

Does Price Perception Influence Customer Loyalty- A Study On Telecom Sector In India

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Abstract: The objective of this paper is to identify the impact of price perception on customer relationship management and customer loyalty in the Indian telecom sector. Price perception has been considered as independent variable whereas customer relationship management and customer loyalty were considered as dependent variable. Three antecedents of service quality have been considered in this study viz. price security, offers. A survey-based exploratory and causal research design was used. A 21 items instrument was generated comprising of 10 items for the four antecedents of independent variables, 6 items for customer relationship management and 5 items for customer loyalty. The data was collected from 250 customers using mobile service of various telecom operators of India through structured questionnaires distributed online. Exploratory factor analysis was conducted to check the validity and Cronbach's coefficient alpha was used to determine the reliability of the instrument. Multiple regression analysis was used to determine the causal relationship between both the independent & dependent variables. Results depicted that the price perception has significant and positive impact on customer relationship management and customer loyalty. Out of the four antecedents of price perception, price security and value, has significant and positive impact on customer relationship management, while tangibility has a significant impact on customer loyalty. The study suggests that the service providers should put their endeavor to upgrade the technology and serve the customers with modern equipments. Besides, the staff should try to please the customers by their neat appearance.

Keywords: Price perception, Customer Loyalty, CRM, Price sensitivity, value, offers, telecommunication

I. INTRODUCTION

In the 21st century, the competition between the firms becomes more vicious. With this increased competition, companies are come across difficulties to retain customers and selling the products. Kotler and Armstrong (2004) stated that customer lies in the heart of the market. Firms are becoming more customers centric and to achieve competitive advantage delivering superior value to customers become an essential phenomenon (Coltman, 2007). Companies are focusing upon relational approach like customer relationship approach and customer loyalty. The crucial object behind the relational exchanges is to make the customers loyal (Peng and Wang, 2006).

One major service sector in India is telecommunication sector. The significance and contribution of

telecommunication cannot be undervalued in Indian economy. The economic reforms and adjustment programme entered at 1990's leads to increased competition in Indian telecom market. This competition also introduced major practices to attract customers like service quality, value added services, brand image, price perception etc. Price perception is one of the major factor which is not only derives customer retention but also a decisive factor for product choice (Bishop, 1984). Price is a complex structure and every customer reacts different to same price. Hence, the perception of the customer is important to maintain relationship with the customers. Price Interpretation and valuation of price is known as price perception. (Gecti, 2014)

In the years there has been flare up of researches conducted on factors influencing customer loyalty. These studies have been conducted in many service sectors including

telecommunication sectors. But still, there is lesser research conducted on the relationship between price perception and customer loyalty.

Hence, this study is an endeavor to analyze the impact of price perception on customer relationship management and loyalty and attract the attention of practitioners towards betterment of pricing strategy to influence the price perception and reduce the customer attrition in telecommunication sector. It has been also tried to give suggestions to improve the pricing strategies of the companies. Result of the study helps to determine the aspect of price perception (Price Security, offers and value) to be focused while formulating customer relationship management strategies that influence the customers to retain for a longer period of time. This may also help to formulate strategies to retain the loyal customers.

II. LITERATURE REVIEW

The review of literature is a groundwork based upon the various theories and the relevant literature related with the present study conducted by researchers, scholars and academicians. It is the pre requisite to conduct a sound research and it provides an insight and direction to conduct the research in a prescribed manner. It consists of theoretical foundations of price perception followed by customer relationship management and customer loyalty. It also includes empirical studies discussing the relationship between price perception, customer relationship management and customer loyalty.

A. PRICE PERCEPTION

Price is undeniably one of the most important marketplace cues. (Lichtenstein et.al., 1993). Price is pervasive factor that influence the behavior of customers. Waterson, (2003) stated that price perception influence the choice of customers regarding service provider. Very lesser empirical research is conducted about price perception. Majority of customers perceive price in its negative role (Lichtenstein et.al., 1993).). Chang and wildt (1994) defined price perception as- "consumers' subjective perception about objective price of the object or price. Gecti, 2014 defined Price perception, as a process of price interpretation and evaluation of the product or services, by consumers. Kyriazopoulos and Rounti (2007) concluded that price perception influence the behavior of the buyer and confines them to continue with the same service provider. Zeithaml (1984) criticized that there is negligence of validity constructs on the research part of price perception. Still there was lesser attention was paid on the theoretical and definitional part of price perception.

Lichtenstein et al. (1993) has given positive and negative aspects of price perception. Customers' with positive price perception have high purchasing probability at higher price, in contrary negative price perception negatively affect purchase probability. Different constructs of price perception was identified by Lichtenstein et. al (1993). These constructs are the ways through which customers react and perceive about price information in the marketplace. Prestige sensitivity and price schema are the two constructs of positive role of price.

Price - Quality Schema talks that price are positively perceived by those who connect high price with product quality (Erickson and Johansson, 1985). The consumers with positive price perception prefer high prices to pay and this kind of behaviour is known as *price seeking* (Tellis and Gaeth 1990). Many authors positively correlates price with quality across situations and products. (Peterson and Wilson, 1985; Lichtenstein and Burton, 1989). Second Construct *prestige sensitivity* is perception of the price due to what others perceives about the purchaser. It can be defined by Lichtenstein et. al. (1993) as- "favorable perceptions of the price cue based on feelings of prominence and status that higher prices signal to other people about the purchaser". Here positive perception of price indicated what message it conveys to others in social context. (Ibid).

Then there are five constructs of negative role of price stated by (Lichtenstein et.al., 1993). These are price consciousness, price mavenism, value consciousness, sales proneness and coupon proneness. First is *price consciousness*. Though various researchers relates price consciousness with different price related cognitions (Zeithaml1984), but finally Lichtenstein et. al. (1993) "defined Price consciousness as - the degree to which the consumer focuses exclusively on paying low prices". Next construct, *Price Mavenism*, originated from 'price maven' which means the consumers acts as source of low price information to others. This term price Maven is originated from 'Market Maven' (Feick and Price, 1987). Market maven means those consumers who always wanted to be informed about the market place so that they can share this information to others (ibid). Price mavenism is a narrower concept of market mavenism. Price mavenism can be defined as "the degree to which an individual is a source for price information for many kinds of products and places to shop for the lowest prices, initiates discussions with consumers, and responds to requests from consumers for marketplace price information" Feick and Price ,1987). Third negative construct is *Value consciousness*, which can be described on the basis of different definition of price on its usage given by Zeithaml (1988). First perspective correlates value with the price. Second correlates value with the perception of usefulness of the product by the consumer. Third option goes for the difference between quality received by consumer and price paid. The fourth perspective is extension of the third point and that is the difference between overall giving (effort, time, opportunity and emotions) and overall receiving (quality, prestige, emotions, convenience). At last value consciousness can be defined in terms of Lichtenstein et. al. (1993) "reflecting a concern for price paid relative to quality received". Fourth construct of negative price role is *coupon proneness*. When price reduction is offered in coupon it increases the sensitivity towards the price in its negative role which results in increase in sales. Many researchers (Lichtenstein, Netemeyer, and Burton 1990) have argued that when price price reduction is offered through coupons it increases consumer responses as compared to those conditions when lower price is offered through non coupon ways. Lichtenstein et. al. (1993) said that "an increased propensity to respond to a purchase offer because the coupon form of the purchase offer positively affects purchase evaluations." Last construct is *sale proneness*. Lichtenstein et.

al. (1993) defined sale as discount in regular selling price. When the price is advertised in sale form with a reference price tend to increase the value of the product than simply advertise in the equivalent price without sale. Since price perception is evaluated in more favourable way in sale form the negative role of price is considered a sale proneness. Hence Sale proneness is defined as - "an increased propensity to respond to a purchase offer because the sale form in which the price is presented positively affects purchase evaluations." Lichtenstein et. al. (1993)

B. CUSTOMER RELATIONSHIP MANAGEMENT

Winer (2001) stated that CRM means different things to different people which are a problem. Berry (1995), proposed that relationship marketing is "attracting, maintaining and multi-service organizations- enhancing customer relationships". Berry said that not only attracting new customer is important, but also developing closer relationship between them is equally important. Gronroos(1990) : - Said that " Marketing is to establish, maintain and enhance relationships with customers and other partners, at a profit, so that the objectives of the parties involved are met. This review of Gronroos (1990), resembles the view of Gummesson (1987), who favoured that building relationship with customers should be a dominant part of marketing. Schierholz et al., (2007) consider CRM as viewing customer relationships as an investment that will pay to the organization's bottom line; that is amplifying an enterprise's competitive position by increasing customer loyalty. CRM uses IT to gather data about customers to create more personal interaction with customers. (Chou et al, 2002) stated that CRM is an idea to keep most profitable customers and also helps to reduce cost, increase value of interaction with customer that results in high profits. Bull (2003) stated that CRM makes it feasible for companies to find out unprofitable customers that are discarded by other companies. CRM also increases the total economic worth of business by progressing the lifetime value of the customers. Hence, CRM can be defined and described in different aspects like process, technology, strategy, and benefits.

C. CUSTOMER LOYALTY

Customer loyalty has been identified as an important determinant of enduring financial performance of the firm (Lai et al 2009). It was defined by Oliver (1997) as "deeply held commitment to rebuy or repatronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts have the potential to cause switching behavior". Chu (2009) describes loyalty as a commitment towards a product for repeat purchase. Dick and Basu (1994), classified customer loyalty into three types- brand loyalty, service loyalty, and store loyalty. Aiydin et. al. gave two dimensions of customer loyalty- attitudinal and behavioural loyalty. Previous research also showed that there are basically three approaches of customer loyalty. Behavioral loyalty approach (Grahm 1969); attitudinal loyalty approach (; Jacoby 1971; Jacoby and Chestnut 1978) and integration of

attitudinal and behavioral loyalty approach (Dick and Basu, 1994; Jacoby 1971; Jacoby and Chestnut 1978; Oliver 1997). Attitudinal loyalty is related to purchase intention, recommendation (Aiydin, 2005) and to determine for how long the customer will remain loyal to the company (Jacoby and Chestnut 1978) While, behavioural loyalty refers to purchase share, frequency (Aiydin, 2005).

D. PRICE PERCEPTION AND CUSTOMER LOYALTY

Ranaveera and Neely (2003) investigated the direct relationship between price perception and customer loyalty in telecommunication sector. Customers' decisions are always persuaded by price and it plays an important role in developing loyalty towards a particular product or services Lichtenstein et al. (1993). Nakleh (2012) studied the relationship between relationship marketing tactics, relationship quality and customer loyalty in telecommunication sector of Gujarat. Price perception as one of tactics of relationship marketing was found moderately correlated with customer loyalty. Anuwichanont (2011) studied the moderating impact of price perception on customer brand loyalty in airlines context of Thailand. The moderating effect of price perception was found apparent between brand affect and brand loyalty in Thailand Airlines Context. The findings were contrary to the many findings. Similarly, Akrofi et. al.(2013) and Raza and Rehman (2012) also found the significant and positive relationship between price perception (along with other relationship marketing tactics) and customer loyalty. Zhang and Feng (2009) examined the relationship between relationship marketing tactics and customer loyalty in Sweden telecommunication industry and found an influence of price perception on customer loyalty.

III. JUSTIFICATION OF THE STUDY

Recently, Indian telecommunication market is facing cut throat competition. This competition compelled service providers to offer a wide range of services and facilities to customers. Customers have open choices to move towards any service providers in case of dissatisfaction towards current service provider. While purchasing the product consumer become more value conscious and influence majorly by the price factor while purchasing the product. Price has a lead role in developing loyalty towards a particular product or service. Thus this study is conducted to examine the impact of price perception on customer loyalty in Indian telecommunication sector. Moreover, lesser contribution has been given by the researchers and scholars in India in studying the theoretical and empirical aspect of price perception. The study contributes to knowledge on price perception and customer loyalty and it is expected to be of great benefit to telecom operators, regulators as well as customers.

VI. RESEARCH METHODOLOGY

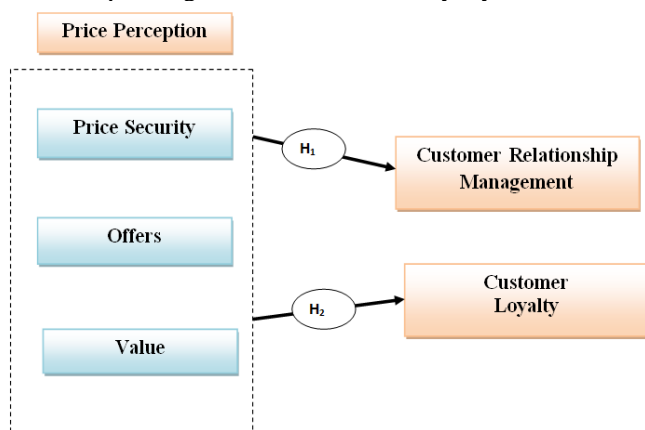
A. RESEARCH OBJECTIVES

Following objectives are formulated for the purpose of this study

- ✓ To determine the antecedents of price perception as an independent variable of customer relationship management and customer loyalty.
- ✓ To analyze the impact of those antecedents of price perception on customer relationship management and customer loyalty.
- ✓ To suggest strategies to telecom operators of India to enhance their customer relationship management and in turn customer loyalty

B. RESEARCH MODEL

The present study has price perception as an independent variable. This parameter has three antecedents- price security, offers and value as shown below in the research model followed by the two dependent variables, customer relationship management and customer loyalty.



(Source: Authors' own)

Figure 1: Model of the Study

C. RESEARCH HYPOTHESIS

On the basis of the independent and dependent variables under study following hypothesis were formulated-

- ✓ Research Hypothesis 1 (H₁): Price Perception has a significant impact on Customer Relationship Management in telecommunication sector in India.
- ✓ Research Hypothesis 2 (H₂): Price perception has a significant impact on Customer loyalty in telecommunication sector in India.

D. RESEARCH VARIABLES

Antecedents (IV)	Source	Dependent Variable
Price Security (PP1)	Ladwein (1995); Hamilton and chemev (2010)	Price Perception (PP)
Offers (PP2)	Rim Ben Amara and Néji Bouslama (2011)	
Value (PP3)	Oxenfelt (1974); Simon (1989)	

Table 1: Research Variables

E. RESEARCH INSTRUMENT

Variables	Antecedents	Items	Scale	Source
Price Perception (PP)	Price Security (PP1)	PP11	Perceived average price	Ladwein (1995); Hamilton and chemev (2010)
		PP12	Equilibrium price	
		PP13	Optimum price threshold (lowest price)	
		PP14	Price level (all prices are low)/ do not exceed budget	
	Offers (PP2)	PP21	Different offers at different prices	Rim Ben Amara and Néji Bouslama (2011)
		PP22	Low price of popular offers and schemes	
		PP23	Expensive offers and schemes are of good quality	
	Value (PP3)	PP31	Interesting quality/ price relationships	Oxenfelt (1974); Simon (1989)
		PP32	Interesting service/price relationships	
		PP33	Low priced product / good deal	

Table 2: Research Instruments

Variables	Items	Scale	Source
Customer Relationship Management (CRM)	CRM1	Customer-centric marketing	Sin, Tse and Yim (2005)
	CRM2	Key customer lifetime value identification	
	CRM3	Personalization	
	CRM4	Interactive co-creation marketing	
	CRM5	Utilizing computer technologies in building relationships	
	CRM6	Rigorously linking technology deployment to targeted business initiatives	

Table 3

Variable	Items	Scale	Source
Customer Loyalty (CL)	CL11	Intention of using current services in future	Harsandaldeep Kaur and Harmeen Soch (2012)
	CL12	More payment for the existing service provider	
	CL13	Encouraging others the services to the others	
	CL14	Positive word of mouth for existing service provider	
	CL15	Recommendation of this service provider to others	

Table 4

F. RESEARCH PROCEDURE

The exploratory and causal research design was adopted for the purpose of the study. The sampling design was non-probabilistic convenience sampling technique. Data was collect through primary and secondary data collection techniques. Primary data was collected online through

structured questionnaires from 250 customers of mobile service provider companies. The current study is emphasized on five major telecom companies namely Airtel, Reliance, Idea, BSNL, and Vodafone on the basis of their popularity and market share. Data was analyzed through descriptive Statistics i.e. mean values and standard was calculated, whereas exploratory factor analysis to check the validity and Cronbach's coefficient alpha to check the reliability was conducted. After reduction of items, the data for final instrument was analyzed through multiple regression analysis through SPSS version 21, to evaluate the impact of price perception on customer relationship management and customer loyalty.

VII. DATA ANALYSIS AND INTERPRETATION

A. RELIABILITY & VALIDITY OF MEASURES

Exploratory Factor Analysis (EFA) was conducted for the purpose of data reduction. It is used to remove redundant (highly correlated) variables from the instrument, perhaps rearranging the entire data with a smaller number of uncorrelated variables. The purpose of structure detection is to examine the underlying (or latent) relationships between the variables.

EFA was conducted on 21 items of the instrument developed inclusive of 5 items for Customer Loyalty and 6 items for Customer Relationship Management as dependent variable and 10 items for three antecedents of Price Perception viz. Price Security (PP1), Offers (PP2) and Value (PP3) as independent variable with the help of SPSS (version 21). Maximum Likelihood method of extraction was chosen to extract the factors, with squared multiple correlations used as prior communality estimates. As suggested by Fabrigar, Wegener, MacCallum, and Strahan (1999), an oblique rotation using promax with Kaiser Normalization was at first performed to determine the size of the correlations between the extracted factors. When correlations existed between the factors, the oblique solution was retained.

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy is a statistic that indicates the proportion of variance in the variables that might be caused by underlying factors. For the KMO statistic, Kaiser (1974) recommends a bare minimum of 0.5 and that values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are superb (Hutcheson Sofroniou, 1999). For these data the value is 0.827, which is considered as good degree of common variance and so it can be considered that sample size of 245 is adequate for factor analysis. The Bartlett's test of Sphericity is used to examine the hypothesis that the variables are uncorrelated in the population. In other words, the population correlation matrix is an identity matrix i.e. each variable correlates itself ($r=1$) but there is no correlation with the other variable ($r=0$). Small values (less than 0.05) of the significance level indicate that a factor analysis may be useful for the data and the hypothesis is accepted (Field, 2000). For these data, Bartlett's test is highly significant ($p < 0.001$), and therefore factor analysis is appropriate and each variable correlates itself

but there is no correlation with the other variable i.e. the data is free of multicollinearity as shown in table 3.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.827
Bartlett's Test of Sphericity	Approx. Chi-Square	2359.093
	df	136
	Sig.	0.000

Table 3: KMO and Bartlett's Test

EFA resulted into the convergence of four factors as compared to five factors hypothesized in this study based on theoretical understanding along with their respective total percentages of variance explained as shown in table 4. The cumulative percentage sum of square loadings is 60.672%, which is under the acceptable range. h^2 (communality coefficient) values indicate the proportion of each variable's variance that can be explained by the retained factors. The communality coefficient (suppression below 0.3) for all the items is good and above 0.3, so all the items can be retained. Pattern coefficient matrix (using promax rotation), is preferable to interpret, since it includes the coefficients that only represent the unique contribution of each variable to the factor, thus accounting for the inter-factor correlations. All the items of a particular exogenous variable as hypothesized on the basis of theory are loaded under same factor with high loading values; hence all the items are retained in the instrument for further analysis.

The factor analysis as shown in table 4 yielded four factors corresponding to the five variables including independent and dependent variables both. The result of factor analysis shows that out of 4 items of Price Security (PP1), only 3 items i.e. PP11, PP12, PP13 will be retained with loading values of 0.882, 0.826, and 0.907 respectively and PP14 will be eliminated due to scattered loading. All the 3 items of Offers (PP2) i.e. PP21, PP22 and PP23 will be eliminated due to low and scattered loading value. 3 items of Value (PP3) i.e. PP31, PP32 and PP33 will be retained with high loading values of 0.675, 0.621 and 0.819 respectively. All the 6 items of Customer Relationship Management i.e. CRM1, CRM2, CRM3, CRM4, CRM5 and CRM6 will be retained due to high loading values of 0.558, 0.471, 0.760, 0.876, 0.861 and 0.613. All the 5 items of Customer Loyalty i.e. CL1, CL2, CL3, CL4 and CL5 will be retained due to high loading values of 0.685, 0.979, 0.980, 0.672 and 0.607 respectively. Hence, total 17 items will be considered for further multivariate analysis to test the hypothesis formulated under study.

% of variance explained after eliminating other factors after rotation	Factor				h^2 (communality coefficient)
	25.617	15.608	11.268	8.178	
Items	1	2	3	4	
PP11			0.882		0.779
PP12			0.826		0.698
PP13			0.907		0.798
PP31				0.675	0.452
PP32				0.621	0.400
PP33				0.819	0.667
CRM1		0.558			0.271
CRM2		0.471			0.391
CRM3		0.760			0.541
CRM4		0.876			0.730
CRM5		0.861			0.805

CRM6		0.613			0.516
CL1	0.685				0.486
CL2	0.979				0.892
CL3	0.980				0.923
CL4	0.672				0.541
CL5	0.607				0.423

Extraction Method: Maximum Likelihood.
Rotation Method: Promax with Kaiser Normalization.

Table 4: Exploratory Factor Analysis

The coefficients of the inter factor correlations among the variables indicates that the independent and dependent variables are not correlated with each other as all the values are below 0.7 as shown in table. 5.

Factor	PP1	PP3	CRM	CL
PP1	1.000			
PP3	.393	1.000		
CRM	.118	.302	1.000	
CL	-.088	.027	-.158	1.000

Extraction Method: Maximum Likelihood.
Rotation Method: Promax with Kaiser Normalization.

Table 5: Inter-Factor Correlations

Finally, internal consistency reliability to test unidimensionality was assessed by Cronbach's alpha. Maximum likelihood estimated matrices were used, because they do not have to be inverted prior to the computation of Cronbach's alpha (van Horn, 2003). The resulting alpha values ranged from 0.70 to 0.87, which were above the acceptable threshold 0.70 suggested by Babbie (1992). According to Babbie (1992), the value of Cronbach Alpha is classified based on the reliability index classification where 0.90-1.00 is very high, 0.70-0.89 is high, 0.30-0.69 is moderate, and 0.00 to 0.30 is low. The analysis showed the Cronbach's Alpha value, higher than 0.70, falls into the classification of high.

The table indicates that the total 17 items will be considered comprising of both independent and dependent variables after factor reduction (exploratory factor analysis). The mean and standard deviation of the data for each variable were also estimated. The mean values for all the four antecedents of service quality is more than 4 (i.e. more than average), which depicts that customers are satisfied with the price perception of the brand, whereas mean for CRM and Customer Loyalty are also greater than 4, which depicts that CRM of the brand is good and customers are loyal towards brand, hence it proves that price security and value for price are affecting the CRM and CL. Standard deviation depicts that the data are not very much deviated from the mean.

Variables	Sample Size	Items	Mean	SD	α
PP1	245	3	5.72	1.01	0.854
PP3	245	3	5.70	0.93	0.810
CRM	245	6	5.63	0.92	0.857
CL	245	5	5.52	1.10	0.881

SD - Standard Deviation
 α - Cronbach's Alpha

Table 6: Mean, Sd And Cronbach's Alpha

The chi-square test for Goodness-of-fit was estimated for the data and the result shows that the P-value (sig.) is 0.000 (<0.05) which is significant, hence the model is fit for the data collected as shown in table 7.

Chi-Square	df	Sig.
144.447	74	.000

Table 7: Goodness-of-fit Test

B. HYPOTHESIS TESTING

✓ *HYPOTHESIS 1* - Impact of Price Perception on Customer Relationship Management

The Statistical Package for the Social Sciences (SPSS) (Version 21) was used to facilitate the analysis. The regression analysis was conducted to determine the impact of four antecedents of service quality on Customer Loyalty and Customer Relationship management

Regression statistics in table 8 shows that correlation value R is 0.758, which depicts that there is strong relationship between Price Perception and Customer Relationship Management. The value of R Square is 0.574 i.e. the model explains 57.4% of variables that can affect Customer Relationship Management. The value of Durbin Watson test (2.139) depicts that the model is good as the value is near to 2.

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.758	0.574	0.571	0.601	2.139

Independent Variable: PP1, PP3 & Dependent Variable: CRM

Table 8: Regression Statistics

Table 9 reveals that Price Perception has a significant impact on Customer Relationship Management as F (calculated value) (163.318) is greater than F (table value) (2.184), moreover, the p value (significant value) is 0.000 which is less than 0.05 significance level. Therefore, research hypothesis H_1 is accepted.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	118.024	2	59.012	163.318	0.000
Residual	87.442	242	0.361		
Total	205.466	244			

Independent Variable: PP1, PP3 & Dependent Variable: CRM

Table 9: ANOVA

Among all the three antecedents of Price Perception, two antecedents i.e. Price Security (PP1) and Value (PP3) have significant impact on Customer Relationship Management with p values of 0.030 and 0.000 respectively as shown in table. 10.

Predictors	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.065	0.284		3.753	0.000
PP1	0.087	0.040	0.096	2.179	0.030
PP3	0.713	0.043	0.723	16.437	0.000

Independent Variable: PP1, PP3 & Dependent Variable: CRM

Table 10: Coefficients

The beta coefficients for significant antecedents of Price Perception i.e. Price Security (PP1) and Value (PP3) are 0.087 and 0.713 respectively. It depicts that if Price Security is increased by 0.087 units, the customer Relationship Management will be increased by 1 unit and if Value for price

is increased by 0.713 units, the customer Relationship Management will be increased by 1 unit.

✓ **HYPOTHESIS 2** - Impact of Price Perception on Customer Loyalty

Regression statistics in table 11 shows that correlation value R is 0.688, which depicts that there is moderate relationship between Price Perception and Customer Loyalty. The value of R Square is 0.470 i.e. the model explains 47% of variables and there may be other parameters of Customer Loyalty. The value of Durbin Watson test (2.102) depicts that the model is good as the value is near to 2.

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.688	0.474	0.470	0.803	2.102
Independent Variable: PP1, PP3 & Dependent Variable: CL				

Table 11: Regression Statistics

Table 12 reveals that Price Perception has a significant impact on Customer Loyalty as F (calculated value) is 108.995, which is greater than F (table value) (2.184), moreover the p value (significant value) is 0.000 which is less than 0.05 significance level. Therefore, research hypothesis H₂ is accepted.

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	140.703	2	70.352	108.995	0.000
Residual	156.201	242	0.645		
Total	296.904	244			
Independent Variable: PP1, PP3 & Dependent Variable: CL					

Table 12: ANOVA

Among all the three antecedents of Price Perception, two antecedents i.e. Price Security (PP1) and Value (PP3) have significant impact on Customer Loyalty with p value of 0.000 and 0.000 (p<0.05) respectively as shown in table 13

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.446	0.379		1.175	0.241
PP1	0.658	0.053	0.604	12.349	0.000
PP3	0.230	0.058	0.194	3.968	0.000
Independent Variable: PP1, PP3 & Dependent Variable: CL					

Table 13: Coefficients

The beta coefficients for significant antecedents of Price Perception i.e. Price Security (PP1) and Value (PP3) are 0.658 and 0.230 respectively. It depicts that if Price Security is increased by 0.658 units, the Customer Loyalty will be increased by 1 unit and if Value for price is increased by 0.230 units, the Customer Loyalty will be increased by 1 unit.

VIII. RESULTS AND DISCUSSION

The study was conducted to examine the impact of price perception on customer relationship management and customer loyalty. The study thoroughly examined the impact of each antecedent of price perception on customer relationship management and customer loyalty through

research model. The result showed a significant positive impact of price perception on Customer relationship management and customer loyalty. Out of the three antecedent price security (p- 0.030) and value (0.000) have significant positive impact on customer relationship management. Hence, the H1 was accepted. But the impact of price perception on customer loyalty was moderately related. Price security (0.000) and value (0.000) have significant impact on customer loyalty which means H2 was accepted. The results coincide with Nakleh (2012), Anuwichanont (2011) and Akrofi et. al. (2013) and Raza and Rehman (2012) also found the significant and positive relationship between price perception and customer loyalty.

IX. SUGGESTIONS

Today, numerous players are operating in Indian telecommunication market, which give rise to an unbendable competition. They should determine the role of price perception which is the most promising factor for determining the purchase. Above results showed the direct impact of price security and value on customer relationship management and impact of tangibility as an antecedent of price perception on customer loyalty. Hence, following are the suggestions given to the telecom service providers.

Price security and value are the two antecedents which significantly affects customer relationship management and customer loyalty. For providing price security they should offer services at low prices to the customers which they perceive as low budget. For offering them value, service provider should provide good product value to the customers by providing good quality of product as well as services with reasonable price. Peng and Wang (2006) argued that the association between brand affect and loyalty is stronger under when customer perceive price as low. Company should provide information of the price of the product or services to the customers so that they can compare the price of the products with the competitors. Beside, variety of tariffs with different time duration may also helps the customers to choose the best plan as per their suitability. The initial plan should be reasonable so that the penetrating pricing strategy can be adapted by service provider to get the more customers. Customers may switch or change service provider if they perceive that price offers are not reasonable (Peng and Wang, 2006).

X. CONCLUSION

This study examined the impact of price perception on customer relationship management and customer loyalty in Indian telecom sector and found a significant influence of the same. Three antecedents of price perception were tested and price security and value are significantly influencing customer relationship management and tangibility was found as important and significant antecedents of customer loyalty. It provided insights to the marketers for focusing on constructs of providing price security and value for the price paid by them in the organization. A proper understanding of

requirement and affordability of customers will help the marketer to formulate a best price strategy to maintain an enduring relationship with the customers which will help to retain the existing customers and reduce the customer churn and hence attain customer loyalty.

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