

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

**A RESEARCH DISSERTATION PRESENTED**

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## CONTENTS

ACKNOWLEDGMENT.....	i
ABSTRACT.....	v
APPROVAL SHEET .....	xi
Chapter 1: INTRODUCTION.....	1
1.1 Background of the study .....	2
1.2 Statement of the problem .....	3
1.3 Hypotheses.....	4
1.4. Significance of the study.....	5
1.5. Scope and limitation .....	6
1.6 Definition of terms.....	7
Chapter 2 REVIEW OF RELATED LITERATURES AND STUDIES .....	10
2.1. Mobile telecommunication services.....	10
2.2. Hanoi mobile communication services.....	11
2. 3. Customer loyalty.....	16
2.4. Affecting factors to loyal customer.....	18
2.5. Customer loyalty models .....	29
2.6. Several topics related to mobilecommunication services .....	31
2.6.1. <i>Some topics researched in Viet Nam</i> .....	31
2.6.2 <i>Some topics researched Overseas</i> .....	32
2.7. Conceptual framework.....	36
<b>Chapter 3 METHODOLOGY.....</b>	<b>39</b>
3.1 Research design .....	38
3.2 Determination of sample size.....	40
3.3 Sampling design and techniques.....	41
3.4 Research instrument.....	42
3.5 Data gathering procedure .....	43
3. 6 Data processing method.....	43

Chapter 4: PRESENTATION ANALYSIS AND FINDINGS INTERPRETATION OF DATA .....	46
4.1 Respondents profile .....	46
4.2 Scale values test .....	48
4.2.1 Services quality .....	48
4.2.2 Switching Barriers .....	50
4.3 Preliminary analysis of the component variables .....	52
4.3.1 Service quality .....	53
4.3.2 Switching barriers .....	55
4.4 Hypothesis test .....	55
4.5 Factors affecting customer loyalty .....	60
4.5.1 Analyzing relationship between demographics factors with service providers. ....	60
4.5.2 Relationship between factors affecting loyalty versus demographic factors.....	67
4.5.3 Analyzing the Factors that Affect Customer Loyalty .....	75
<b>Chapter 5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>84</b>
5.1 Summary of results .....	84
5.2 Conclusions.....	84
5.3 Recommendations.....	86
5.3.1 Demographic factors .....	88
5.3.2 Service quality .....	87
5.3.2.1 Calling quality.....	87
5.3.2.2 Pricing structure .....	87
5.3.2.3 Convenience in procedures .....	89
5.3.2.4 Value – add services .....	89
5.3.3 Switching barrier.....	90
5.3.3.1 Customer relationship .....	90
5.3.3.2 Attractiveness of other suppliers.....	90
<b>REFERENCES.....</b>	<b>95</b>

<b>APPENDICES.....</b>	<b>99</b>
Appendix 1: Questionnaire .....	97
Appendix 2: Descriptive statistics .....	101
Appendix 3: Relationship between factors affecting loyalty versus demographic factors .....	104
Appendix 4: Results of Regression and correlation.....	160

## 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 interviewed 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 average income, subject payment, service providers and using time) showed that there are relationship between these factors with customer loyalty.

Result of analyzing multiple regression 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 third factor affecting customer loyalty after the “customer relationship” and the “loss cost” in this research. The “customer loyalty” was the strongest influential customer loyalty and the “value – add services” was the lowest influential customer loyalty.

## LIST OF TABLES

Table 3.1	Factors affect customer loyalty in mobile communication services..	38
Table 3.2	Subscribers using mobile communication services of Vinaphone are classified by age in Hanoi, 2012.....	42
Table 4.1	The distributive sample by the gender and age.....	46
Table 4.2	The distributive sample by the gender and the market share .....	46
Table 4.3	The distributive sample by services type and the market share of service providers.....	47
Table 4.4	The summary of the distributive sample by gender, age and type of service providers.....	47
Table 4.5	Cronbach alpha of component services quality.....	48
Table 4.6	Cronbach's alpha of the component switching barriers .....	51
Table 4.7	How to calculate the average value of the variable.....	52
Table 4.8	The mean value of Service quality.....	54
Table 4.9	The mean value of switching barrier.....	55
Table 4.10	Correlation coefficients of variables.....	57
Table 4.11	Correlation coefficients of switching barrier and customer loyalty variables.....	60
Table 4.12	Relationship between gender with service providers.....	61
Table 4.13	Relationship between education of subscribers with selection service providers.....	62
Table 4.14	Relationship between selection of service provider with occupation of subscribers.....	63
Table 4.15	Relationship between selection of service provider with per	64



	average income of subscribers.....	
Table 4.16	Relationship between Value - add service with gender of subscribers.....	66
Table 4.17	Relationship between “ Adapting cost” with gender of subscribers..	67
Table 4.18	Relationship between calling quality of service providers with per average income of subscribers.....	69
Table 4.19	Relationship between the adapting cost with subscriber’s ages .....	70
Table 4.20	Relationship between assessment about “the supplier has service packages with different charge to suitable customer demands” with education level of subscribers.....	72
Table 4.21	Model Summary.....	74

## **LIST OF FIGURES**

Figure 1: Proposed integrated model of service Loyalty .....	29
Figure 2: Switching barrier model of customer loyalty .....	31
Figure 3: Customer loyalty about mobile communication service in American .....	34
Figure 4: The model of impacting satisfaction and switching barrier to customer loyalty the mobile communication service in Korea .....	34
Figure 5: The proposed model for mobile communication service in Hanoi .....	37

## **LIST OF ILLUSTRATIONS**

Illustration 1-1: The market share of mobile subscribers in Hanoi, 2011 and 2012.....	13
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