to equity theory, purchase decision of customers is influenced in formation of Price fairness. The concept of fairness is totally unrelated to the demand and supply. According to Haws & Bearden, (2006), the price fairness is buyer judgment of a seller's price. In the purview of a subscriber the price fairness could be refers to ethical, acceptable and fair pricing policy or monetary and Non-monetary costs for the service acquired from an operator. Kalapurakal, Dickson, & Urbany, (1991) justified that individual perceptions are based on community perceptions which is reflected by the principal of dual elements. This principal suggests that customers will perceive if the increased cost is justified by seller, in other hand customers will resist price increase is perceived for seller's profit. However, the impact is adversely affected on retention with the perception derived through price fairness.

Price is the determinant that well recognized in terms of customer perception which decides on switching between product or a service (Nazari, Hosseini, & Tabatabaie, 2014). (Varki & Colgate, 2001), identified that price perception has a direct impact on the customer satisfaction and likelihood of switching between products are at high. is vital for the operator. Since the choice of switching

between alternative is high it is vital for the operator to understand psychological factors that influences price perception. Fellenz, (2015), stressed that equity theory discusses the choices between alternatives where customer decisions are influenced through perceived losses and gains by purchasing a product or service. Losses are referred to the surcharge that added to the price and the Gains are referred to the discounts that provided with a service. If the no of gains remains higher compared to the alternatives, customers creates a loyalty with particular brand. In nature, all the mobile operators provide unique services and customers are willing to pay for the service only if they are satisfied and motivates them to retain with the product. According to attribution theory the customer creates a bias on a particular product or service reference to other people's course of actions or events hence it leads towards motivation. Along with the motivation and belief (Folkes, 1988), highlighted information as an antecedent for attribution on selecting or retain with a particular brand. This reflect the fact that the customer intention/perception with the existing service provider is crucially depend on positioning the price towards customer expectation to retain them with the business.

- **Customer Experience and Retention**

Customer experience is the emotional impact that the customer receives by engaging to one of the service providers. Goodman, (2014) explained that Customer experience covers entire product/service usage cycle by understanding the expectation of the customers. It is the belief of the customer that procured product or service should work as per expected norms without unpleasant surprises with the emphasis brought through marketing the product or service itself. As per the literature, the customer experience is the interaction that the any organization has with their customers in terms of meeting customer expectations by ensuring a better experience. (Deng, Lu, Wei, & Zhang, 2010) further explicates that the good customer experience may lead to improved satisfaction and if the services offered by operators is high and add a significant value, customer assess positive evaluation and willing to retain with the service provider.

Vargo & Lusch, (2004), argued that the experience is purely perceived from the individual customer's mind, thus probability of having same experience is stays minimum. Experiencing is subjective with the service results which is combined with the physiological feelings such as surprise, love, anger, sadness, discomfort and depression, etc. (Purves, et al., 2001) Through these it is stated that customers come into positive or negative judgements by influencing on the repurchasing the product from the same seller (Johnston & Kong, 2011). However, TCM plays a significant role to assess the customer experience cycle by understanding appropriate variables and statistical measures that needs to improve to retain the customer in the business in a personalize manner.

Moreover, researches show that maintaining existing customers are less costly than acquiring new customers. Gruber, Tronvoll, & Tronvoll, (2011) emphasized that there are lots of benefits for an



organization to retain their existing customers as the value of customers increases with the time in terms of repurchasing and cross selling. Jha, (2011) proposes that running behind new customers is a blind race and is without appropriate business sense and ROI justifications.

## 5. METHODOLOGY

The purpose of the study is to examine the factors (Price, Network quality, Customer experience) that create a direct impact on customer retention. This research therefore is a descriptive cross-sectional research that is carried out as a quantitative research. The reviewed literature confirms the selection of following variables.

### 5.1. Conceptual Framework of the Study

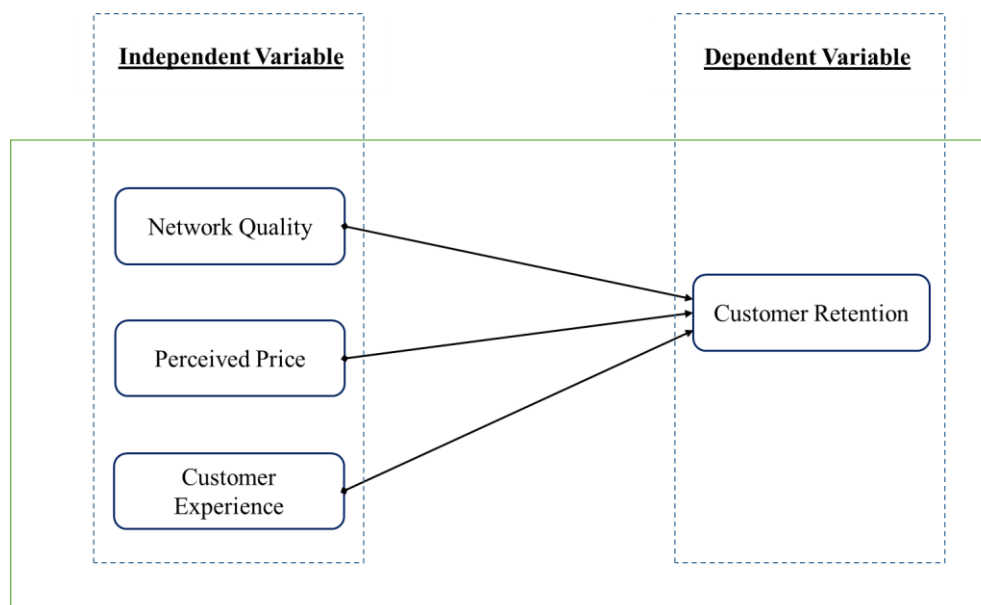


Figure 1 Conceptual Framework

### 5.2. Research Hypotheses

- **H1.** There is a significant impact of Network Quality on Customer Retention
- **H2.** There is a significant impact of Perceived Price on Customer Retention
- **H3.** There is a significant impact of Customer Experience on Customer Retention

### 5.3. Variables Operationalization

The independent and dependent variables are operationalized as follows;

Variable	Indicators	Source	Scale
<i>Network Quality</i>	Availability	(Thulin, 2004)	Likert
	Accessibility	(Firoiu, 2002)	Likert

	Reliability	(Kubat, 1991)	Likert
	Performance	(Firoiu, 2002)	Likert
	Security	(Ochang & Irving, 2016)	Likert
	Fastness	(David H. 2016)	Likert
<b>Perceived Price</b>	Fairness	(Nazari, Hosseini, & Tabatabaie, 2014) (Jiang & Sun, 2014)	Likert
	Perception	(Jha, 2011) (Kalapurakal, Dickson, & Urbany, 1991) (Nazari, Hosseini, & Tabatabaie, 2014) (Varki & Colgate, 2001)	Likert
	Rationality	(Aksoy, Atilgan, & Akinci, 2003)	Likert
	Motivation	(Adams 1960)	Likert
	Attribution	(Nunes & Boatwright, 2004) (Vaidyanathan & Aggarwal, 2003)	Likert
	Equity	(Martins & Monroe, 1994) (Urbany & Dickson, 1990)	Likert
	Convenience	(Folkes, 1988) (Ojo, 2010)	Likert
<b>Customer Care Service</b>	Tangibility	(Iddrisu, Nooni, Fianko, & Mensah, 2015) (Calhoun, 2001)	Likert
	Responsiveness	(Deng, Lu, Wei, & Zhang, 2010), (Silva & Yapa, 2009)	Likert
	Assurance	(Alton, 2017), (Chen, Lu, Gupta, & Xiaolin, 2014)	Likert
	Accessibility	(Ahmadi, Osmani, Ibrahim, & Nilash, 2012) (Johnston & Kong, 2011)	Likert
	Personalization	(Evey, 2014) (Leninkumar, 2016)	Likert
	Empathy	(Iwaarden & Wiele, 2002), (Evey, 2014)	Likert
<b>Customer Retention</b>	Satisfaction	(Ahmadi et al, 2012)	Likert
	Recurrence	(Lake, 2009)	Likert
	Experience	(Vaidyanathan & Aggarwal, 2003)	Likert

Table 1 Operationalization Table

#### 5.4. Sample and Sampling Technique

Since the total customer database for mobile telecommunication industry cannot be obtained considering this as an unknown population it was decided adapt non-probability techniques. Krejcie & Morgan, (1970), sample size estimation table is adopted to determine the sample size from the given

population. In order to ensure 95% of confidence level 384 no of respondents should selected according to the table. Convenience sampling technique was used to select the sample elements. Further a structured questionnaire was designed with 38 statements under different constructs using 5 Point Likert Rating Scale.

### 5.5. Data Collection and Analysis

Primary data collection was completed through structured questionnaire and the developed hypotheses were tested at the 95% confidence interval using SPSS software. Reliability was tested using Cronbach Alpha and hypotheses were tested using Multiple regression analysis.

### 5.6. Cronbach Alpha

Reliability of the data, tested using Cronbach alpha computation to understand how the responses across the items given distributed on the questionnaire. The Cronbach alpha is calculated for each scale available to get separate understanding on the individual variable concerned in this study. Below are the Cronbach Alpha measures calculated for *each statement* that received from the sample responses.

Variables	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No of Items
<i>Network Quality</i>	0.677	0.678	6
<i>Perceived Price</i>	0.594	0.604	7
<i>Customer Experience</i>	0.781	0.78	7

*Table 2 Cronbach Alpha reliability statistics*

According to Taber (2016), justified in his research study that Cronbach alpha acceptable cut offs as (0.76–0.95) fairly high, (0.67–0.87) as reasonable and (0.58–0.97) as satisfactory. For this case researcher has separately measured the Cronbach Alpha for the statements enclosed in the survey. Cronbach Alpha (CA) for Network quality is 0.677 in which that the acceptance level is reasonable. CA for perceived price is 0.594, that gives an indication for satisfactory acceptable level. Finally, customer experience indicates a score of 0.781, in which the acceptable rate is fairly high.

### 5.7. Testing Hypotheses Using Multiple Regression

As per Babyak, (2004), Multiple regression analysis is used to check whether there is statistically significant relationship between variables. Multiple regression uses multiple variables for each independent variable and this model assists to find out trends of each variable considered in this study. Further this methodology assists to check two or more predictor variable are related to independent

variable expressed in the correlation coefficient (R), which is square root of R Square. In multiple regression (Y) coefficient is assumed to be in between 0 and 1. Thus regression formula is determined as below,

$$(Y) \text{ Regression} = (A) \text{ Customer Retention} + (B) [X_1 \text{ Network Quality} + X_2 \text{ Perceived Price} + X_3 \text{ Customer Experience}]$$

To interpret the relationship between variables, it is looked at the positive or negative values derived through coefficient. However, below ranges are considered to interpret relationship strength based on coefficient value (Moore, Notz, & Fligner, 2013).

< 0.3 this value is generally considered a None or Very weak effect size,

0.3 < - < 0.5 this value is generally considered a weak or low effect size,

0.5 < - < 0.7 this value is generally considered a Moderate effect size,

> 0.7 this value is generally considered strong effect size

#### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	0.236	0.217		1.086	0.278
	NETWORKQUALITY (NQ)	<b>0.233</b>	<b>0.084</b>	<b>0.17</b>	<b>2.79</b>	<b>0.006</b>
	PERCEIVEDPRICE (PP)	<b>0.227</b>	<b>0.106</b>	<b>0.132</b>	<b>2.156</b>	<b>0.032</b>
	CUSTOMEREXPERIENCE (CE)	<b>0.451</b>	<b>0.083</b>	<b>0.328</b>	<b>5.428</b>	<b>0.000</b>

a. Dependent Variable: CUSTOMER RETENTION

According table 12, unstandardized coefficient of the network quality and Perceived price is .233 and .227 respectively. This portrays that relationship between dependent variable is “*very weak*” for NQ and PP variables. Also for customer experience coefficient value is .451 and shows that the relationship between dependent variable is “*weak*”. However, this could be acceptable hence it has not downgraded below 0.3, hence it indicates that there is relationship with predictor variable (Customer retention) and response variable (Network Quality, Perceived Price and Customer Experience).

The “*statistical significance*” is expressed by “*P-value*” and it helps to determine the relationship observed through sample exist in the larger population. If the P-value for variable is less than <0.05 the hypothesis related to variable is accepted. If the P-value is higher than >0.05 the hypothesis related to variable is rejected. In this case author suggested three hypotheses associated to predictor variables.

**Hypothesis 1** ( $H_1$ ) is accepted that states there is a significant impact of network quality on customer retention and. As a result of the analysis, the statistical significance or the P-Value for Network quality is 0.006. Which visualizes a lesser amount than the predefined significant value 0.05, hence null hypothesis was rejected and can conclude that significance do exist. This justifies that the network quality has a significant impact on customer retention.

**Hypothesis 2** ( $H_2$ ) is accepted that states there is a significant impact of perceived price on customer retention. The P-value for perceived price 0.032, which is lesser than predefined significant value 0.05, null hypothesis was rejected and concluded that significance do exist between the variables. This justifies that perceived price has a relationship with customer retention

**Hypothesis 3** ( $H_3$ ) is accepted that states there is a significant impact of customer experience on customer retention. The P-value for customer experience is 0.000, which is lesser than the predefined significant value 0.05, null hypothesis was rejected and concluded that significance do exist between variables. This justifies that customer experience has a relationship with customer retention.

## 6. DISCUSSION AND IMPLICATIONS

The findings also show that network quality is a substantial tool that associate with the customer retention. This is accordance with the literatures, researches such as Thulin, (2004), Firoiu, (2002), Kubat, (1991), Ochang, (2016), which express that the network quality is an important factor that affect the customer repurchase intention as this would be the major attribute that create a thought in customer to switch between competitors. In this study However, the results differ from the previous studies in the case of network quality, study of (Ahmadi, Osmani, Ibrahim, & Nilash, 2012) found network quality have no significant impact on the customer retention. As emphasized in chapter four in this research, justifies that there is a positive relationship between the network quality and customer retention where the change of the network quality adversely effects on customer retention which has proven through statistical analysis.

Further study explicates that perceived price to acquire a service significantly affect towards customer perceptions and the justification is accordance with literatures, such as Ahmadi, et al., (2014). The current context of Mobile telephony market is vulnerable and the rivalry enables consumers to freely choose their choice of mobile network due to similar services and competitive prices offered by the service providers. Therefore, customers can easily switch between operators as the switching cost is low. This portrays that the buyer power is high in terms of service offered by Mobile telecommunication industry. According to porters five forces model, if the buyer power is high, they are often dictating the business. Hypothesis related perceived price proves that there is significance between perceived price

and customer retention, explicit strong evidence against the conjecture that provokes mobile subscribers have a high expectation towards the perceived price. In this situation it is utmost important to safeguard a fair price to determine the attribution of the customers to assure the retention.

The survey results on Statements on Customer Experience create a thought that Mobile telecommunication customers are not treated in a personalized manner by offering a personal touch. This finding is in accordance with the literature, as researchers such Silva and Yapa (2009), Dewasiri & Tharangani, (2014) buildup justification that the customer experience creates a significant impact on customer retention by determining the hypothesis derived in the study. Also, the analysis of Cronbach alpha justifies that the customer experience as a reliable element and also the hypothesis shows a positive relationship between customer experience and customer retention that express expectation of customer is high in terms Perceived price.

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