

FACTORS INFLUENCING STATE SECTOR EMPLOYEES'  
LOYALTY TOWARDS MOBITEL “UPAHARA” PACKAGE

WITHELAWANNI ARACHCHIGE CHAMODI SANDUNIKA WEERASINGHE

(14MS281)

B.Sc. (HONOURS) MARKETING MANAGEMENT

SABARAGAMUWA UNIVERSITY OF SRI LANKA

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FACTORS INFLUENCING STATE SECTOR EMPLOYEES'  
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of Sri Lanka in Partial Fulfillment of the Requirements for the Honours Degree of  
Bachelor of Science in Marketing Management

WITHELAWANNI ARACHCHIGE CHAMODI SANDUNIKA WEERASINGHE

(14MS281)



Faculty of Management Studies  
Sabaragamuwa University of Sri Lanka

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We, the undersigned, certify that

WITHELAWANNI ARACHCHIGE CHAMODI SANDUNIKA WEERASINGHE

Candidate for the honors degree of

Bachelor of Science in Marketing Management

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## **ABSTRACT**

The mobile telecommunication industry in Sri Lanka has been changed drastically since last years. Due to high competition customer retention has become a critical issue in the success of mobile telecommunication business. Hence the mobile service providers consider building customer loyalty by introducing customer loyalty programmes. As well as telecom customers prefer tailored or customized services and rewards. Due to that reasons, as a well- known service provider Mobitel introduced ‘Upahara’ post-paid package with the aim of providing offerings to meet the unique communication needs of the state sector employees. But there is a fall in activation of ‘Upahara’ post-paid package during last couple of years. Therefore the objective of this study is to examine the factors impact on state sector employees’ loyalty towards Upahara post-paid package. The study consists with five independent variables such as economic rewards, hedonist rewards, convenience rewards, information rewards, recognition and social relationship rewards and one dependant variable called customer loyalty. This is a quantitative based study where the structured questionnaires manually distributed among the employees who are working in Ministry of Education ‘Isurupaya’ premises employing convenience sampling technique. Correlation and regression analysis were performed to analyse the hypotheses. The findings revealed that there is positive and significant impact of economic rewards, recognition and social relationship rewards, convenience rewards on state sector employees’ loyalty towards Upahara post-paid package. As well as informationa rewards and hedonist rewards do not impact on state sector employees’ loyalty towards Upahara post-paid package. The recognition and social relationship rewards has recognized as most influential factor. Hence, this study provide guidance for mobile service providers in designing loyalty programmes to the state sector employees.

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## **LIST OF ABBRIVIATIONS**

ANOVA	Analysis of Variance
CR	Convenience Rewards
CL	Customer Loyalty
CRM	Customer Relationship Management
DCS	Department of Census and Statistics
ER	Economic Rewards
GDP	Gross Domestic Production
HR	Hedonist Rewards
M	Mean Value
RSR	Recognition and Social relationship Rewards
SD	Standard Deviation
SPSS	Statistical Package for Social Science
SDT	Self- Determination Theory
TRCSL	Telecommunication Regulatory Commission of Sri Lanka

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

This chapter begins with the background of the study by providing a brief introduction to the telecommunication industry and then it addresses the problem of the study, problem statement, research questions, research objectives and research hypotheses. In addition this chapter may provide the significance of the study, limitations of the study and chapter organization.

#### **1.2 Background of the study**

The global telecommunication market is continuously transforming with ongoing technological innovations and development (Telecommunication Market, 2019). With the advancement of technology, the technological developments lead to innovation and competition in telecommunication companies (Farooq & Raju, 2019). Global telecommunication market was valued at US\$ 18 Billion in 2017 it is expected to reach US\$ 29 Billion by 2026 (Telecommunication Market, 2019). Telecommunication companies are the companies that survived in every era and reshaped its services due to its flexible systems and management (Gupta, Tyagi, & Upadhyay, 2018; Farooq & Raju, 2019). Moreover, innovative services in the global telecommunication industry mainly consider to attracting the youth of the society (Telecommunication Market Worth, 2019). There is a gradual growth in mobile service subscriptions and the number of mobile service subscriptions was estimated to reach a total number of 8.3 billion subscriptions worldwide from 7.9 billion in 2018 (See Figure 1.1).

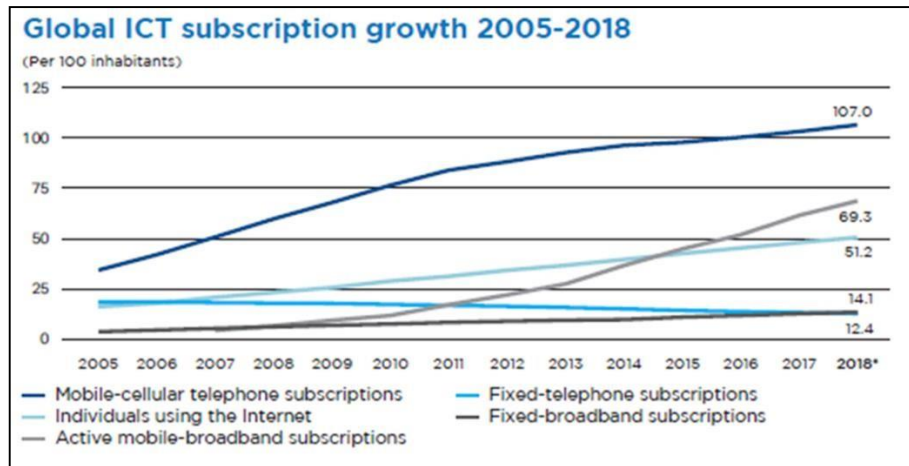


Figure 1.1 Global Mobile- Cellular telephone subscriptions (2005-2018)

Source: Telecommunication Union (2018)

Due to globalisation, there is a gradual growth in the Sri Lankan telecommunication sector too (The Mobile Telecommunication Industry in Sri Lanka, 2019). In Sri Lankan context, the transport and telecommunication sector provide a significant contribution (1,750,858 million) to the GDP (Economic Statistics of Sri Lanka, 2018). The mobile telecommunication industry is one of the most dynamic industries in Sri Lanka (The Mobile Telecommunication Industry in Sri Lanka, 2019). According to the reports of Telecommunication Regulatory Commission of Sri Lanka (TRCSL), there is a gradual growth in mobile service subscriptions during the last few years (See Figure 1.2).

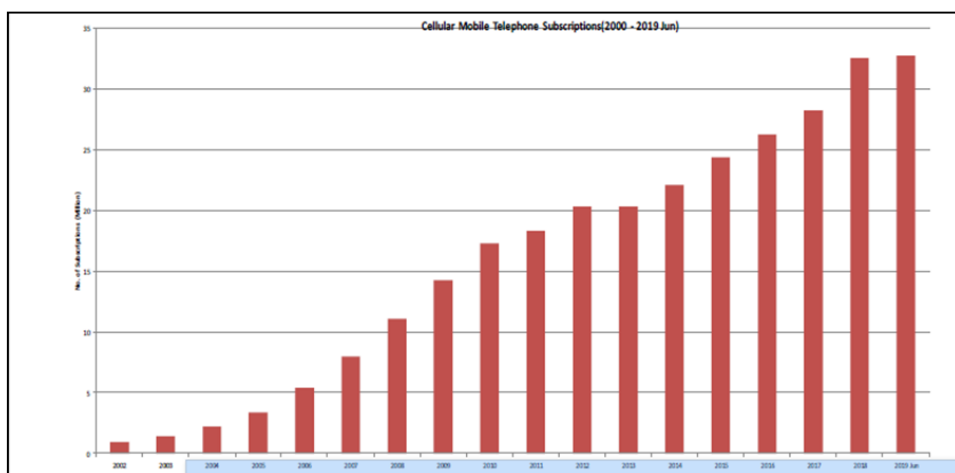


Figure 1.2 Cellular Mobile telephone subscriptions (2000-2019)

Source: TRCSL (2019)

Today, there is 27.38 million total number of mobile connections in Sri Lanka. It is 131% of mobile connection penetration as a percentage of the total population and, out of which 10% of mobile connections that are on post-paid basis (See Figure 1.3).

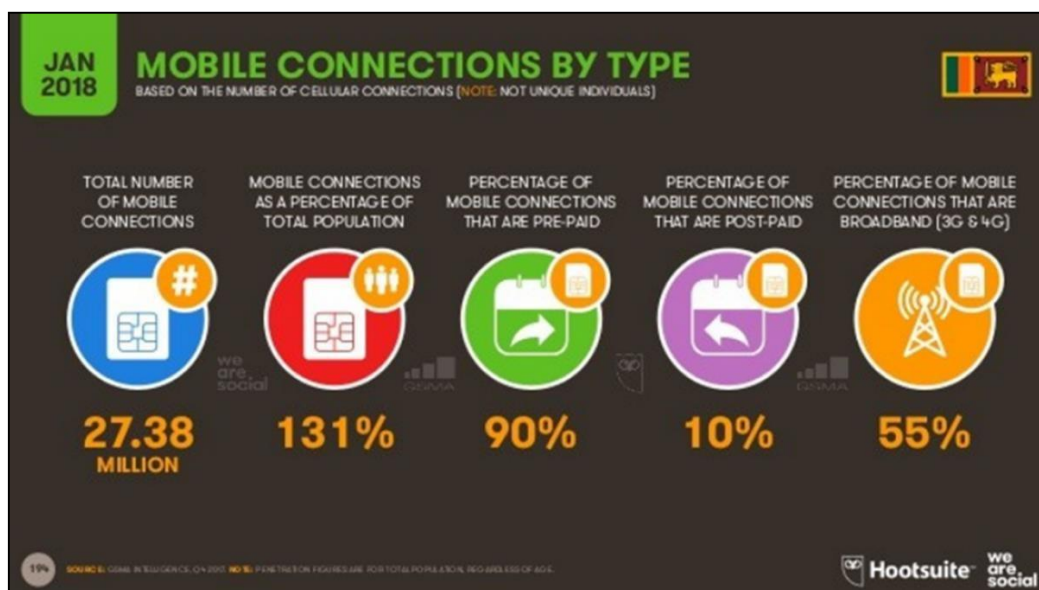


Figure 1.3 Mobile connections by type

Source: Digital 2019 Sri Lanka

Furthermore, the telecommunication industry in Sri Lanka has been overcrowded during the last couple of years. And Sri Lanka's mobile industry has become more competitive because five mobile service providers competing with each other to provide services to 21.7 million customers (Sri Lanka's Telecom industry competitive, 2016). In the second Quarter of 2019, there were five mobile operators in the industry (See Table 1.1).

Table 1.1 Cellular Mobile Telephone Operators

No	Operator
1	Bharti Airtel Lanka (Pvt) Ltd
2	Dialog Axiata PLC
3	Etisalat Lanka (Pvt) Ltd
4	Hutchison Telecommunications Lanka (Pvt) Ltd



5	Mobitel (Pvt) Ltd
---	-------------------

Source: TRCSL (2019)

### 1.3 Problem of the study

The mobile telecommunication market is reaching its maturity as well as the influence of Mobile Number Portability (MNP) on the customer switching behavior have become a critical issue in the success of mobile telecommunication business (Tabaa, 2016). Further, this makes customer retention really challenging in the mobile telecommunication industry (Mahajan, Misra, & Mahajan, 2017). Some researchers have proved that service providers in the service industry can increase their profits by 100% by reducing the churn of their existing customer by just 5% (Kumar & Ravi, 2008; Mahajan, Misra, & Mahajan, 2017). If the customer churn is not managed or prevented properly it can lead to significant loss of revenues (Banda & Tempo, 2018). An annual churn rate for telecommunications companies worldwide varies between an average of 10% and 67% in first quarter of 2020 (Hughes, 2020). Because of that in last few decades, many firms considered introducing Customer Relationship Management (CRM) programmes focusing on retaining profitable customers (Brown, 2000; Kalakota & Robinson, 1999; Peppers, Don, & Rogers, 1997). The advancement of information technology has introduced new CRM tactics for marketing managers. One of the CRM tactic is introducing customer loyalty programmes (Uncles, Dowling, & Hammond, 2014). From a customer's perspective, loyalty programme means a marketing process that aims to generate rewards based on repeat purchases (Kumar & Reinartz, 2005; Kwiatek & Thanasi-Boce, 2019). On the other hand loyalty programmes are designed to retain existing profitable customers and develop stronger customer-company bonds (So, Danaher, & Gupta, 2015). In addition, mobile operators consider building loyalty by providing more tailored services to their customers (Tabaa, 2016). Furthermore, most of the researchers have proved that the perception of value differs among different groups of customers and, respectively, conclude that in different levels of response to marketing efforts (Bruneau, Swaen, & Zidda, 2018; Kwiatek & Thanasi-Boce, 2019). And the differentiation is likely to be provided by a positive rewards experience. Also, well-designed loyalty programmes are encouraged frequent redemptions and build up the brand strength (Kwiatek & Thanasi-Boce, 2019) as 66% of telecom customers in the world are caring more about tailored or customized services and rewards (The importance of loyalty programmes in telecom, 2019).

Due to above reasons, in Sri Lankan context “Mobitel” considers as the preferred network for all Sri Lankans due to superior reliability and efficiency across the island. As a well-known service provider introduced a loyalty programme named as ‘Upahara’ package on post-paid basis. This was launched in 2008 with the aim of providing offerings to meet the unique communication needs of the state sector employees and pensioners. Also, this was a unique offering that was introduced in the telecommunication industry targeting at the state sector employees and pensioners for the first time in Sri Lanka (Daily FT, 2011). In line with the Upahara package, recently Mobitel extended their offers up to 40% savings on smartphones for state sector employees and pensioners (Mobitel Upahara offers, 2019)

State sector employees are a specific group of customers in Sri Lanka as the state sector of Sri Lanka kept on expanding year by year and today the total number of employees worked for the state sector is 1.1 million (Onlanka News, 2017). According to a survey done by the Department of Census and Statistics (DCS), it is observed that nearly half of employees are currently employed in the state sector, which accounted for 44% of all employees. According to the same reports of DCS there is a gradual growth in recruitment of the public and semi-government sector employees over the past couple of years (Statistics, 2018).

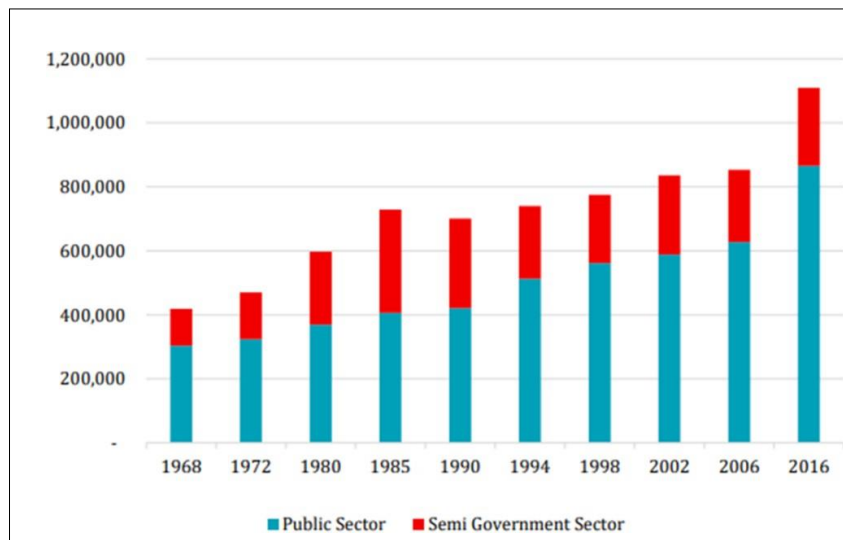


Figure 1.4 Public and semi-government sector employees (1968-2016)

Source: DCS (2018)

According to the reports of Sri Lanka Telecom PLC (Telecom, 2018), it can be seen the amount of activation of ‘Upahara’ post-paid package during the last several years as follows. (Figure 1.5)

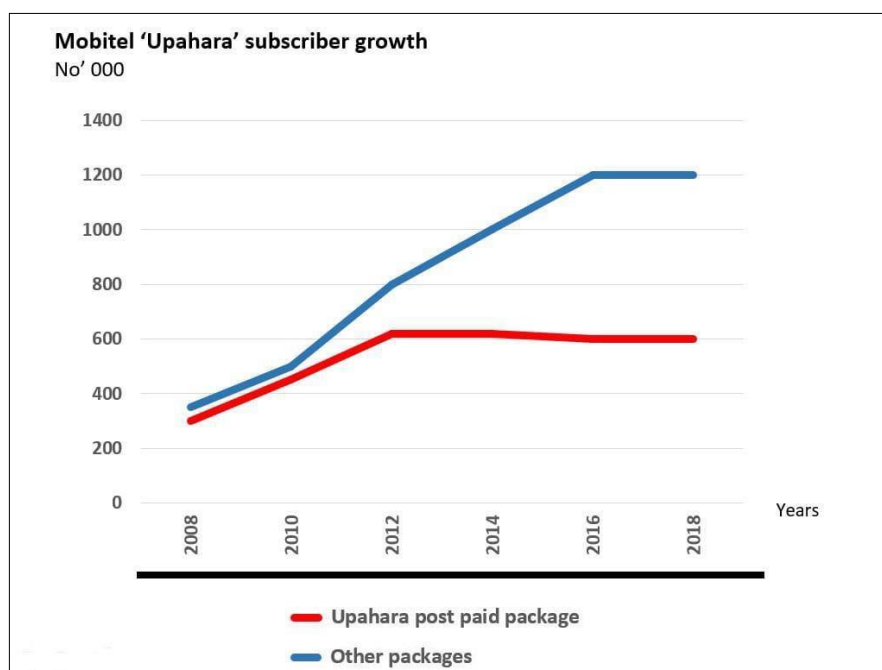


Figure 1.5 Mobitel ‘Upahara’ subscriber growth(2008-2018)

Source:Telecom (2018)

In comparison to the recruitment of the state sector employees and other packages of Mobitel there is a drastic drop in activation of Upahara post- paid package during the last couple of years as shown Figure 1.5.

As revealed by Figure 1.4 and 1.5, there is an inverse relationship between state sector employment and activation of “Upahara” post-paid package which is against the theoretical aspects in relation to CRM and specially loyalty programme. As Bruneau, Swaen and Zidda (2018) state,the above scenario makes sense to further investigate the forces that motivate customers to engage in loyalty programmes. This is in line with Tabaa (2016) who state that, there is a requirement of tailor made studies on CRM and loyalty programmes focused on mobile telecommunication industry as it has already reached maturity and started slowing down new customer acquisitions. Furthermore Waarden, Benavent and Casteran (2012) states that more research and replications are necessary to determine the psychological aspects of customer loyalty reward schemes and individualized reward schemes (Economic, Hedonist, Convenience, Information, Recognition and social relationship) and also applicability of self-determination theory

in relation to loyalty programme implementation. However, in Sri Lankan context there are a limited number of researches have been conducted to investigate the forces that motivate customers to engage with companies through their loyalty programmes. Most importantly, in Sri Lankan context still there are less researches have been conducted by applying self-determination theory in relation to telecommunication industry. Against this backdrop, the researcher attempts to study the rewards influencing state sector employees' loyalty towards Upahara post-paid package.

Thus, the research problem of this study is formed as follows.

**“What are the factors influencing state sector employees' loyalty towards Upahara post-paid package?”**

#### **1.4 Research Questions**

- Do economic rewards impact on state sector employees' loyalty towards Upahara post-paid package?
- Do hedonist rewards impact on state sector employees' loyalty towards Upahara post-paid package?
- Do convenience rewards impact on state sector employees' loyalty towards Upahara post-paid package?
- Do information rewards impact on state sector employees' loyalty towards Upahara post-paid package?
- Do recognition and social relationship rewards impact on state sector employees' loyalty towards Upahara post-paid package?

#### **1.5 Research Objectives**

The main research objectives and specific research objectives of this study are as follows.

##### **1.5.1. Main Objective**

- To examine the factors impact on state sector employees' loyalty towards Upahara post-paid package

##### **1.5.2. Specific Objectives**

- To determine the impact of economic rewards on state sector employees' loyalty towards Upahara post-paid package

- To determine the impact of hedonist rewards on state sector employees' loyalty towards Upahara post-paid package
- To determine the impact of convenience rewards on state sector employees' loyalty towards Upahara post-paid package
- To determine the impact of information rewards on state sector employees' loyalty towards Upahara post-paid package
- To determine the impact of recognition and social relationship rewards on state sector employees' loyalty towards Upahara post-paid package

### **1.6 Research hypotheses**

Based on extensive literature review, the following hypotheses were developed.

- H1: There is an impact of economic rewards on state sector employees' loyalty towards Upahara post-paid package
- H2: There is an impact of hedonist rewards on state sector employees' loyalty towards Upahara post-paid package
- H3: There is an impact of convenience rewards on state sector employees' loyalty towards Upahara post-paid package
- H4: There is an impact of information rewards on state sector employees' loyalty towards Upahara post-paid package
- H5: There is an impact of recognition and social relationship rewards on state sector employees' loyalty towards Upahara post-paid package

### **1.7 Significance of the study**

The mobile telecommunication market is changing gradually. In Sri Lankan context, the mobile telecommunication market has been overcrowded and customer retention has become a critical issue. The state sector employees are a specific group for mobile service operators. This study explains the rewards that motivate state sector employees to engage with mobile companies through their loyalty programmes. The findings of this study provide guidance for mobile service providers to design successful loyalty programmes by targeting state sector employees. As well as they can get awareness about which rewards should be promoted through their loyalty programmes. Finally, they have an opportunity to achieve higher loyalty customer base and also they can allocate their resources in an efficient manner.

Furthermore, this study contributes to the applicability of Self- Determination theory and various rewards schemes. In Sri Lankan context still there are less researches has been conducted by applying Self-Determination theory in relation to telecommunication industry. Therefore, this study provide a theoretical contribution to the Sri Lankan research context.

### **1.8 Limitations of the study**

There are several limitations of this study.

- The important limitation of this study is that this is based only the telecommunication industry. The findings of this study could not be generalized to the other industries.
- The researcher collected data only from the employees attached to the Ministry of Education therefore the findings cannot be generalized to the other institutions.
- Due to COVID-19 pandemic situation the data collection became as a critical issue.

### **1.9 Chapter Organization**

According to chapter organization this chapter consists with five chapters.

#### **1.9.1 Chapter one**

Chapter one gives the brief introduction about the telecommunication industry under the background of the study. As well as this chapter includes the problem of the study, problem statement, research questions, research objectives and research hypotheses. In addition this chapter may provide the significance of the study, limitations of the study and chapter organization.

#### **1.9.2 Chapter two**

Chapter two provides an overview of the literature background for the research study with including definitions of key terms. Furthermore this chapter provides theoretical explanation regarding Self-Determination theory and comprehensive review of the empirical background of the research study.

#### **1.9.3 Chapter three**

Chapter three consists with the research methods used to carry out this study. This includes conceptualization and operationalization process of the key variables of this

study as well as research approach, research design, sources of data, population and sample selection, sampling technique and sample size.

#### **1.9.4 Chapter four**

Chapter four represents the analysis of data which has been collected through questionnaires. As well as this chapter consists within the interpretation of that information and discussion of findings.

#### **1.9.5 Chapter five**

Chapter five consists with the final conclusion of the study. This includes managerial implications and future directions for further studies.

#### **1.10 Conclusion**

This chapter has represented the background of the study. As well as this consists within the problem of the study, problem statement, research questions, research objectives and research hypotheses. Furthermore, this chapter may provide the significance of the study, limitations of the study and chapter organization.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Chapter introduction**

The purpose of this chapter to provide an overview of the literature background for the research study. This chapter addresses the definitions of key terms relates to the research topic. As well as this chapter emphasizes the theoretical background including Self-Determination Theory and also this provides comprehensive review of the empirical literature related to the study.

#### **2.2 Definitions of Key terms**

##### **2.2.1 Customer churn**

Customer churn is basically the inclination of a customer to leave a service provider (Phadke, et al., 2013; Kirui, et al., 2013; Bhambri, 2013; Chen, et al., 2012). According to Umman and Simsek (2010) if an existing subscriber terminates a contract with one service provider and become subscriber of another service provider, then this subscriber is called as ‘lost’ customer or ‘churn’ customer. In the mobile telecommunication industry, churn is defined as the number of customers who terminate their subscription to services with one Mobile Network Operator and sign up with another (Banda & Tempo, 2018).

Customer churn is calculated by dividing the aggregate number of wireless subscriber connections who cancelled service during a period by the total number of wireless subscriber connections at the beginning of that period (Aufar, 2014; Commission, 2014). For the purpose of this study, the researcher defines customer churn as the number of customers who cancellation the contract of mobile subscription services



### **2.2.2 Customer Loyalty**

Maintaining customer loyalty is the most important factor for the mobile telecommunication industry, where the business depends on the long term relationship (Rousan, et al., 2010). In telecommunication industry the main condition to protect subscriber base is to win customer loyalty, a key necessity for the long term maintenance for the brand's life (Amin, Ahmd, & Hui, 2012). Most of the researches have defined the term of customer loyalty in different ways. The term of Customer loyalty can be explained as "the customer's commitment to do business with a particular organization which effects in repeat purchases of goods and services of that organization" (Bose & Rao , 2011,p.543). But Rai and Medha (2013) argued with above definition and that researcher believed the customer loyalty has been perceived to be a behavioral concept including repeat buying of product or service measured as the series or share of purchases, referrals, range of relationship or combination of all the above. Furthermore some of the researchers stated that customer loyalty is a collection of attitudes aligned with a series of buying behaviors that methodically favor one entity over competing entities (Watson, et al., 2015). In line with the above definition Cossío-Silva (2016) stated that customer loyalty is enclosed within the attitudinal and behavioral dimensions, which presents considerable opportunities for differentiation and as a foundation for a competitive advantage. For the purpose of this study, the researcher defines customer loyalty as a behavioral concept that includes the repeat purchases and provides opportunity to achieve competitive advantage.

### **2.2.3 Loyalty programmes**

The main purpose of the loyalty programmes is to reward and encourage loyal behaviour or customer loyalty (Sharp & Sharp, 1997). Most of the researchers have defined the term of 'loyalty programmes' in various ways. According to extant marketing literature, most of the researchers have explained the loyalty programmes as the programmes that contains integrated framework of marketing actions and communications that aim to extend loyalty, repeat buying, and switching costs by providing economical, hedonist, informational, functional, and sociological or relational rewards (Gwinner, et al., 1998; Gable, et al., 2008). As well as Nunes and Dréze (2006) stated that loyalty programmes have focused on consumers' fundamental psychological processes driving to repeat and more frequent purchases, in addition to expanding switching barriers and also reducing price sensitivity. But Henderson, Beck,

and Palmatier (2011) argued with above definitions they explained the loyalty programmes are the programmes that induced change to consumer behaviours from three specific domains including status, habit and relational. Furthermore Margarita (2016) stated that customer loyalty programme is the most popular tool that is used to create, promote and maintain customer loyalty to an organization or brand and provide the activities that offer incentives (rewards) to customers based loyalty. For the purpose of this study, the researcher defines customer loyalty programme as the programmes that use to expand loyalty, frequent purchases by providing various rewards such as economical, hedonist, informational and relational.

## **2.3 Theoretical background**

### **2.3.1 Self-Determination Theory**

Motivation refers to the desire to engage in a goal-oriented behaviour such as loyalty. According to Waarden, Benavent and Casteran (2012) there are different theories regarding motivation. Self-determination Theory (SDT) is a motivational theory of personality, development, and social processes that examine how social contexts and individual differences facilitate different types of motivation. Motivational theory, addresses what energizes people's behaviour and moves them into an action (Deci, 2015). Based on motivational theory of Vroom (1964), Gagne & Deci (2005), Porter & Lawler (1968) proposed a model of work motivation. As research has evolved in this topic (Lens, Matos, & Vansteenkiste, 2008; Siqueira & Wechsler, 2006; Gagné & Deci, 2005) and also most of the researchers have been introduced different degrees of motivation in addition to the cultural aspects. Gagné & Deci (2005) have presented a self-determination continuum that includes various types of motivations. (See Figure 2.1). According to this approach, the analysis of the motivation of an individual can be classified into three categories demotivation, extrinsic motivation, and intrinsic motivation (Deci, 2015)

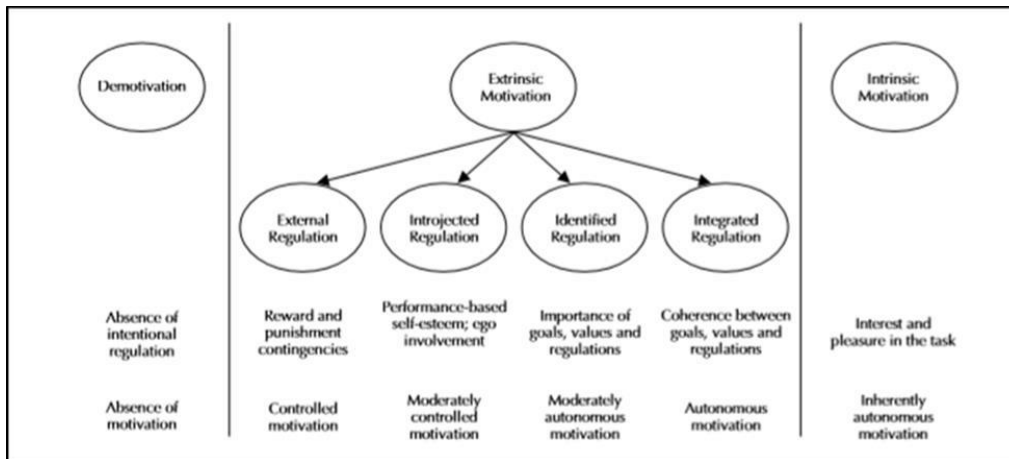


Figure 2.1 Self-determination continuum

Source: (Gagné and Deci, 2005)

Most of the researchers used this theory to conduct various studies in different research contexts. According to Vallerand, Koestner and, Pelletier (2014) the Self-Determination theory has used in a number of areas such as education, work, leisure activities, parenting and etc. Many of the researchers have presented the studies regarding work motivation of workers towards positive work outcomes based on Self-Determination theory (Baard, et al., 2004). Furthermore, Guimarães and, Bzuneck (2008) presented a study on the Brazilian version of the Academic Motivation Scale (AMS) based on Self-Determination theory, which was conducted with a group of university students. In line with that study, Leal, Miranda and Carmo (2012) presented a study within the purpose to evaluate the motivation of Accounting Science university students based on Self-Determination theory. In the contrary, Waarden, Benavent and Casteran (2012) have applied Self-Determination theory in to loyalty programmes. Furthermore, Waarden, Benavent and, Casteran (2012) stated that the Self-Determination theory represents that the nature of the reward itself determines whether motivation is extrinsic or intrinsic. As well as that researcher explained that the ability of measuring the ‘perceived benefits’ of rewards offers better opportunity to study the behavioural impacts of loyalty programmes. Therefore, the researcher attempts to explain about the concept of perceived benefits at the theoretical background for a better explanation.

### 2.3.2 Perceived benefits concept

Since 1990’s the customer perceived value concept and its contribution to consumer purchase intention and loyalty have researched wide coverage in literature (Bove &

Johnson, 2000; Cronin, Brady, & Hult, 2000; Slater, 1997; Woodruff, 1997). According to Hollebeek (2013) perceived value has been used in various theoretical and contextual applications including relationship marketing. Recently Kumar & Reinartz (2016) has described perceived value as customers' net valuation of the perceived benefits gathered from an offering that is based on the costs they are willing to give up for the needs they are looking to fulfil. In addition, most of the researchers has been undertaken on the conceptualisation of perceived value. According to shopping value context, most of the researchers have distinguished between utilitarian and hedonic value dimensions (Babin, Darden, & Griffin, 1994). Furthermore, most of the researchers have mentioned that Utilitarian (extrinsic) value represents the instrumental benefits of shopping (buying particular item or service), in contrast hedonic (intrinsic) value represents the experiential benefits derived from the shopping experience itself such as fun, novelty and escape (Babin & Darden, 1995; Terblanche & Taljaard, 2018).

There are several theories and models that describes how loyalty programmes influence customer behaviour and customer loyalty used by many researchers (Blattberg, et al., 2008). But according to this study, the researcher attempts to conduct this study based on Self-Determination theory and the customer perceived benefits concept.

## **2.4 Empirical Literature**

Based on above theoretical base, and also according to the concept of intrinsic and extrinsic motivation Waarden, Benavent and, Casteran (2012) categorized the different types of rewards that induce customer perceived benefit. As well as it can derive the specific motivations that induce loyalty programme usage. As an example Utilitarian rewards have enclosed within three fields (Frisou & Yildiz, 2011).

- Economical rewards and monetary savings that engage within the economic purchase motivation (e.g. price reductions) (Gable, et al., 2008)
- Convenience, in which case they satisfy commodity motivations (e.g. facilitate purchase, reduce purchasing time (Kwong, et al., 2011)
- Informational rewards, which are similar to exploration (Dre`ze & Nunes, 2006)
- In contrast, hedonistic rewards have more emotional benefits and associated with giving pleasure and entertainment (Mimouni-Chaabane & Volle, 2010; Arnold & Reynolds, 2003)

- Recognition and social-relational rewards that enables people to establish a firm relationship, which makes their interactions more interpersonal and helps the firm satisfy their needs better (Morrisson & Huppertz, 2010)

There is an extensive literature in different contexts which is dedicated to different types of rewards. These rewards have evolved from nearly 1998, many of the researchers have introduced confidence benefits, social benefits and special treatment benefits as well as that researchers have suggested that confidence benefits are the most important, social benefits are second important and special treatment benefits are at least important (Gwinner, et al., 1998). In line with that study, Thureau, Gwinner, and Gremler (2002) stated that at the economic-based loyalty programmes special treatments benefits do not significantly influence on customer satisfaction and loyalty. As a milestone in a extensive literature, Waarden and Benavent (2006) have categorized rewards as monetary, functional, informational, hedonist and relational. Furthermore, they have revealed that 66% satisfied with monetary value, 31% satisfied with functional value, 40% satisfied with informational value, 31% satisfied with hedonist value, 30% satisfied with relational value and also they have concluded that monetary benefits are the most important. In contrast with above studies, Reinares & Ponzoa (2008) have categorized the rewards as intangible and non-monetary and tangible and non-monetary as well as that researcher have stated that common incentives are not valued and at the multi-sponsored loyalty programmes social benefits category is problematic. As well as Gable, Fiorito, & Topol (2008) have categorized rewards as hard benefits and soft benefits and that researcher explained that hard benefits are more important and should pay particular attention to the competitiveness of hard benefits. Furthermore, Mimouni-Chaabane & Volle (2010) investigated utilitarian benefits, hedonic benefits and symbolic benefits including monetary savings, exploration, entertainment and recognition and social benefits. That study revealed that all the benefits, except social benefits have a positive and significant impact on loyalty and also recognition and monetary savings are most prominent. In the contrary, Waarden, Benavent and Casteran (2012) emphasized rewards as economic, hedonist, convenience, information, recognition and social relationship. According to that study, that researchers stated that the non-monetary benefits are most important and also the perceived benefits associated with loyalty programmes are diverse and relate to multiple consumer motivations and purchase orientations. In contrast with that study Demoulin & Zidda (2012) explored

context of hierarchical loyalty programmes in the apparel industry. According to that, for highly involved customers social benefits have a higher influence on the loyalty programme satisfaction whereas entertainment benefits have a lower impact.

As well as Kuo & Feng (2013) studied the effect of hedonic, social and learning benefits have on community commitments. They found that hedonic, social and learning benefits have positive effect on community commitments and customer loyalty. Furthermore, Terblanche & Taljaard (2018) investigated six types of perceived benefits such as convenience, customisation, expertise, financial, emotional and support. According to that study, convenience and customisation were not supported as well as strong positive relationship between four perceived benefits financial, emotional, expertise, support benefits and customer loyalty. These all the studies can be summarized as follows, (See Table 2.1).

Table 2.1 Summary of Empirical studies on Customer Loyalty Programmes

Source	Context	Key constructs	Findings
Gwinner, et al., (1998)	European	<ul style="list-style-type: none"> <li>• Confidence benefits</li> <li>• Social benefits</li> <li>• Special treatment benefits</li> </ul>	Confidence benefits are the most important, Social benefits are the second important, Special treatment benefits are the least important.
Thurau, Gwinner and Gremler (2002)	America n(North Western United States)	<ul style="list-style-type: none"> <li>• Confidence benefits</li> <li>• Social benefits</li> <li>• Special treatment benefits</li> </ul>	Special treatment benefits do not significantly influence.

Waarden and Benavent (2006)	European (France)	<ul style="list-style-type: none"> <li>• Economical</li> <li>• Functional</li> <li>• Informational</li> <li>• Hedonical</li> <li>• Relational</li> </ul>	66% satisfied with monetary value,31% satisfied with functional value,40% satisfied with informational value,31% satisfied with hedonist value,30% satisfied with relational value(monetary benefits are the most important)
Reinares and Ponzoa (2008)	European (Spain)	<ul style="list-style-type: none"> <li>• Intangible and non-monetary</li> <li>• Tangible and non-monetary</li> </ul>	Social benefits category is problematic
Gable, Fiorito and Topol (2008)	America n(South East region of USA)	<ul style="list-style-type: none"> <li>• Economic benefits</li> <li>• Soft benefits</li> </ul>	Hard benefits are more important.
Mimouni-Chaabane and Volle (2010)	European (France)	<ul style="list-style-type: none"> <li>• Monetary savings</li> <li>• Exploration,</li> <li>• Entertainment</li> <li>• Recognition and social benefits</li> </ul>	Social benefits are insignificant recognition and monetary savings are most prominent.
Demoulin and Zidda (2012)	European (Belgium )	<ul style="list-style-type: none"> <li>• Monetary savings</li> <li>• Exploration,</li> <li>• Entertainment</li> <li>• Recognition and social benefits</li> </ul>	Social benefits have a higher influence.
Waarden, Benavent, and Casteran (2012)	European (France)	<ul style="list-style-type: none"> <li>• Economic</li> <li>• Hedonist</li> <li>• Convenience</li> <li>• Information</li> </ul>	The non-monetary benefits are most important. The perceived benefits associated with loyalty programmes are diverse and relate to multiple

		<ul style="list-style-type: none"> <li>• Recognition and consumer motivations and social relationship purchase orientations.</li> </ul>	
Warden (2013)	European (France)	<ul style="list-style-type: none"> <li>• Economic</li> <li>• Functional</li> <li>• Informational</li> <li>• Hedonistic</li> <li>• Social-relational</li> </ul>	Differentiation can achieve through non-monetary benefits. The perceived value associated with frequent flyer programmes are diverse and relate to multiple consumer motivations and purchase orientations
Terblanche and Taljaard (2018)	South African context	<ul style="list-style-type: none"> <li>• Perceived customisation benefits</li> <li>• Perceived convenience benefits</li> <li>• Perceived expertise benefits</li> <li>• Perceived financial benefits</li> <li>• Perceived emotional benefits</li> <li>• Perceived support benefits</li> </ul>	There is strong positive relationship between four perceived benefits such as financial, emotional, expertise, support benefits and customer loyalty.

Source: (Developed by researcher based on literature)

According to above comprehensive review of the empirical background, it can be concluded that in Sri Lankan context less researches have been conducted by applying Self-Determination theory and various reward schemes like Economic, Hedonist, Convenience, Information and Recognition and social relationship. Against this backdrop the researcher attempts to conduct this study based on Self-Determination theory and various rewards schemes like Economic, Hedonist, Convenience, Information and Recognition and social relationship.



## **2.5 Conclusion**

This chapter has represented the theoretical background based on this study. Under that this chapter has provided the theoretical explanation regarding Self-Determination theory and customer perceived benefits concept. Finally, this chapter addressed that the comprehensive overview regarding empirical research findings of Economic, Hedonist, Convenience, Information and Recognition and social relationship rewards.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 Chapter Introduction**

This chapter describes the research methods used to carry out this study. It includes the conceptualization and operationalization process of the key variables of this study as well as research approach, research design, sources of data, population and sample selection, sampling technique and sample size. Furthermore, this chapter includes methodological limitations and data analysis techniques.

#### **3.2 Conceptualization and Operationalization**

##### **3.2.1 Conceptual Framework**

The conceptual framework of this study is based on the well-tested model developed by Waarden and Benavent (2006). According to the comprehensive review of the current literature this model has evolved from past studies (Gwinner, et al., 1998; Thureau, Gwinner, & Gremler, 2002; Gable, Fiorito, & Topol, 2008; Mimouni-Chaabane & Volle, 2010). According to Waarden and Benavent (2006), this model includes five independent variables such as economical rewards, relational rewards, functional rewards, hedonical rewards and informational rewards and the one dependent variable called loyalty. In line with that study, Waarden, Benavent and Casteran (2012) has improved this model by using Self-Determination theory. As well as considerable studies has been explained this model by using Self-Determination theory (Warden, 2013; Waarden, Benavent, & Casteran, 2012) According to the study of Waarden, Benavent and Casteran, (2012) this model consists with five independent variables such as economic rewards, hedonist rewards, convenience rewards, information rewards, recognition and social relationship rewards and the dependent

variable called customer loyalty. In line with that study, the researcher attempts to conduct this study by using Self-Determination theory and also the conceptual framework of this study adapted from Waarden, Benavent and Casteran, 2012. Therefore, the conceptual framework of this study consists with economic rewards, hedonist rewards, convenience rewards, information rewards, recognition and social relationship rewards and the dependent variable called customer loyalty.

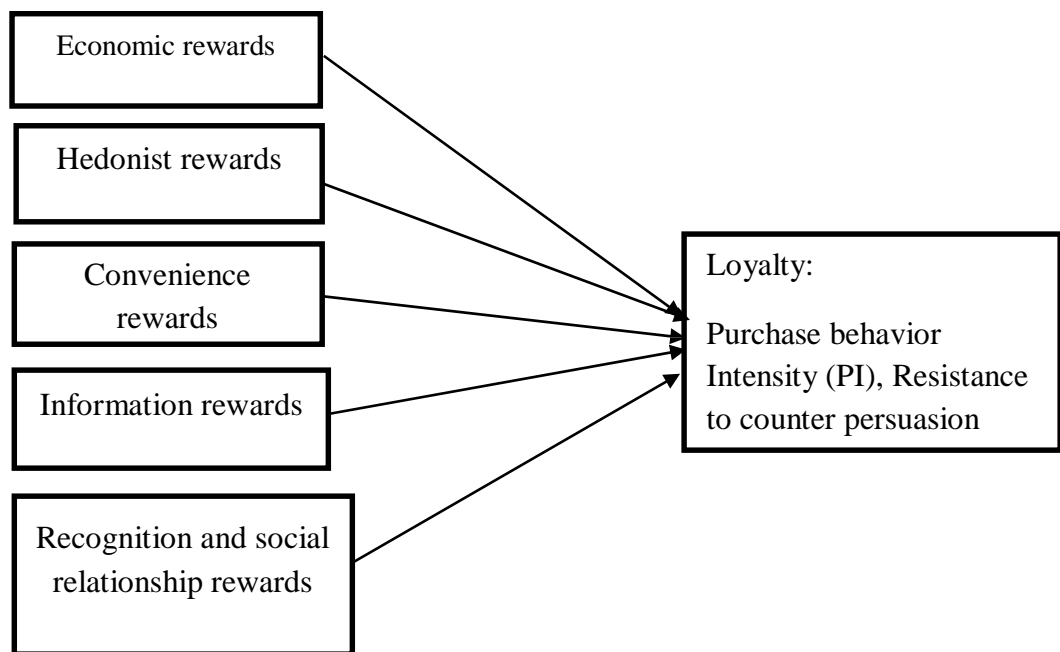


Figure 3.1 Conceptual Framework

Source: Adapted from (Waarden, Benavent and Casteran, 2012)

### 3.2.2 Conceptualization

Conceptualization is done within the aim of providing nominal definitions of independent variables and dependant variables. According to this study the nominal definitions of the variables can be shown as follows (See Table 3.1)

Table 3.1 conceptualization

Variable	Definition	Source
Economic rewards	Economic rewards are the monetary savings, which correspond to an economic motivation (e.g. price reductions)	Adapted from Gable et al., (2008)

Hedonist rewards	Hedonist rewards are more emotional benefits and correspond to motivations associated with giving or receiving pleasure and entertainment.	Adapted from Arnold and Reynolds (2003)
Convenience rewards	Convenience rewards are the rewards that reduce choice, and save time and effort.	Adapted from Mimouni-Chaabane and Volle (2010)
Information rewards	Informational rewards which are similar to exploration	Adapted from Babin, Darden and Griffin (1994); Dre`ze and Nunes, (2011)
Recognition and social relationship rewards	The rewards that enable people to gain status, be identified with a privileged group, or establish a firm relationship, which makes their interactions more interpersonal and helps the firm satisfy their needs better	Adapted from Morrisson and Huppertz (2010)
Loyalty	A customer's possible repurchase behavior, and willingness to become a member of the service institution. As well as customer loyalty is the performance of a consumer still choosing the same product or service after comparing it with other competitor's products with the premise that the competitive product can be easily purchased.	Adapted from Cheng et al., (2011)

### 3.2.3 Operationalization

Table 3.2 Operationalization

Variable	Dimension	Indicators	Measurement Scale	Source
Economic rewards		Using the package due to low call charges Spend less by using the package Have an opportunity to save money	Five point Likert Scale(1="strongly disagree", 2="disagree", 3="neutral", 4="agree", 5="strongly agree")	Adapted from Mimouni-Chaabane and Volle (2010)
Hedonist rewards		Giving pleasure when participating games Giving pleasure when redeeming points Providing special offers	Five point Likert Scale(1="strongly disagree", 2="disagree", 3="neutral", 4="agree", 5="strongly agree")	Adapted from Waarden, Benavent and Casteran (2012)
Convenience rewards		Executing the usual services Providing additional services Making the purchases easier and more practical	Five point Likert Scale(1="strongly disagree", 2="disagree", 3="neutral", 4="agree", 5="strongly agree")	Adapted from Waarden, Benavent and Casteran (2012)
Information rewards		Choosing value added services Discovering good deals and new types of services Giving knowledge about news and general information	Five point Likert Scale(1="strongly disagree", 2="disagree", 3="neutral", 4="agree", 5="strongly agree")	Adapted from Waarden, Benavent and Casteran (2012)

Recognition and social relationship rewards		Paying more attention than others	Five point Likert Scale(1="strongly disagree", 2="disagree", 3="neutral", 4="agree", 5="strongly agree")	Adapted from Waarden, Benavent and Casteran (2012)
		Including group of privileged customers		
		Treating as an honoured Customer		
Loyalty	Purchase Intensity(PI)	Increasing the purchase frequency	Five point Likert Scale(1="strongly disagree", 2="disagree", 3="neutral", 4="agree", 5="strongly agree")	Adapted from Waarden, Benavent and Casteran (2012)
		Choosing a large variety of services		
	Resistance to counter persuasion (RCP)	Continuance usage in the future		
		Not switch to competitors' post-paid package		
		Recommendation to family and friends		

### 3.3 Research Approach

Research Approach can be classified in to three types as deductive, inductive and abductive (Saunders, Lewis, & Thornhill, 2009).According to that, the researchers can use the deductive approach to test a theory and also it can be used the inductive approach to build a theory. The deductive approach starts with a theory and often developed from the academic literature and the researcher designs a research strategy to test the theory. In contrast, the inductive approach starts with collecting data and

generate or build a theory (Saunders, et al., 2009). According to this study, the researcher attempts to use the deductive approach because this is a study which test a theory with hypotheses and hypotheses are tested by collecting data by using a survey questionnaire (Saunders, et al., 2009).

### **3.4 Research design**

Research design is a framework that use as a blue print for collection and analysis of data. There are three types of research designs. They are explanatory, descriptive and exploratory research design (Saunders, et al., 2009). Explanatory research design use to measure the relationship between independent and dependant variables (Saunders, et al., 2009). As well as most of the quantitative researchers use the explanatory research design for their research purpose. According to this study the researcher attempts to investigate the relationship between independent variables (economic rewards, hedonist rewards, convenience rewards, information rewards, recognition and social relationship rewards) and dependant variable (customer loyalty). Therefore the researcher attempts to conduct this study based on the explanatory research design.

### **3.5 Sources of data**

There are two major types of data sources. They are primary data sources and secondary data sources. Primary data means the data which are collected in first time for a specific purpose and original and fresh data (Saunders, et al., 2009). According to this study, a survey based on the structured questionnaires has used for primary data collection.

### **3.6 Population and sample selection**

According to the Department of Census and Statistics (DCS) in 2016 there were 1,109,475 total state sector employees. According to their hierarchical structure there are 51 line ministries such as Ministry of Agriculture, Ministry of Defence and etc. But according to the Mobitel (pvt) Ltd the in last several years majority of 'Upahara' post-paid loyalty customer base was consists with the employees attached to the Ministry of Education (Telecom, 2018). As well as the Mobitel (pvt) Ltd strives to increase business potential by providing more benefits to teachers and administrators attached to the Ministry of Education (Mobitel press-releases, 2017). Because of that the researcher has selected the Ministry of Education for data collection purpose. According to the DCS, there were 67,947 employees attached to the Ministry of Education. There are several institutions coming under Ministry of Education such as Department of

Examinations, Department of Educational Publications, All National Schools, All national colleges of Education, All Teachers' Training Colleges, All pirivens, National Institute of Education and etc. The Ministry of Education situated in 'Isurupaya' is a major institution that manipulate all educational activities and other sub institutions under the Ministry of Education. According to DCS, it consists with highest number of (1173) employees who working in one place under the Ministry of Education (See Table 3.3). Currently there are 2573 employees working in Ministry of Education in 'Isurupaya'. Therefore, the researcher has selected the Ministry of Education situated in 'Isurupaya' as the research setting of this study.

Table 3.3 Institutions coming under Educational Ministry

S/N	Name of the Institution	Sector	Total
1	Ministry of Education	Central	1,173
2	Department of Educational Publications	Central	364
3	All national schools	Central	46,769
4	All national colleges of Education	Central	1,687
5	All Teachers' Training Colleges	Central	2,787
6	All pirivens	Central	6,439

Source: (DCS, 2018)

### 3.7 Sampling

#### 3.7.1 Sampling Technique

According to this study, the population size can be countable and known. The researcher requested 'name list of employees who are working in Ministry of Education'. But the authority of Ministry of Education refuse to give any information regarding employees due to confidential reasons. As well as, the authority has restricted amount of employees due to COVID-19 pandemic situation. Therefore, one employee usually comes only 2 days per week. It is a barrier to select and contact employees randomly. Because of above reasons and unavailability of sampling frame, the researcher has decided to use 'convenience sampling technique'. Since, the researcher will distribute the questionnaires manually to the employees who are working in Ministry of Education 'Isurupaya' premises.



### 3.7.2 Sample size

Where the population is unknown, the sample size can be derived by computing the minimum sample size required for accuracy in estimating proportions by considering the standard normal deviation set at 95% confidence level (1.96), percentage picking a choice or response (50%=0.5) and the confidence interval (0.05= $\pm 5$ ) (Krejcie & Morgan, 1970).

The formula is:

$$n = Z^2 (p) (1-p) \div C^2 \quad (3.1)$$

Where,

n = Sample size

Z= Standard normal deviation at 95% confidence level (1.96)

p = percentage picking a choice or response (0.5)

C = Confidence interval (0.05)

When solved above equation,

$$\begin{aligned} n &= (1.96)^2 (0.5)(1 - 0.5) \div 0.05^2 \\ &= 384.16 \end{aligned}$$

Hence, the sample size is 384.

### 3.8 Method of Data Collection

The researcher has used the structured questionnaires for primary data collection purpose.

### 3.9 Research Instrument

Questionnaire survey has been used in this study.

### **3.9.1 Questionnaire Design**

Questionnaire of this study consists with three parts. Part A consists with the general questions including demographic variables. Part B includes the questions that are based on five independent variables (economic, hedonist, convenience, informational, recognition and social relationship) as well as Part C consists with the questions that are based on dependant variable (Customer Loyalty). Questionnaires are designed in both languages English and Sinhala. At the questionnaire, all items used five-point Likert scales (1=“strongly disagree”, 2=“disagree”, 3=“neutral”, 4=“agree”, 5=“strongly agree”)

### **3.10 Methodological limitations**

There are some methodological limitations in this study. According this study the researcher attempts to generalize the research findings by studying factors influencing state sector employees’ loyalty towards ‘Upahara’ post-paid package. But the conclusion has given the entire population based on that findings but it is not indicated individual impact of these rewards. This study based on psychological situation of each respondent. As well as these findings cannot be generalized and applied to other industries and other loyalty programmes. Furthermore, the researcher has used convenience sampling technique due to critical issues.

### **3.11 Data analysis techniques**

#### **3.11.1 Validity**

Validity refers to describe whether the findings are really about what they appear to be about. There are two methods for checking validity. They are content/face validity and construct validity. Construct validity consists with convergent validity and discriminant validity (Saunders, Lewis, & Thornhill, 2009).According to this study the researcher attempts to check only the content validity. Under that, the researcher has been conducted the study under the guidance of academic expert.

#### **3.11.2 Reliability**

Reliability refers to measure the data collection techniques or analysis procedures will yield consistent findings (Smith, et al., 2008).There are three types of reliability. They are internal consistency reliability, test-retest reliability and inter- rater reliability (Sekaran, 2010). According to this study the researcher attempts to use internal

consistency reliability. Cronbach's Alpha value refers to measure the internal consistency reliability. It is the reliability coefficient that represents how well the items in a set are positively correlated to one another (Sekaran, 2003).

### **3.11.3 Descriptive statistics**

Descriptive statistics use to describe the data set in more meaningful way. According to this study the researcher has been used graphs, charts, tables under the descriptive statistics. Furthermore, the researcher has used pie charts, tables for describe the sample profile of the respondents. Under the descriptive statistics the researcher has been used mean and standard deviation as the numerical measurements.

### **3.11.4 Inferential statistics**

Inferential statistics is more advanced than descriptive statistics. Under the inferential statistics, the researcher has been used Pearson's correlation coefficient and multiple regression analysis as the data analysis methods. Pearson's correlation analysis refers to measure the relationship between independent variables and dependant variable. Regression analysis refers to measure the impact of independent variables on dependant variable. For the convenience of using these data analysis methods the researcher has been used Statistical Package for the Social Science (SPSS) version 21.0 as the analytical tool.

### **3.11.5 Regression equation**

Regression analysis refers to predict the values of a dependant variable given the values of one or more variables by calculating a regression equation. The dependent variable in the regression equation refers as a function of the independent variables, corresponding parameters, constant and error term (Saunders, Lewis, & Thornhill, 2009). The equation of multiple regression can be shown as follows,

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_p X_p + \epsilon \quad (3.2)$$

According to above equation, the regression equation for this study can be derived as follows,

$$CL = \beta_0 + \beta_{ER} + \beta_{HR} + \beta_{CR} + \beta_{IR} + \beta_{RSR} + \varepsilon \quad (3.3)$$

Where,

CL = Dependant variable (Customer Loyalty)

$\beta_0$  = Intercept/ constant of equation

$\beta$  = Slope

ER = Independent variable (Economic Rewards)

HR = Independent variable (Hedonist Rewards) CR

= Independent variable (Convenience Rewards)

IR = Independent variable (Information Rewards)

RSR = Independent variable (Recognition and Social relationship Rewards)

$\varepsilon$  = Random error

Value of the  $R^2$  of the regression analysis represents the explanatory power of independent variables on dependant variable (Saunders, et al., 2009). Value of the  $\beta$  coefficient of regression analysis represents the degree to which extent the dependent variable is changed due to changing a certain independent variable, when all other independent variables are stable. Significance level (p – value) of  $\beta$  coefficient (unstandardized coefficient) is used to test hypotheses. If p – value is less or equal 0.05 ( $P \leq 0.05$ ), alternative hypothesis is accepted as well as if p – value is greater than 0.05 ( $P > 0.05$ ), alternative hypothesis is rejected.

### 3.12 Conclusion

This chapter represented the research methods used to carry out this study. The researcher has used deductive approach, explanatory research design, convenience sampling technique. As well as structured questionnaires has been used for primary data collection purpose. Furthermore, this chapter emphasized the methodological

limitations and data analysis technique. The next chapter explains the analysis of data which was collected and build a discussion based on the result of the analysis by using the SPSS version 21.0.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND DISCUSSION**

#### **4.1 Introduction**

This chapter describes the findings stemmed from the statistical analysis of data collected for this study. It consists with data preparation and data cleaning, sample profile, reliability and validity assessment, descriptive statistics and inferential statistics.

#### **4.2 Data preparation and data cleaning**

Data preparation provide direction for successful data mining. The researcher has distributed 384 questionnaires to the employees who are working in the Ministry of Education 'Isurupaya' premises. Out of these 384, 337 questionnaires were collected. Among these questionnaires, 286 questionnaires would be able to accept. Because there were 46 non-users of Upahara post-paid package and there were 05 questionnaires with several missing values. Therefore, the effective response rate of this study is 74.4%. The researcher has used 286 questionnaires for the final analysis. After preparation of data set, the researcher has used data cleaning process to overcome the errors.

There were several missing values in questions attached to the variables of economic rewards, convenience rewards, recognition and social relationship rewards and customer loyalty. To overcome that, the researcher has replaced the mean values of that variables by creating function of SMEAN. For that process, the researcher has used the missing value handling option of SPSS (Refer Appendix D).

### 4.3 Sample Profile

The questionnaire consists with three types of demographic variables namely gender, age and educational level. The Table 4.1 represents the demographic profile of the respondents.

Table 4.1 Demographic profile of the respondents

Category	Frequency	Percentage (%)
Gender		
Female	166	58%
Male	120	42%
Age		
18-30	63	22%
31-40	124	43.4%
41-50	70	24.5%
Above 50	29	10.1%
Educational Level		
Up to O/L	11	3.8%
Up to A/L	82	28.7%
Undergraduate	43	15%
Graduate	101	35.3%
Postgraduate	25	8.7%
Vocational/professional qualifications	24	8.4%

Source: Survey data (2020)

#### 4.3.1 Distribution of gender categories

According to Table 4.1, the sample of respondents consists of 166 (58%) females and 120 (42%) males.

#### 4.3.2 Age composition

The age distribution of the respondents has categorized into four different age categories. Out of which, the majority of respondents were belongs to 31-40 age

category and the percentage represented as 43.4%. As well as the 24.5% percentage of respondents were at 41-50 age category. And also 22% percentage of respondents were at 18-30 age category. Furthermore, the minority of respondents were at above 50 age category and the percentage represented as 10.1% (See Table 4.1)

### 4.3.3 Level of Education

The level of education of respondents has categorized in to six categories. Out of which, the majority of respondents were Graduates and the percentage represented as 35.3 .And also there were 28.7% respondents who were qualified in GCE A/L and 15% percentage of respondents were undergraduates. As well as 8.7% percentage of respondents were qualified in Postgraduate and 8.4% percentage of respondents were qualified in Vocational/professional qualifications. Furthermore, minority of respondents were qualified in GCE O/L.

### 4.4 Reliability of the Measures

According to, Sekaran (2003) the reliability is a measure that established to test both consistency and stability. Cronbach's Alpha is a reliability coefficient that represents how well the items in a set are positively correlated to one another. As well as Cronbach's Alpha shows that the adequate test of internal consistency reliability. Furthermore, Sekaran (2003) emphasized that if the Cronbach's Alpha values less than 0.6 are represented to be poor, 0.7 range acceptable and above 0.8 good.

Table 4.2 Cronbach's Alpha value of the variables

<b>Variable</b>	<b>Cronbach's alpha value</b>	<b>Number of items</b>	<b>Comment</b>
Economic rewards	0.725	03	Acceptable
Hedonist rewards	0.748	03	Acceptable
Convenience rewards	0.725	03	Acceptable
Informational rewards	0.742	03	Acceptable
Recognition and social relationship rewards	0.861	03	Good



Customer loyalty	0.804	05	Good
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Source: survey data (2020)

According to Table 4.2 the Cronbach's Alpha value of Economic rewards, Hedonist rewards, Informational rewards are in 0.7 range and Recognition and social relationship rewards, Customer loyalty are in above 0.8. Therefore, all the variables can be considered as reliable (Refer Appendix E).

#### **4.5 Validity of Measures**

The validity refers to the ability of the questionnaire to measure what it intends to measure. There are two methods for checking validity. They are content/face validity and construct validity. Construct validity consists with convergent validity and discriminant validity (Saunders, Lewis, & Thornhill, 2009). According to this study the researcher has checked only the content/face validity. Because the researcher has adapted to a well-established measurement scale. Based on that, the researcher has done a pilot test by getting advices from one academic expert specialized in Marketing Management and Information System Management. According to the suggestions of academic expert the researcher has incorporated minor corrections to the final questionnaire. Then the researcher distributed 15 questionnaires to the potential respondents (school teachers) to get a clear view about the flow and clarity of the questions. Minor comments stemmed from them were incorporated in the final questionnaire design.

#### **4.6 Descriptive statistics**

According to, Saunders, Lewis and Thornhill (2019) the Descriptive statistics facilitates to describe and compare variables numerically. It describes the variables in two aspects. They are measures of Central tendency and measures of dispersion. There are main ways of measuring the central tendency. They are mean, median and mode. Measures of dispersion refers to describe how the data values are dispersed around the central tendency. Under the descriptive statistics, the researcher calculated mean, standard deviation.

Table 4.3 Descriptive statistics

<b>Variable</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Economic rewards	286	3.9311	0.67791
Hedonist rewards	286	2.6119	0.83427
Informational rewards	286	2.9324	0.94203
Recognition and social relationship rewards	286	3.7122	0.88048
Convenience rewards	286	3.8120	0.66962
Customer loyalty	286	4.0082	0.60440

Source: survey Data (2020)

According to Table 4.3, customer loyalty represents the highest mean value of 4.0082 with 0.60440 standard deviation. In contrast, economic rewards represent the smallest mean value of 3.9311 with 0.67791 standard deviation. As well as convenience rewards represents 3.8120 mean value with 0.66962 standard deviation, recognition and social relationship rewards represents 3.7122 mean value with 0.88048 standard deviation, informational rewards represents 2.99324 mean value with 0.94203 standard deviation and hedonist rewards represent 2.6119 mean value with 0.83427 (Refer Appendix F)

#### **4.7 Inferential statistics**

Inferential statistics refers to infer results from the data analysis. The current study has been conducted to achieve parametric assumptions. Sekaran & Bougie (2009) stated

that for non-probability sampling the normality test is not an essential requirement. As well as that researcher stated that normality assumption testing is not applicable when using convenience sampling technique. According to this study, the researcher has used convenience sampling technique under the non- probability sampling method. Therefore the researcher not conducted normality test. Correlation and regression had been used to test hypotheses of current study.

#### 4.7.1 Correlation analysis

Correlation refers to indicate the strength and direction of the relationship (Sekaran, 2003). The correlation coefficient also known as Pearson’s correlation coefficient refers to quantify the strength of the linear relationship between numerical variables. This coefficient (represented by ‘r’) ranges between -1 and +1. A value of +1 indicates a perfect positive relationship. It means that if values of one variable increase, the values of other variable will increase. In the contrary, a value of -1 indicates a perfect negative relationship. It means that if values of one variable increase, the values of other variable will decrease. The value of ‘0’ indicates that perfectly independent. As well as if the p-value less than 0.05 it is considered statistically significant relationship. If the p-value greater than 0.05 it is considered statistically insignificant relationship (Saunders, Lewis, & Thornhill, 2009).

Table 4.4 Correlation table

<b>Variable</b>	<b>N</b>	<b>Pearson’s correlation coefficient</b>	<b>p-value</b>
Economic rewards	286	0.552	0.000
Hedonist rewards	286	-0.056	0.348
Informational rewards	286	-0.042	0.478
Recognition and social relationship rewards	286	0.716	0.000
Convenience rewards	286	0.481	0.000

Source: Survey data (2020)

According to Table 4.4, the economic rewards ( $r = 0.552$ ,  $p = 0.000$ ) recognition and social relationship rewards ( $r = 0.716$ ,  $p = 0.000$ ) convenience rewards ( $r = 0.481$ ,  $p = 0.000$ ) has a positive relationship towards customer loyalty. The p- value of economic rewards, recognition and social relationship rewards, convenience rewards are less than 0.05. It represents that the variables have statistically significant relationship towards customer loyalty. It means economic rewards, recognition and social relationship rewards, convenience rewards have positive and significant relationship towards customer loyalty. In contrast, hedonist rewards ( $r = -0,056$ ,  $p = 0.348$ ) informational rewards ( $r = -0.042$ ,  $p = 0.478$ ) has a negative relationship towards customer loyalty. The p-value of hedonist rewards, informational rewards are greater than 0.05. It represents that the variables have statistically insignificant relationship towards customer loyalty. It emphasizes that the hedonist rewards, informational rewards have negative and insignificant relationship towards customer loyalty (Refer Appendix G)

#### **4.7.2 Multiple regression Analysis**

Regression is the statistical measure that refers to examine the strength of the relationship between two or more variables. There are two types in regression analysis. They are simple linear regression and multiple linear regression. The simple linear regression refers to analyse the relationship between the one independent variable and dependant variable and multiple regression refers to analyse the relationship between two or more independent variables and dependant variable (Saunders, Lewis, & Thornhill, 2009). According to this study the researcher attempts to analyse the impact of economic rewards, hedonist rewards, informational rewards, convenience rewards, recognition and social relationship rewards towards customer loyalty. Therefore, the researcher used multiple regression for analysis purpose.

##### **4.7.2.1 R Square ( $R^2$ )**

The coefficient determination (represented by  $R^2$ ) refers to measure the strength of relationship between a numerical dependant variable and one or more numerical independent variables. The coefficient determination should be ranged between 0 and +1 (Saunders, Lewis, & Thornhill, 2009).

Table 4.5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
3	0.745	0.555	0.550	0.40541	1.787

Source: Survey Data (2020)

According to Table 4.5, Adjusted R Square value is 0.550 and it can be concluding that 55% of the variance of customer loyalty is explained by economic rewards, recognition and social relationship rewards and convenience rewards. Other, 45% of the variance of customer loyalty is explained by other influencing factors which are not covered by the current study (Refer Appendix H).

#### 4.7.2.2 ANOVA Table

ANOVA use to analyses the variance that is the spread of data values, within and between groups of data by comparing means. As well as it represents that the regression model is statistically significant or not. If the significant value is less than 0.05 it can be conclude that the model is statistically significant (Saunders, Lewis, & Thornhill, 2009).

Table 4.6 ANOVA Table

Model	Sum of Squares	Df	Mean Square	F	Sig.
3 Regression	57.761	3	19.254	117.148	0.000
Residual	46.348	282	0.164		
Total	104.109	285			

Source: Survey Data (2020)

According to Table 4.6, the output significant value is 0.000. Therefore it can be conclude that the regression model is significant (Refer Appendix I).

#### 4.7.2.3 Analysis of Coefficient

According to Field (2009), the regression coefficients consist with two parameters known as the slope/gradient( $\beta$ ) and intercept ( $\beta_0$ ). The slope of the regression line represents that the change in the dependant variable associate with a unit change in the independent variable. As well as that researcher stated that the slope with positive value

represents the positive relationship, the slope with negative value represents the negative relationship.

Table 4.7 Coefficient table

Model	Unstandardized Coefficients		Sig
	B	Std. Error	
(Constant)	1.541	0.165	0.000
Recognition and social relationship rewards	0.376	0.036	0.000
Economic rewards	0.187	0.043	0.000
Convenience rewards	0.088	0.043	0.042

Source: Survey data (2020)

According to Table 4.7, the highest influential factor towards customer loyalty is recognition and social relationship rewards with 0.376  $\beta$  coefficient. This means increasing one unit of economic rewards causes to increase the customer loyalty by 0.376 units while other independent variables are constant. The significant value is 0.000 at 95% confidence interval. The second highest influential factor towards customer loyalty is economic rewards with 0.187  $\beta$  coefficient. This represents that the increasing one unit of economic rewards causes to increase the customer loyalty by 0.187 units while other independent variables are constant. The significant value is 0.000 at 95% confidence interval. The lowest influential factor towards customer loyalty is convenience rewards with 0.088  $\beta$  coefficient. This means increasing one unit of convenience rewards causes to increase the customer loyalty by 0.088 units while other independent variables are constant. The significant value is 0.042 at 95% confidence interval. It is also significant because it is less than 0.05 (Refer Appendix J). Based on above results the regression equation can be derived as follows,

$$CL = 1.541 + 0.376_{RSR} + 0.187_{ER} + 0.088_{CR} + \epsilon \quad (4.1)$$

#### 4.7.2.4 Excluded variable

Table 4.8 Excluded variable table

Model	Beta In	T	Sig.
3 Hedonist rewards	-0.032 <sup>d</sup>	-0.792	0.429
Informational rewards	-0.023 <sup>d</sup>	-0.562	0.574

Source: Survey data (2020)

According to Table 4.8, the p-value for hedonist rewards is 0.429 which is higher than the 0.05 significance level. As well as the p-value for informational rewards is 0.574 which is higher than the significance level (Refer Appendix K).

#### 4.7.2.5 Hypotheses Testing

As mentioned in first chapter there is five hypotheses in this study. Based on above statistical analysis the hypotheses can be tested by using p-value and  $\beta$  coefficient. If the p-value should be less than 0.05 to accept the hypotheses (Saunders, Lewis, & Thornhill, 2009).

H1: There is an impact of economic rewards on state sector employees' loyalty towards Upahara post-paid package

The p-value of economic rewards is 0.000 which is less than 0.05. As well as the  $\beta$  coefficient for economic rewards is 0.187. Therefore H1 can be accepted and it can be conclude that there is a positive and significant impact of economic rewards on state sector employees' loyalty towards Upahara post-paid package.

H2: There is an impact of hedonist rewards on state sector employees' loyalty towards Upahara post-paid package

According to Table 4.8, the p-value for hedonist rewards is 0.429 which is higher than the 0.05 significance level. Therefore H2 can be rejected and it can be conclude that the hedonist rewards do not impact on state sector employees' loyalty towards Upahara post-paid package (Refer Appendix K)

H3: There is an impact of convenience rewards on state sector employees' loyalty towards Upahara post-paid package

The p-value of convenience rewards is 0.042 which is less than 0.05 significance level. As well as  $\beta$  coefficient for convenience rewards is 0.088. Therefore H3 can be accepted

and it can be conclude that there is positive and significant impact of convenience rewards on state sector employees' loyalty towards Upahara post-paid package.

H4: There is an impact of informational rewards on state sector employees' loyalty towards Upahara post-paid package

According to above Table 4.8, the p-value for information rewards is 0.574 which is higher than the 0.05 significance level. Therefore H4 can be rejected and it can be conclude that the informational rewards do not impact on state sector employees' loyalty towards Upahara post-paid package (Refer Appendix K)

H5: There is an impact of recognition and social relationship rewards on state sector employees' loyalty towards Upahara post-paid package

The p-value of recognition and social relationship rewards is 0.000 which is less than 0.05 significance level. The  $\beta$  coefficient for recognition and social relationship rewards is 0.376. Therefore the H5 can be accepted and it can be conclude that there is positive and significant impact of recognition and social relationship rewards on state sector employees' loyalty towards Upahara post-paid package.

As a summary, it can be conclude that economic rewards, convenience rewards, recognition and relationship rewards have positive and significant impact on state sector employees' loyalty towards Upahara post-paid package while hedonist rewards and informational rewards do not impact on state sector employees' loyalty towards Upahara post-paid package.

Table 4.9 Hypotheses summary

No.	Hypotheses	p-value	Result
H1	There is an impact of economic rewards on state sector employees' loyalty towards Upahara post-paid package	0.000	Accepted



<b>H2</b>	There is an impact of hedonist rewards on state sector employees' loyalty towards Upahara post-paid package	0.429	Rejected
<b>H3</b>	There is an impact of convenience rewards on state sector employees' loyalty towards Upahara post-paid package	0.042	Accepted
<b>H4</b>	There is an impact of informational rewards on state sector employees' loyalty towards Upahara post-paid package	0.574	Rejected
<b>H5</b>	There is an impact of recognition and social relationship rewards on state sector employees' loyalty towards Upahara post-paid package	0.000	Accepted

#### **4.8 Discussion**

This study has conducted with the objective of investigating the factors impact on state sector employees' loyalty towards Upahara post-paid package. To achieve this objective, the researcher has developed five hypotheses based on comprehensive literature review. In line with that, the researcher has investigated the key findings based on this study.

#### **Impact of economic rewards on state sector employees' loyalty towards Upahara post-paid package**

Waarden and Benavent (2006) found that 66% customers satisfied with monetary value and economic benefits are recognized as most important benefits than other benefits. Terblanche and Taljaard (2018) revealed that there is a strong positive relationship between financial benefits and customer loyalty ( $r = 0.712$ ,  $p < 0.05$ ). Some researchers in Sri Lankan context have also stated that Sri Lankan subscribers are price sensitive

and majority of the subscribers expect reasonable charges and anticipate opportunity to do payments in installments (Adikari, Rabel, & Samarasinghe, 2008). In line with the above studies, the current study has indicated that there is a positive and significant impact of economic rewards ( $p = 0.000$  and  $\beta = 0.187$ ) on state sector employees' loyalty towards Upahara post-paid package.

### **Impact of hedonist rewards on state sector employees' loyalty towards Upahara post-paid package**

Waarden, Benavent and Casteran (2012) investigated that there is a strong impact of hedonist rewards on customer loyalty. Also, Mimouni-Chaabane and Volle (2010) investigated that there is a positive and significant impact of hedonist rewards towards customer loyalty. According to that study, it should be promote exchanging points, entertainment benefits in loyalty programmes among French members of loyalty programmes. In contrast, Bose and Rao (2011) argued with the study of Mimouni-Chaabane and Volle (2010) and that researcher has stated that the Indian customers do not highly consider about the hedonist rewards like entertainment benefits. As well as that researcher has stated that French and Indian loyalty programme members have two different internal stimuli processes. As Asian countries, the Sri Lankan customers also have similar internal stimuli processes as Indian customers. As well as in Sri Lankan context Adikari, Rabel and Samarasinghe (2008) investigated that the Sri Lankan customers are not mainly consider about hedonist rewards and only 18% of customers consider about the hedonist rewards like loyalty points. In line with that studies, the current study revealed that the hedonist rewards do not impact on ( $p = 0.429$  which is higher than the 0.05 significance level) state sector employees' loyalty towards Upahara post-paid package.

### **Impact of convenience rewards on state sector employees' loyalty towards Upahara post-paid package**

According to Waarden, Benavent and Casteran (2012) investigated that the convenience rewards significantly impact on customer loyalty. As well as Perks and Oosthuizen (2017) stated that the ease of use factor significantly impact on effectiveness of loyalty programmes. Furthermore, in Sri Lankan context Adikari,

Rabel and Samarasinghe (2008) stated that the Sri Lankan subscribers are mainly consider about convenience rewards and most importantly they consider about convenience of language that the mobile operator has used when providing services. In line with those studies, the current study represents that there is a positive and significant impact of convenience rewards ( $p = 0.042$ ,  $\beta = 0.088$ ) on state sector employees' loyalty towards Upahara post-paid package.

### **Impact of informational rewards on state sector employees' loyalty towards Upahara post-paid package**

Waarden (2013) stated that there is a significant relationship between informational rewards and customer loyalty ( $b=0.39$ ,  $p<0.05$ ). As well as Mimouni-Chaabane and Volle (2010) revealed that there is a significant relationship between informational rewards (exploration) and customer loyalty. In contrast, Bose and Rao (2011) investigated that in Indian context informational rewards has become a critical factor in loyalty programmes. According to that study, it has revealed that Indians perceive from loyalty programmes might actually differ from that French customers because of the cultural differences. As Asian countries, Sri Lankans also have similar cultural aspects with Indians. In line with that study, Adikari, Rabel and Samarasinghe (2008) found that about 61% customers do not consider about Value Added Services provided by mobile service operators. Therefore they conclude that in Sri Lankan context there is no importance of informational rewards like Value Added Services towards customer loyalty. Furthermore, Silva and Yapa (2009) investigated that Sri Lankan customers more interested in common telecommunication services instead of ICT based new types of services provided by mobile service operators. As well as they revealed that there is a defective legal and financial system prevails in Sri Lanka and that is different from developed countries such as UK and USA. In line with above findings, the current study revealed that the informational rewards do not impact on ( $p = 0.574$  which is higher than the 0.05 significance level) state sector employees' loyalty towards Upahara post-paid package.

### **Impact of recognition and social relationship rewards on state sector employees' loyalty towards Upahara post-paid package**

Mimouni-Chaabane and Volle (2010) stated that there is a positive and significant impact of recognition and social relationship rewards on customer loyalty. They have

also stated that recognition and social relationship rewards are the most prominent factor towards customer loyalty. Also, Waarden, Benavent and Casteran (2012) stated that there is a significant impact of recognition and social relationship rewards towards customer loyalty and it should promote recognition and relational aspects. Furthermore, Silva and Yapa, (2009) stated that building relationship has become an important factor in telecommunication industry in Sri Lanka. Furthermore, Jayawickramarathna (2014) stated that in telecommunication industry the service providers should create relationship with customers to achieve long term benefits. In line with above mentioned studies, the current study reveals that there is a positive and significant impact of recognition and social relationship rewards ( $p = 0.000, \beta = 0.376$ ) on state sector employees' loyalty towards Upahara post-paid package.

#### **4.9 Conclusion**

In this chapter, the researcher has analyzed the data collected through questionnaires. Based on the statistical analysis, the current study revealed that there is positive and significant impact of economic rewards, recognition and social relationship rewards and convenience rewards on state sector employees' loyalty towards Upahara post-paid package. Moreover, it reveals that informational rewards and hedonist rewards do not impact on state sector employees' loyalty towards Upahara post-paid package.

## **CHAPTER FIVE**

### **CONCLSION AND RECOMMENDATION**

#### **5.1 Conclusion**

The main objective of this study is to examine the factors impact on state sector employees' loyalty towards Upahara post-paid package. To achieve this objective the researcher adapted a conceptual framework based on comprehensive literature review with five independent variables (economic rewards, hedonist rewards, convenience, information and recognition and social relationship rewards) and one dependant variable (customer loyalty). Then the researcher developed five hypotheses to determine the impacts of economic rewards, hedonist rewards, convenience rewards, recognition and social relationship rewards towards customer loyalty. To test hypotheses, the researcher collected data from 286 respondents who work in Ministry of Education in 'Isurupaya' employing convenience sampling technique. The researcher conducted statistical analysis by using SPSS version 21.0. Initially, the researcher checked reliability, further correlation and regression analysis was performed to achieve the objectives of this study. The findings of this study shows that there is positive and significant impact of economic rewards, convenience rewards, recognition and social relationship rewards on state sector employees' loyalty towards Upahara post-paid package while hedonist rewards and informational rewards do not impact on state sector employees' loyalty towards Upahara post-paid package.

#### **5.2 Managerial Implications**

The telecommunication industry in Sri Lanka has been overcrowded during the last couple of years and Sri Lanka's mobile telecommunication industry has become more

competitive. As well as customer retention has become a critical issue in this industry. The state sector employees are specific group of customers for mobile service operators. This study provides practical implications for Mobitel managers to redesign their 'Upahara' post-paid package as well as it provides direction for other mobile service providers to design successful loyalty programmes by targeting state sector employees.

According to this study, the highest influential factor towards customer loyalty is recognition and social relationship rewards. It represents that Mobitel managers should improve recognition and social relationship rewards. As well as Mobitel managers should create relationships with state sector employees and should treat them as privileged customers. Furthermore, it is appropriate to train the Mobitel staff for relationship building and paying more attention towards state sector employees. And also, the second most influential factor is economic rewards. It implies that the state sector employees are more price sensitive. Therefore Mobitel managers should offer financial benefits to state sector employees. Otherwise, it is difficult to attract attention of state sector employees. Furthermore, another influential factor is convenience rewards. It represents that the Mobitel managers should emphasize the convenient pattern more easily and more practical. As well as the senior level managers in Mobitel should conduct trainings for their staff to manage convenient language pattern when providing services to the state sector employees.

Furthermore, this study reveals that hedonist rewards and informational rewards do not impact on state sector employees' loyalty towards Upahara post-paid package. It represents state sector employees neglect the hedonist rewards and informational rewards. Therefore Mobitel managers should not give priority to provide hedonist rewards like exchanging loyalty points as well as informational rewards like Value Added Services.

### **5.3 Future research directions**

According to this study, the Adjusted R Square value is 0.550 and it can be conclude that 55% of the variance of customer loyalty is explained by economic rewards, recognition and social relationship rewards and convenience rewards. Other, 45% of the variance of customer loyalty is explained by other influencing factors which are not

covered by the current study. The future researchers can investigate about factors which are not mentioned in this study.

The results of this based on 286 effective responses that were collected from Ministry of Education in 'Isurupaya'. The future researchers can conduct their studies based on other institutions.

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## APPENDICES

### APPENDIX A

Table 1.1 Cellular Mobile Telephone Operators

No	Operator
1	Bharti Airtel Lanka (Pvt.) Ltd.
2	Dialog Axiata PLC
3	Etisalat Lanka (Pvt.) Ltd.
4	Hutchison Telecommunications Lanka (Pvt.) Ltd.
5	Mobitel (Pvt.) Ltd.

Source: TRCSL (2019)

## APPENDIX B

Table 3.3 Institutions coming under Educational Ministry

S/N	Name of the Institution	Sector	Total	Male	%	Female	%
7	<b>Ministry of Education</b>	Central	1,173	497	42.4	676	57.6
1	Department of Educational Publications	Central	364	201	55.2	163	44.8
2	Department of Examinations	Central	570	323	56.7	247	43.3
3	Department of Archaeology	Central	1,894	1,357	71.6	537	28.4
4	Department of National Archives	Central	129	64	49.6	65	50.4
5	All National Schools <sup>1</sup>	Central	46,769	14,698	31.4	32,071	68.6
6	All National Colleges of Education	Central	1,687	953	56.5	734	43.5
7	All Teachers' Training Colleges	Central	2,787	762	27.3	2,025	72.7
8	All Pirivens	Central	6,439	6,439	100.0	-	-
9	UNESCO National Commission of Sri Lanka	Central	11	4	36.4	7	63.6
10	Gramodaya Folk Arts Centre	Central	15	8	53.3	7	46.7

Source: (DCS, 2018)

(Note: Except Department of Archaeology, Department of National Archives, UNESCO National Commission of Sri Lanka, Gramodaya Folk Arts Centre. Because currently those institutions attached to the Ministry of Cultural Affairs)



## APPENDIX C- Research Questionnaire

### Questionnaire

I'm a student of the Faculty of Management Studies, Sabaragamuwa University of Sri Lanka reading for BSc (Honors) in Marketing Management. To complete my degree, I have to conduct a research on the "**Factors influencing state sector employees' loyalty towards Mobitel "Upahara" package**". Please consider that all the answers you provide to the questionnaire will only be used for an academic purpose and will be kept confidential.

Name: W.A.C.S Weerasinghe

Contact Number: 0715601359

E-mail-chamodisandunika6@gmail.com

- Are you using Mobitel Upahara post-paid package?

1. Yes

2. No

**If "NO", please don't continue the questionnaire. Thank you very much for your cooperation. If "YES" proceed with the questionnaire.**

### PART A-Demographic Variables

#### A. Gender

1. Male

2. Female

#### B. Age group

1.18-30

2.31-40

3.41-50

4. Above 50

#### C. Level of education

1. Up to O/L

2. UP to A/L

- 3. Undergraduate
- 4. Graduate
- 5. Postgraduate
- 6. Vocational/professional qualifications

**PART B-Respondent’s opinion about UPAHARA post-paid package (Independent Variables)**

Read the questions given below and put the √ mark to the most appropriate answer in the given box.

- 1-Strongly disagree
- 2-Disagree
- 3-Neutral
- 4-Agree
- 5-Strongly agree

Economic	1	2	3	4	5
<b>1. I use Upahara post-paid package due to low call charges</b>					
<b>2.I spend less by using Upahara post-paid package</b>					
<b>3. I have an opportunity to save money by using Upahara post-paid package (e.g. due to low cost Internet Packages, low call charges)</b>					

Hedonist	1	2	3	4	5
<b>4. Upahara post-paid package gives me pleasure as I can participate in games (e.g. Mobitel Disney)</b>					
<b>5. Upahara post-paid package gives me pleasure when I redeem the points</b>					
<b>6. Upahara post-paid package provides special offers (e.g. Data packages)</b>					

Convenience	1	2	3	4	5
<b>7. Upahara post-paid package allows me to execute the usual services (eg: Balance Checking SMS Service, Customer care services) more easily</b>					
<b>8. Upahara post-paid package provides me additional services (eg: E-Chanelling)</b>					
<b>9. Upahara post-paid package makes the purchases easier and more practical (eg: Purchasing tickets for movies and events, online payments)</b>					

Informational	1	2	3	4	5
<b>10. Upahara post-paid package makes me choose value added services (eg: Astrology SMS service)</b>					
<b>11. Upahara post-paid package makes me discover good deals and new types of services (eg: Digital services like Mobitel Magazines, Language Clip Service)</b>					
<b>12. Upahara post-paid package allows me to be well informed about news and general information</b>					

Recognition and Social relationship	1	2	3	4	5
<b>13. Upahara post-paid package makes me feel as Mobitel is paying more attention to me than others</b>					
<b>14. Upahara post-paid package makes me adhere to a group of privileged customers</b>					
<b>15. Upahara post-paid package makes me feel that Mobitel is treating me as an honoured customer</b>					

**PART C-Customer loyalty (Dependant Variables)**

Customer Loyalty					
<b>16. Due to Upahara post-paid package I tend to increase my purchase frequency with Mobitel</b>					
<b>17. Due to Upahara post-paid package I tend to choose a large variety of services provided by Mobitel</b>					
<b>18. I will continue the Upahara post-paid package usage in the future</b>					
<b>19. I will not switch to competitors' post-paid packages (eg:Dialog Fun Blaster post-paid package)</b>					
<b>20. I will recommend Upahara post-paid package to my family and friends</b>					

**THANK YOU!**

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ku # W.A.C.S úrisxy

ýrl:k wxlh # 071 5601359

B-fi,a ,smkh# chamodisandunika6@gmail.com

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3'41-50 w;r

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1'oeä **f, i tI. fkdfō** ^Strongly disagree)

2'tIÖ **fkdfō** ^Disagree)

3'tIÖ **fō fyd tIÖ fkdfō** ^Neutral)

4'tIÖ **fō** ^Agree)

5'oeä **f, i tIÖ fō** ^Strongly agree)

	Economic	1	2	3	4	5
1	wv weu;=i _dia;=j  we; ksid uu Wmydr miq-f-jqī meflach Ndú;d lrñ'					
2	Wmydr miq-f-jī meflach ksid uu wvqfjk úhoī lrñ'					
3	Wmydr miq-f-jī meflach ksid ug uqo,a b;s  lr b;s lr _ekSug wjia:dj  ,eī we; ' ^Wod (- wju wka;¾cd, _dia; wju weu;=i _dia;					

	Hedonist	1	2	3	4	5
4	Wmydr miq-f-jī meflach u-sk ud ;r-j,g ^Games& iyNd.S ùfiŞ i ;=gl ,nd foh' ^Wod (- Mobitel Disney game&					
5	Wmydr miq-f-jī meflach u-sk' ug ,l=K koyia  sfiŞ ^Redeeming Points& i ;=gl ,nd foh'					
6	Wmydr miq-f-jī meflach u-sk' ug iqúfYalS m,s.ekSi ^special offers& ,nd foh' ^Wod (- Data packages&					

	Convenience	1	2	3	4	5
7	Wmydr mī-qf. jī meflach u.sk' idudkH fiajd ■hd;au ■ sífīš ug myiqjl ,nd foh' ^Wod (- Balance Checking SMS Service" Customer care services&					
8	Wmydr miq-f. jī meflach ug wu; r fiajd imhh' ^Wod (- E-Chanelling&					
9	Wmydr miq-f. jī meflach u.sk' udf. i ñ, § .ekSi m%dfhda.sl yd myiq ■rh' [Wod (- Ñ; %mg keröu i  yd áÜm;a ñ, g .ekSi\$ wka; %cd,h yryd ■rk f. üi' ^Online payments)]					

	Informational	1	2	3	4	5
10	Wmydr miq-f. jī mīqf. jqi meflach uOsk w.h t ■ ; ■rk ,o fi jid ^value added services& f; dard .ekSug w jYH; dj i, id foh' ^Wod (- fcd;a;slH lghq; ; ms<n j SMS fiajdj \$ Astrology SMS service&					
11	Wmydr miq-f. jqi meflach u.sk fyd  ; ; ajfha .Kqfok yd wÆ; ; uqyqKqjr lsk h; ; fiajd fidhd .ekSug ud yg w jia:dj ,nd foh' ^Wod (- Mobitel Magazines " Language Clip Service jek äög,a fiajd &					
12	Wmydr miq-f. jī meflach u.sk m%D;a;s yd idudkH f; dr;=re ms<sn j ud yg ukd w jfnda0h ■ ; ,nd .ekSug w jia:dj ,nd foh'					

	Recognition and social relationship	1	2	3	4	5
13	Wmydr mī-qf. jī meflac Ndú; d lslu ksid" fudifg, iud.u úisk wks;a mdßfNda.slhkag jvd ud yg jeä w jOdkh ■ fhdu ■rk nj ug yef0hs'					
14	Wmydr miq-f. jī meflac Ndú; d lslu u.sk uu zjrm%ido ysñž mdßfNda. ■ ■ Kavdhug we; =< ; j we; '					
15	Wmydr miq-f. jī meflac Ndú; d lslu ksid fudifg, iud.u ud yg f. !rjdkaú; mdßfNda.slfh  f, i i, lk nj ug yef0a'					

**C.fldgī mdßfNda.s ■ mlalmd;s;ajh**

	Customer loyalty	1	2	3	4	5
16	Wmydr miq-f-jī meflach ksid" fudifg, wdh; kh iu. lrk ,nk ñ,§ -ekSi j, iS-%;djh ^purchase frequency& jeä ■slug ud keUqre ù we;'					
17	Wmydr miq-f-jī meflach ksid fudifg, wdh; kh u-sk msßkuk úúOdlr fiajd f; dard.ekSug ud keUqre ù we;'					
18	uu wk d.;fh§; É-k É-gu Wmydr miqf.jqī meflach Ndú;d lrñ'					
19	uu wfkl=a ; r. ldi wdh;k j,sk imhk miq f-jqī miqf.jī meflac i yd udre fkdfjñ' ^Wod(- Dialog fun blaster post - paid package&					
20	uu Wmydr mī-f-jī meflach udf- mjqf,a whg yd ñ;=rkag k¼foaY lrñ'					

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## APPENDIX D- Replace Missing Values

Result Variables						
	Result Variable	N of Replaced Missing Values	Case Number of Non-Missing Values		N of Valid Cases	Creating Function
			First	Last		
1	ER1_1	1	1	286	286	SMEAN(ER1)
2	CR3_1	1	1	286	286	SMEAN(CR3)
3	RSR1_1	3	1	286	286	SMEAN(RSR1)
4	RSR2_1	1	1	286	286	SMEAN(RSR2)
5	CL1_1	1	1	286	286	SMEAN(CL1)

## APPENDIX E- Reliability test

Economic rewards

### Reliability Statistics

Cronbach's Alpha	N of Items
.725	3

Hedonist rewards

### Reliability Statistics

Cronbach's Alpha	N of Items
.748	3

Convenience rewards

### Reliability Statistics

Cronbach's Alpha	N of Items
.725	3

Informational rewards

### Reliability Statistics

Cronbach's Alpha	N of Items
.742	3

Recognition and social relationship rewards

### Reliability Statistics

Cronbach's Alpha	N of Items
.861	3

Customer loyalty

**Reliability Statistics**

Cronbach's Alpha	N of Items
.804	5

**APPENDIX F- Descriptive statistics**

**Statistics**

		ERNEW	HRNEW	IRNEW	RSRNEW	CRNEW	CLNEW
N	Valid	286	286	286	286	286	286
	Missing	0	0	0	0	0	0
Mean		3.9311	2.6119	2.9324	3.7122	3.8120	4.0082
Std. Deviation		.67791	.83427	.94203	.88048	.66962	.60440

## APPENDIX G- Correlation

		Correlations					
		ERNEW	HRNEW	IRNEW	RSRNEW	CRNEW	CLNEW
ERNEW	Pearson Correlation	1	-.165**	-.063	.548**	.425**	.552**
	Sig. (2-tailed)		.005	.290	.000	.000	.000
	N	286	286	286	286	286	286
HRNEW	Pearson Correlation	-.165**	1	.580**	.013	.029	-.056
	Sig. (2-tailed)	.005		.000	.832	.629	.348
	N	286	286	286	286	286	286
IRNEW	Pearson Correlation	-.063	.580**	1	-.030	.098	-.042
	Sig. (2-tailed)	.290	.000		.613	.100	.478
	N	286	286	286	286	286	286
RSRNEW	Pearson Correlation	.548**	.013	-.030	1	.537**	.716**
	Sig. (2-tailed)	.000	.832	.613		.000	.000
	N	286	286	286	286	286	286
CRNEW	Pearson Correlation	.425**	.029	.098	.537**	1	.481**
	Sig. (2-tailed)	.000	.629	.100	.000		.000
	N	286	286	286	286	286	286
CLNEW	Pearson Correlation	.552**	-.056	-.042	.716**	.481**	1
	Sig. (2-tailed)	.000	.348	.478	.000	.000	
	N	286	286	286	286	286	286

\*\* . Correlation is significant at the 0.01 level (2-tailed).

## APPENDIX H-Model summary

Model Summary<sup>d</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.716 <sup>a</sup>	.512	.510	.42298	
2	.740 <sup>b</sup>	.548	.545	.40767	
3	.745 <sup>c</sup>	.555	.550	.40541	1.787

- a. Predictors: (Constant), RSRNEW
- b. Predictors: (Constant), RSRNEW, ERNEW
- c. Predictors: (Constant), RSRNEW, ERNEW, CRNEW
- d. Dependent Variable: CLNEW

## APPENDIX I- ANOVA model

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.298	1	53.298	297.899	.000 <sup>b</sup>
	Residual	50.811	284	.179		
	Total	104.109	285			
2	Regression	57.077	2	28.538	171.719	.000 <sup>c</sup>
	Residual	47.032	283	.166		
	Total	104.109	285			
3	Regression	57.761	3	19.254	117.148	.000 <sup>d</sup>
	Residual	46.348	282	.164		
	Total	104.109	285			

a. Dependent Variable: CLNEW

b. Predictors: (Constant), RSRNEW

c. Predictors: (Constant), RSRNEW, ERNEW

d. Predictors: (Constant), RSRNEW, ERNEW, CRNEW

**APPENDIX J-Coefficient table**

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics		
	B	Std. Error				Lower Bound	Upper Bound	Zero-order	Partial	Partial	Tolerance	VIF	
1	(Constant)	2.185	.109		20.127	.000	1.971	2.399					
	RSRNEW	.491	.028	.716	17.260	.000	.435	.547	.716	.716	.716	1.000	1.000
2	(Constant)	1.705	.145		11.741	.000	1.419	1.991					
	RSRNEW	.405	.033	.591	12.359	.000	.341	.470	.716	.592	.494	.699	1.430
	ERNEW	.203	.043	.228	4.768	.000	.119	.287	.552	.273	.191	.699	1.430
3	(Constant)	1.541	.165		9.318	.000	1.215	1.866					
	RSRNEW	.376	.036	.548	10.562	.000	.306	.446	.716	.532	.420	.586	1.705
	ERNEW	.187	.043	.210	4.336	.000	.102	.272	.552	.250	.172	.675	1.481
	CRNEW	.088	.043	.098	2.041	.042	.003	.173	.481	.121	.081	.687	1.455

a. Dependent Variable: CLNEW



## APPENDIX K- Excluded Variable

Excluded Variables <sup>a</sup>								
Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics			
					Tolerance	VIF	Minimum Tolerance	
1	ERNEW	.228 <sup>b</sup>	4.768	.000	.273	.699	1.430	.699
	HRNEW	-.065 <sup>b</sup>	-	.119	-.093	1.000	1.000	1.000
	IRNEW	-.021 <sup>b</sup>	-4.98	.619	-.030	.999	1.001	.999
	CRNEW	.136 <sup>b</sup>	2.804	.005	.164	.712	1.405	.712
2	HRNEW	-.027 <sup>c</sup>	-.650	.516	-.039	.957	1.044	.670
	IRNEW	-.010 <sup>c</sup>	-.254	.800	-.015	.996	1.004	.697
	CRNEW	.098 <sup>c</sup>	2.041	.042	.121	.687	1.455	.586
3	HRNEW	-.032 <sup>d</sup>	-.792	.429	-.047	.953	1.049	.582
	IRNEW	-.023 <sup>d</sup>	-.562	.574	-.034	.974	1.026	.585

a. Dependent Variable: CLNEW

b. Predictors in the Model: (Constant), RSRNEW

c. Predictors in the Model: (Constant), RSRNEW, ERNEW

d. Predictors in the Model: (Constant), RSRNEW, ERNEW, CRNEW