FACTORS AFFECTING CUSTOMER LOYALTY IN MOBILE COMMUNICATION SERVICES IN HANOI, VIETNAM

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SOUTHERN LUZON STATE UNIVERSITY LUCBAN, QUEZON, PHILIPPINES

THAI NGUYEN UNIVERSITY S.R. VIETNAM

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Name: Ngo Anh Cuong (Smile)

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ABSTRACT

Customer turns to be an important concern for management due to the increasing competition particularly in mobile telecommunication services. Customer loyalty plays a very crucial role for achieving the competitive advantage for enterprises. According to service providers, service quality - calling quality, pricing structure, value – added service, customer support services, etc, and switching barriers -loss cost, adapting cost, attractiveness of other service providers, etc, are motivational factors to maintain customer loyalty as well as an essential element for business and increasing market share. Currently, Hanoi is one of the cities in Vietnam that has a great number of mobile subscribers and suppliers. According to the Ministry of Information and Communication, in 2012, there were 9.1 million mobile subscribers in Hanoi. In which, ,market share of the service provider as follows: Vinaphone was 31.25%, Viettel was 43.03%, Mobifone was 18.5%, Vietnammobile was 2.57% , Gtel was 4.63% and SPT was 0.02%.

The main tool is a questionnaire to gather information on customer loyalty for mobile service providers in Hanoi. Because the author can not have list customers of service providers. Therefore, the sampling method will be conducted random sample but based on several factors: the market share of vendors, demographic (gender, age group and occupation) factors, types of services (post paid and pre- paid). Customer were selected to intervied for this research to be 400. In addition to information about the customer, the questionnaire was designed to include 42 attributes of mobile communication services that customers usually look for the Likert scale was used to rate these attributes. In which, 5 is for strongly agree and 1 is for strongly disagree. The Subscribers , as the respondent were interviewed irrespective if they are prepaid and postpaid customers.

The study used correlation coefficients and chi-squared test to test the hypothesis and assess the relationship between factors with customer loyalty. The multiple regression model was used to evaluate the factors affecting customer loyalty in the mobile communications market in Hanoi.

Results of analyzing demographic factors (occupation, per everage income, subject payment, service providrers and using time) showed that there are relationship between these factors with customer loyalty.

Result of analyzing multiple regresstion model showed that there were 7 factors affecting customer loyalty. In which, the "service quality" had four component factors: calling quality, Pricing structure, value – add services and convenience in procedures. The "switching barrier" had three component factors: loss cost, attractiveness of other suppliers and customer relationship. According to Nguyen Duc Ky and Bui Nguyen Hung, the "calling quality" was the strongest influential customer loyalty. However, this factor was only thirth factor affecting customer loyalty after the "customer relationship" and the "loss cost" in this research. The "customer loyalty" was the strongest influential custome loyalty and the "value – add services" was the lowest influential customer loyalty.

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