

**A STUDY ON THE DETERMINANTS OF CUSTOMER LOYALTY IN  
THE SRI LANKAN MOBILE TELECOMMUNICATION INDUSTRY**

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Due to the fierce competition in today's businesses, customers retention has become a significant factor for the sustainability of any organization in this dynamic business world. This is the case in spite of the notion that the cost of selling to new customers is much higher than the cost of selling to existing customers. Although this fact is apparent to everyone, many companies are still losing their customers at a formidable rate. Therefore, concept of customer loyalty has become more and more important within the last three decades, especially in service industry. Perceived product quality, perceived service quality, customer value, customer satisfaction, corporate image, and customer switching cost have been recognized as the major antecedents of customer loyalty in marketing literature. In this context the main aim of this paper was to study the relationships between these determinants towards customer loyalty, as well as to identify the level of impact made by each factor towards the customer loyalty in Sri Lankan mobile telecommunication industry. Based on the literature the conceptual model has been developed to test the variables, hypothesis and customer loyalty. In this study, the survey method was used in gathering information from the respondents. Simple random sampling was used to select a sample size of 100, while descriptive and inferential statistical analyses were conducted with the aid of SPSS software. The findings supported the proposed hypotheses, which were consistent with the theoretical framework. Analysis results showed that product quality, service quality, perceived value, customer satisfaction and corporate image have positively and directly influenced on customer loyalty. As well as, switching cost was found to have no relation with customer loyalty while service quality was recognized as the highly impacting factor towards the customer loyalty in Sri Lanka mobile telecommunication market. In order to generalize the findings from the paper, the model should be studied in different customer segments throughout the country. Finally, technological change has shifted competition in the GSM sector from price and core service to value-added services. Therefore, mobile service providers should concentrate to differentiate their services and guarantee their services' quality because of this shift in competition.