Impact of Using Relationship Marketing Strategies on Customers Loyalty Study on STC Customers in Riyadh – KSA

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Abstract

This study aims to determine the relationship between relational bonds (financial, social, structural) of Saudi Telecommunication Company & loyalty of Saudi customers, as well as determine the statistical differences in the loyalty of Saudi customers according to education, sex and income. The study sample consists of 500 customers, and convenience sample is used.

Study results proved that there is no statistical relationship between social bonds offered by STC, and between Saudi customer loyalties to this company. On contrary, it has been found that strategies which focus on financial and structural factors were a key factor in obtaining Saudi customer loyalty for company and its services, it was also found that there are statistically differences in this loyalty level due to income level, and gender, while no differences were found due to customer educational level.

Based on the above mentioned results, a set of necessary recommendations was formulated to enhance the relationship between STC & its customers.

Keywords: Relationship Marketing, Customers, Loyalty, Saudi Telecom Corporation, KSA.

1. Introduction

Marketing process that takes place through customers has a great importance for marketing managers, services directors, IT managers, and companies senior managers (Stone, 2003), many studies emphasize the relationship marketing importance because it focuses on creating special relationship with customers that lasts for long periods, and due to its role in company's performance improvement and development on one hand, and strengthen total quality management from the other hand.

Researchers add that Relationship Marketing is a strategy to improve profits, since it focuses on the value between customer and seller, it is associated with benefits that accrue to both parties: the service provider (seller) and the customer (Shamout, 2007). Customers benefits represent obtaining well and good treatment, and meeting their needs in the right time and place. While seller's benefits are represented in gaining customer for a long time as well as achieving profits (Plamer & Bejou, 1994).

Relationship Marketing is defined as the process of attracting customers, retaining them and enhancing relationships with them in multi services organizations (Deng et al., 2009; Lin & Wang, 2006). It is also defined as marketing activities aimed to create relationships with customers and other partners, improve and strengthen these relations to achieve all Parties objectives, such relations are achieved through exchanges and promises fulfillment.

Based on, it became necessary to pay an attention to this relatively new concept, and according to this study, it is considered an important activity and is essential for any company, in order to enhance its relations with its customers, retain them and help them continuously, and in ways better than other competitors, consequently this will be reflected on provided service quality, customer satisfaction, and the ability to retain customer for longer possible period of time.

Accordingly, this research attempts to study the impact of strategies included in the relationship marketing concept on customer loyalty in one of the largest service companies in Saudi Arabia, that is Saudi Telecom Company.

2. Study Problem:

Customer satisfaction has become one of the major challenges that service organizations face, due to factors associated with intensive competition, great technological development, and its work in a rapidly changing dynamic environment. Customer satisfaction concept is associated with the organization’s ability to manage the marketing process internally and externally, and its importance lies in its association with the so-called loyalty concept, and its association customers retention, which is deemed as a cornerstone of customer relationship management CRM (Abu Mandeel, 2008).

By reviewing the related literature that explain the relationship existence between customer service and obtaining his loyalty, the results of such studies varied clearly and differed in agreement on clear and precise outcome that confirm this relationship, such difference and non agreement were attributed to lack of
institutional activities (bonds) within the organization that can be devoted to serve this customer, therefore it may prolong the relationship between them (the organization and the customer). So the study attempted to answer the following questions:

- What is the relationship between financial bonds of STC & loyalty of Saudi customers?
- What is the relationship between social bonds of STC & loyalty of Saudi customers?
- What is the relationship between structural bonds of STC & loyalty of Saudi customers?
- What are the differences in loyalty of Saudi customers according to educational level, sex and income level?

3. Objectives of the Study:

This study aims to determine:

- The relationship between financial bonds of STC & loyalty of Saudi customers.
- The relationship between social bonds of STC & loyalty of Saudi customers.
- The relationship between structural bonds of STC & loyalty of Saudi customers.
- The statistical differences in the loyalty of Saudi customers according to educational level, sex and income level.

3.1 The Importance of the Study:

The study highlights the importance of:

- This study considers the first one in Saudi Arabia, that concerned with the relationship between relational bonding strategies and customer loyalty.
- Lack of Arabic studies that tried to link between relational bonding strategies and customers loyalty.
- Feedback provided by this study for all services businesses in the local market.

4. Previous Studies:

Despite extensive search of previous studies, it was possible to obtain a set of be important studies to define the relationship marketing concept that leads to loyalty:

-(Nsour, 2010) This study aims to determining the effect of marketing mix elements of banking service on loyalty of Jordanian customers, and knowing the effect of demographic characteristics on this loyalty (sex, age, education, and marital status). The sample of study consists of 200 elements & convenience sample is used. The study shows that there is a strong positive relationship between people and loyalty. The study also shows that there are no statistical differences in loyalty according to age, marital status and customers loyalty. Finally, the study suggests some marketing implications for banking service providers, that will enhance the customer’s loyalty in Jordan.

-(Chou, 2009) The research targets of this study were international American casual dining chains, which are now common in Taiwan. Of 500 questionnaires distributed, 327 of those returned were valid. Results indicated that some of the variables investigated had significant effects on experiential marketing, relationship marketing, and customer value with the most significant being emotional experience. Some marketing strategies and recommendations for entrepreneurs in the industry are provided.

-(Ndbusi et al., 2009) The purpose of this article is to theoretically and empirically analyze relationship marketing (RM), customer satisfaction, and customer loyalty from an Asian perspective. A field survey of bank customers in Malaysia was conducted using a questionnaire. The data were factor-analyzed to determine the key dimensions of RM. The resulting dimensions were applied in the subsequent hierarchical multiple regression analysis conducted to determine the relationship between the relationship marketing dimensions (competence, communication and conflict handling), customer satisfaction, and customer loyalty.

-(Prasad J S, and Aryasri A R. 2008) Purpose of the study is to examine the influence of relationship marketing attributes such as Trust, Commitment, Communication, Empathy, and Conflict handling on attitudinal outcomes like relationship quality and behavioural outcomes like customer loyalty from an empirical analysis in the context of changing trends of food retailing in India. The study further examines the impact of relationship quality on customer loyalty. The study is purely based on primary data and necessary secondary data to reinforce the model. A total of 300 food retail customers from leading food retail outlets, supermarkets and hypermarkets in Hyderabad are surveyed by using structured and non-disguised questionnaire with mall intercept method. The statistical tools like mean, standard deviation, correlations and regressions are employed to examine the impact of each attribute on relationship quality and loyalty. The results reveal that all attributes except conflict handling have a positive moderate impact on relationship quality and customer loyalty. The results further prove that relationship quality has significant influence on customer loyalty. This study contributes invaluable information to both academicians and retail managers for their theoretical and practical purposes. Findings, various managerial and marketing implications are extensively discussed.

-(Jham & Khan, 2006) Its study the determinants of performance in retail banking by identifying the variables of...
customer satisfaction, linking customer satisfaction with the performance of the banks, and measuring the difference in satisfaction of services of current and savings account customers and the role of relationship marketing. Reports the results of a questionnaire survey, based on five Indian banks (State Bank of India, Punjab National Bank, Housing Finance Corporation, Industrial Credit and Investment Corporation of India, Industrial Development Bank of India) and involving data relating to 555 bank customers (55.5% response rate) to gather data relating to general banking services, services involving transactions with customers, types of loans, quality of banks' services, and ATM services. The results indicated that customer satisfaction varies from bank to bank and from customer to customer, while customer satisfaction affects banks' sales and profitability. Concludes that, since the nature of services is such that interaction of the external customer with the internal customer is essential, satisfaction from these interactions play a very important role in developing relationships.

-Study of (Chiu et al, 2005) attempts to explain the relationships among relational bonds, customer value, and customer loyalty in three different consumer groups (stayers, dissatisfied switchers, and satisfied switchers) in the retail banking industry. data were obtained from a sample of 613 Taiwanese bank customers. The findings are threefold. First, for stayers, three types of bonds (financial, social, and structural) improve customer utilitarian and hedonic values, thus leading to enhancement of customer loyalty. Second, for dissatisfied switchers, only the structural bond has a significant impact on customer's utilitarian value, which significantly improves customer loyalty. Third, for satisfied switchers, the social bond significantly affects the hedonic value, whereas the structural bond significantly affects the utilitarian value. Furthermore, both utilitarian and hedonic values have significant effects on customer loyalty. Although some previous studies tried to investigate loyalty concept, and to measure its relationship with some demographic variables, but Relationship Marketing topic has not been addressed in terms of its relation with loyalty concept is vital important sector (telecommunication sector) in Kingdom of Saudi Arabia, so this study can be deemed as one of the first studies that investigated this topic in STC in particular.

5.. Relationship Marketing Concept:
Relationship Marketing concept has emerged in 1983, Berry was the first to use this concept and defined it as attracting customers process, retain and enhance relationships with them in many-service organizations. He also considered it as social process that works through social interactions made among several parties within trade exchanges framework (Berry, 1983).

Nwakanma and others reported that Relationship Marketing activity is a necessary and an important tool for marketing success and all activities related to as marketing mix that include product, pricing, promotion, distribution. They added that Relationship Marketing is ability art of building exchanged personal relationships with customers. In addition they added that this type of marketing is exchanged development of long-term relationships between buyer and seller, which is creating art of personal relationships with buyers, it is also considered from customers viewpoint as an opportunity to exchange information regarding their needs, and obtaining fulfillment of such needs (Nwakanma et al., 2007).

Some considered it as an strategy that include a set of plans and objectives that aim to achieve, enhance and develop relationships with customers, improve and develop relationships with them and to concentrate on gaining their loyalty. The objectives of development of such relations are achieved by implementing of Relationship Marketing concept. Chou adds that Relationship Marketing is an strategy for customers attracting (Chou, 2009).

Sin and others argue that Relationship Marketing is a long-term relationships between buyers and sellers; governed by commitment and exchange factors, they also consider that it has a positive impact on organizations performance, because building long relationship between customers and the company should be governed by companies commitment, in fulfilling company promises to its customers, which helps in establishing long-term relationships, and access to customer loyalty towards company and its products (Sin et al., 2005).

Jalili reports that building long and successful relationships marketing by organization, either with customers or other organizations, needs firstly to attract customers, and then developing relationships that achieve satisfaction, and maintaining such relationships may achieve more profits for the company; so relationships starts by building and then developing and maintaining these relations. Jalili considers relationship marketing one of the best ways that enables the company to obtain a lasting competitive advantage, and to ensure its survival and growth (Jalili, 2008).

Finally Hart confirms that Relationship Marketing is not limited to establishing a relationship between organization and its customers only, but to establish a relationship between organization, suppliers, shareholders, competitors, partners and stakeholders in general (Hart et al., 1999). Lusch reported that most businesses are seeking to build and strengthen relationships with their customers, and with other parties such as: suppliers, competitors, shareholders, and reference groups, and internal employee (Lusch et al., 2003). Ryals
and Payne described Relationship Marketing as a philosophy related to building long-term relationships (Payne, 2001).

5.1 Relationship Marketing Strategies:
Customer retention. Process for long possible period, is considered one of relations marketing tools that help in reaching the loyal customer or the so-called "customer for life", which is one of the objectives concept of Relationship Marketing is seeking for. Many marketing professionals offered strategies, that aim to retain customers, such as (Berry, 1995):

1. Financial Bonds: companies rely mainly to sell their products at a specific price accepted by customers, and acceptable and reasonable to them. Price is determined by the company based on specific goals and plans, taking into account certain things, such as: purchase size, and customers income level... etc. the aim behind is to maintain consumers loyalty to encourage them to buy its products in larger quantities. Chin adds that price offers method to loyal customers is considered as customer motive to deal with goods and services provided by the company (Chiu et al., 2005).

2. Social Bonds: mean that companies focus on providing services in person, it also refers to close contacts that Organization seeks to provide its customers with through service staff, and make consumer an permanent agent. Providing that these links as described Beatty is a mean to make the relationship close between seller and buyer, some emphasized on the description of social bonds as an indicator to measure customer satisfaction, trust and commitment to company and the service provided to them (Beatty et al., 1996; Lin et al., 2003).

3. Structural Bonds: they are the bonds related to technology and its tools, they mean that the company provides valued services which competitors don’t have. These activities depend on the high level of technology, it is also considered as a competitive advantage for a company or organization (Abu Roman, 2005).

5.2 Customers Loyalty:
Consumer loyalty is represented by organization obtaining customer trust, where the relationship that governs exchange process between them is profitable for both parties alike. Customer loyalty to organization does not end by customer joining the program or loyalty list, but it exceeds that to include important aspect the organization may obtain from customer, that is long-term profitable relationship, and also means customer feeling to organization personnel, and products offered by this organization (Manish, 2001).

More precisely Griffin considers customer loyalty to any organization can appear in one of the following aspects: purchases repetition from the organization, purchasing the available product between production lines, and motivating others to acquire the product and use it, and it is also considered as counter-strategy to draw the demand from competitors (Griffin, 1995).

Loyalty is also defined as a strategy to increase customer satisfaction, and increase their motivation for procurement process, and their belonging to deal with the same company instead of other competing companies (Bertello, 2008). Morris adds that loyalty is a complete performance by marketers and suppliers, and promises fulfillment by organizations towards their customers (Hayes, 2007).

Palmatier reports that loyalty is customers intention in behaviors performance, which refers to motives in relationships maintaining, and communication. The researchers also emphasized that customer’s intention to continue with company is a result by the interaction between him and the staff and sales representatives. Some researchers adds that loyalty is customers firm commitment in re-purchase their preferred product in the future, this means that customer gives preference in his dealings for a brand or a particular company, without dealing with another competitive company or other brand (Mckenna, 2001).

Ha and Stoel defined loyalty as an essential tool for relationships marketing activity efforts development with customers, it also plays a crucial role in customers retaining, and relations development between customers and companies Chang and Chen indicated that customer loyalty comes after satisfaction with company's products, where satisfied customer is more loyal to company as soon as he is satisfied with (Chang & Chen, 2007).

5.3 Relationships Marketing & Loyalty:
Relationships marketing is considered as the road that leads to achieve and create loyalty, because loyalty cannot be achieved unless there are good relations with customers. Since relationships marketing is an activity of important marketing activities that cannot be disregarded, since each institution needs to build a solid base of loyal customers.

In order that companies can achieve their objectives, and to be a leader in providing the best service among all competitors; they should identify their customers first, to be able to build long-term relationships with these customers and to have closer bonds with them in a way that creates state of pleasure and confidence and security with this customer. All of these qualities can’t be achieved if these institutions look at it from profitability perspective and financial performance only. Therefore they should seek to create and form a sense with customer,
that he deals with partners, brothers and friends he is not dealing with staff and capital owners (Foster,2003). And when a customer is confident with the services provided by the staff and committed in dealing with them, then he/she becomes loyal to the institution and its staff and services, and will not change his/her loyalty as long as there is well treatment by organization when provide all what he needs.

6. Study methodology:
A) The population of the study: the study population consists of all STC customers in KSA in 2013 which estimated about 34 Millions.
B) The study sample: A sample consists of 500 element which withdrawn from STC customers in Riyadh. A convenience sample is selected.

Table No 1: Sample Distribution according to educational level, income, sex & Loyalty Level.

<table>
<thead>
<tr>
<th>%</th>
<th>No</th>
<th>Educational Level</th>
<th>%</th>
<th>No</th>
<th>Income Level</th>
<th>%</th>
<th>No</th>
<th>Sex</th>
<th>%</th>
<th>No</th>
<th>Loyalty Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>42.3</td>
<td>209</td>
<td>Less Than GSE</td>
<td>11</td>
<td>168</td>
<td>Less than 5 Monthly</td>
<td>63</td>
<td>315</td>
<td>Male</td>
<td>8.2</td>
<td>41</td>
<td>Less than 1 Year</td>
</tr>
<tr>
<td>18.2</td>
<td>90</td>
<td>Less Than Diploma</td>
<td>23.4</td>
<td>117</td>
<td>Less than 5 Monthly</td>
<td>37</td>
<td>185</td>
<td>Female</td>
<td>22.2</td>
<td>111</td>
<td>1 - Less than 5</td>
</tr>
<tr>
<td>34.5</td>
<td>145</td>
<td>University Degree</td>
<td>28.6</td>
<td>99</td>
<td>10 - Less Than 15</td>
<td>19.6</td>
<td>98</td>
<td>3 - Less Than 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.1</td>
<td>50</td>
<td>Higher Education</td>
<td>19</td>
<td>81</td>
<td>15 - Less Than 20</td>
<td>50</td>
<td>250</td>
<td>More Than 5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>18</td>
<td></td>
<td></td>
<td>35</td>
<td>More Than 20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td>494</td>
<td>Total</td>
<td>100</td>
<td>500</td>
<td>Total</td>
<td>500</td>
<td>500</td>
<td>Total</td>
<td>100</td>
<td>494</td>
<td>Total</td>
</tr>
</tbody>
</table>

C) Study Methodology: The study used a descriptive analysis method on that data that has been obtained, and therefore, it used central tendency like the arithmetic mean, the median, standard deviation, as well as statistical methods for testing hypotheses such as: chi square test and the correlation coefficients, and Table 2 shows statistical tests conducted on the study data, which indicate that all previous tests are statistically acceptable.

Table No 2 : Statistical Tests

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Cronbach Alpha</th>
<th>Split Half</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Bonds</td>
<td>0.90</td>
<td>0.86</td>
</tr>
<tr>
<td>Social Bonds</td>
<td>0.75</td>
<td>0.79</td>
</tr>
<tr>
<td>Structural Bonds</td>
<td>0.96</td>
<td>0.91</td>
</tr>
<tr>
<td>Total</td>
<td>0.86</td>
<td>0.82</td>
</tr>
</tbody>
</table>

D)Data Collection: The study relied on two types of data: the secondary data was by reviewing the literatures of the subject in scientific journals, books, reports, Arabic & English articles, as well as specialized marketing websites. However, for the primary data, a questionnaire has been developed to collect the necessary data from a study sample.

E) Validity & Reliability: a split half correlation coefficient has been found for each relationship marketing strategy, ranging between 79% - 91%, which is statistically significant at the 5% significance level. and it turned out that the reliability coefficient for the measure as a whole is 86%, noting that the test parameters for each strategy ranged between 75% - 96%, which indicates that the scale is characterized by a high factor of stability that gave the data used a type of validity and reliability.

To judge the degree of acceptance or rejection of the variables (phrases) the following criterion has been used:

- If the value of the arithmetic mean of the variable was less than 2.33 it is considered weak.
- If the value of the arithmetic mean of the variable lies between 2.34 - 3.66 it is considered moderate.
- If the value of the arithmetic mean of the variable was more than 3.67 then it's considered to be strong.
F) Study Model:

- **Independents Variables**
  - Financial Bonds
  - Social Bonds
  - Structural Bonds

- **Moderator Variables**
  - Personal Characteristics
    - (Educational Level, Income, Age)

- **Dependent Variable**
  - Loyalty Index
    - (Number of Years)

6.1 Hypotheses Testing:

**H01:** There is no statistically significant relationship between financial bonds in Saudi Telecommunication Company (STC) and Saudi customer loyalty.

| Table No 3: Descriptive Statistics of First Hypothesis |
|-----------------|---------|------|------|------|-----------------|
| Phrase (Variable)                      | Mean  | S.D | T    | Sig.  | Classifying |
| STC offers price reductions in national & religion occasions. | 3.32  | 0.965 | 5.007 | 0.00 | Strong |
| STC prices are less than the competitors in the market | 2.34  | 0.987 | 0.578 | 0.18 | Moderate |
| STC provides rewards for distinctive clients. | 3.54  | 0.754 | 0.765 | 0.004 | Moderate |
| STC provides price incentives for new clients. | 3.23  | 0.987 | 2.431 | 0.039 | Moderate |
| STC offers full price packages for its clients. | 4.56  | 0.671 | 3.754 | 0.00 | Strong |
| STC offers simple methods to pay financial obligations. | 1.76  | 0.678 | 0.862 | 0.065 | Weak |
| STC continuous reviews provided services prices. | 1.33  | 0.768 | 1.11 | 0.87 | Weak |
| STC continuously provided prices offers for its clients. | 2.77  | 0.476 | 1.771 | 0.561 | Moderate |
| Prices of STC services are actual. | 2.88  | 0.885 | 2.651 | 0.021 | Moderate |

Table 3 results shows that two variables of the independent variables included in the first hypothesis are rejected, namely: There are simple methods to pay the financial obligations, there is a continuous review provided services prices, such result was through comparing the mean of each variable with previous decision taking rule. To confirm such result all variables have been entered by using Step Wise which in its turn disregard the non affecting independent variables, since it easy found that that full set for customers was the only acceptable variable from the statistical aspect, through which statistically functions were obtained that show the financial ties that influence Saudi customer loyalty, this variable interpreted 75% approximately of variance in the dependent variable.

| Table No 4: Analysis of Variance by using Step Wise Method |
|-----------------|---------|------|------|------|-----------------|
| Model                         | Phrase (Variable) | F    | Sig.  | T    | B    | Sig.  |
| 1 (Constant)                                 | 11.345 | 0.000 | 9.76 | 4.229 | 0.00 |
| 2 (Constant)                                 | 10.989 | 0.002 | 2.441 | 3.149 | 0.00 |

Walks Lambada (W.L) value indicates that the deleted other variables from the model explains 23.1%, which gives a result that the statistically acceptable independent variables has a strength in high customer loyalty. Results of variance analysis shows that the calculated significance level to test the hypothesis (0.001) is less than the significance level of the test as a whole (0.05), therefore null hypothesis text is rejected which stated that there is no statistically significant relationship between financial ties provided by the STC and Saudi customer loyalty.

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HO2: There is no statistically significant relationship between social bonds in Saudi Telecommunication Company (STC) and Saudi customer loyalty.

Table No 5 : Descriptive Statistics of Second Hypothesis

<table>
<thead>
<tr>
<th>Phrase (Variable)</th>
<th>Mean</th>
<th>S.D</th>
<th>t</th>
<th>Sig.</th>
<th>Classifying</th>
</tr>
</thead>
<tbody>
<tr>
<td>STC has a tools for measuring customers satisfaction.</td>
<td>3.626</td>
<td>0.989</td>
<td>1.017</td>
<td>0.54</td>
<td>Moderate</td>
</tr>
<tr>
<td>STC has an effective mechanism for customer’s complaints &amp; suggestions.</td>
<td>1.921</td>
<td>0.587</td>
<td>2.22</td>
<td>0.031</td>
<td>Weak</td>
</tr>
<tr>
<td>STC employees have the kindness &amp; sympathy.</td>
<td>1.937</td>
<td>0.645</td>
<td>0.765</td>
<td>0.32</td>
<td>Weak</td>
</tr>
<tr>
<td>STC has social programs to contact with its clients.</td>
<td>2.351</td>
<td>1.156</td>
<td>2.431</td>
<td>0.001</td>
<td>Moderate</td>
</tr>
<tr>
<td>STC has a communication social programs with local society.</td>
<td>2.467</td>
<td>0.718</td>
<td>3.754</td>
<td>0.004</td>
<td>Moderate</td>
</tr>
<tr>
<td>STC has a courtesy and good dealing with its clients.</td>
<td>2.124</td>
<td>0.765</td>
<td>0.862</td>
<td>0.065</td>
<td>Weak</td>
</tr>
<tr>
<td>STC has continuous reviews levels of provided services</td>
<td>1.56</td>
<td>0.861</td>
<td>1.212</td>
<td>0.076</td>
<td>Weak</td>
</tr>
<tr>
<td>STC reviews switcher clients to know reasons of switching.</td>
<td>1.357</td>
<td>0.875</td>
<td>1.165</td>
<td>0.071</td>
<td>Weak</td>
</tr>
<tr>
<td>STC concerning with social responsibility dimensions.</td>
<td>2.567</td>
<td>0.657</td>
<td>1.631</td>
<td>0.04</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

The table no 5 shows that Saudi Telecom Company (STC) is characterized by moderate implementation of many indicators related to social bonds towards its customers. The table shows that there is no indicator of available indicators which recorded strong degree implementation. While medium level indicators in implementation were four variables ranked according to their statistical importance: availability of tools to measure customer satisfaction with provided products (3.626), availability of corporate social responsibility dimensions (2.567), and there are communication social programs with the surrounding community (2.467), and finally availability of communication social programs with customers (2.351). The rest indicators are of poor type which is not applied by company.

By using Step Wise analysis results used in the first hypothesis, where independent variables with most significances are ranked and variables less impact on the dependent variable (customer loyalty) are disregarded, so preliminary analysis of all independent variables available in the table were disregarded, consequently it is not possible to conduct the analysis according to this form.

Re-test has been made according to Enter method. It was found that STC lacks the social aspect in its dealing with customers, since these variables did not interpret more than 4% of variance in customer loyalty, despite the existence of weak positive statistical relationship among them totaling 7.8%.

Walks Lambada (W.L) value also indicates that the deleted variables from the model interpreted 86.2%, which gives the variables included in the model poor interpretation power for customer loyalty variable. Based on variance analysis F, it was found that the calculated significance level was 0.091 which is more than the significance level of the test as a whole 0.005, this means that the second null hypothesis is accepted which states: that there is no statistically significant relationship between social bonds availability in STC and Saudi customer loyalty, so the alternative hypothesis is rejected.

Table No 6 : Analysis of Variance by using Enter Method

<table>
<thead>
<tr>
<th>Sig.</th>
<th>Df</th>
<th>F</th>
<th>Wilks' Lambda</th>
<th>Test of Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.091</td>
<td>9</td>
<td>1.459</td>
<td>0.138</td>
<td>1</td>
</tr>
</tbody>
</table>

HO3: There is no statistically significant relationship between structural bonds in Saudi Telecommunication company (STC) and Saudi customer loyalty.
Table 7 results indicate the refusal of one variable impact of all variables included in the third hypothesis that express structural bonds in STC that is: availability the impact of measure tools of knowledge transfer and technical expertise among company employees, such results was concluded because variable mean value is less than 1.33, consequently, other variables are considered acceptable from statistical perspective in terms of their influential ability on dependent variable.

By using Step Wise analysis results used in the first hypothesis, where independent variables with most significances are ranked and variables less impact on dependent variable (customer loyalty) are disregarded, so preliminary analysis of all independent variables available in the table were disregarded, consequently it is not possible to conduct the analysis according to this form.

As explained before, Step Wise method has excluded the variables effects of none influencing on dependent variable (customer loyalty). It was found that all statements in Table 7 are not statistically significant. The result has been confirmed through Step Wise regression, who disregarded the effects of seven variables (statements), and it was also found that there are two variables considered as structural bonds indicator at STC: automation of all processes and activities that made within the company, continuous updating of technology and used communication means, since they were able to interpret 27% of variation that occurs in dependent variable, and it was also found that included independent variables in the model does not suffer from autocorrelation serial problem. Such result inferred through DW (1.745) test value, Walks Lambada (W.L) value also indicated that other deleted variables from the model interpret 33%, which give statistically acceptable independent variables an acceptable ability to interpret the dependent variable in the model by 67%.

Variance analysis results also show through F-test value and by comparing the calculated significance level 0.002 with a significance level of the test as a whole 0.005, this means rejecting the null hypothesis, which states that there is no statistically significant relationship between structural bonds available at STC, and between Saudi customer, consequently alternative hypothesis is accepted, which assumes the existence of such a relationship.

<table>
<thead>
<tr>
<th>Phrase (Variable)</th>
<th>Mean</th>
<th>S.D</th>
<th>T</th>
<th>Sig.</th>
<th>Classifying</th>
</tr>
</thead>
<tbody>
<tr>
<td>STC has a quality system for procedures &amp; processes done inside.</td>
<td>3.554</td>
<td>0.726</td>
<td>3.499</td>
<td>0.002</td>
<td>Moderate</td>
</tr>
<tr>
<td>STC has a measures of time consumed of done procedures.</td>
<td>2.44</td>
<td>0.811</td>
<td>1.615</td>
<td>0.081</td>
<td>Moderate</td>
</tr>
<tr>
<td>STC has e – measures of work steps inside.</td>
<td>2.543</td>
<td>0.991</td>
<td>-0.881</td>
<td>0.99</td>
<td>Moderate</td>
</tr>
<tr>
<td>STC has social programs to contact with its clients.</td>
<td>2.422</td>
<td>0.543</td>
<td>0.629</td>
<td>0.908</td>
<td>Moderate</td>
</tr>
<tr>
<td>STC concerned with creative &amp; development in its services provided.</td>
<td>3.765</td>
<td>0.761</td>
<td>-0.854</td>
<td>0.758</td>
<td>Strong</td>
</tr>
<tr>
<td>STC using new information systems and media tools.</td>
<td>3.942</td>
<td>0.988</td>
<td>1.836</td>
<td>0.523</td>
<td>Strong</td>
</tr>
<tr>
<td>STC has atomizing all jobs &amp; activities done inside.</td>
<td>2.483</td>
<td>0.965</td>
<td>-0.963</td>
<td>0.784</td>
<td>Moderate</td>
</tr>
<tr>
<td>STC has a measures of transmitting knowledge &amp; experience between its employees.</td>
<td>2.318</td>
<td>0.610</td>
<td>0.541</td>
<td>0.242</td>
<td>Weak</td>
</tr>
<tr>
<td>STC has a plans for continuous modernizing of technologies used.</td>
<td>4.145</td>
<td>0.746</td>
<td>0.499</td>
<td>0.982</td>
<td>Strong</td>
</tr>
</tbody>
</table>

H04: There are no statistically significant differences between structural bonds in Saudi Telecommunication company customers loyalty due to their demographic information (education, income, sex).
Table No 9 : Descriptive Statistics & Analysis of Variance of Fourth Hypothesis

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Variable</th>
<th>Mean</th>
<th>S.D</th>
<th>General Mean</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational Level</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Level</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Descriptive statistics results of in the previous table indicate that there are positive trends (acceptance) in study sample responses to the impact of personal characteristics associated with education, income level and sex on STC customers loyalty by comparing the mean values for each characteristic with the general mean.

To test the fourth hypothesis ANOVA variance analysis or the so-called F- test was used, the previous table shows the results of this test, and it was found that calculated significance level of income and gender variables is less than the significance level 5%, and therefore the alternative hypothesis is accepted which states that there are statistically significant differences in customer loyalty according to : annual income, sex, but there are no differences due to customer educational level.

Table No 10 : Scheffe Statistics According to Educational Level & Sex.

<table>
<thead>
<tr>
<th>Monthly Income</th>
<th>N</th>
<th>Subset for alpha = 0.05</th>
<th>Sex</th>
<th>N</th>
<th>Subset for alpha = 0.05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less Than 5000</td>
<td>168</td>
<td>1.4567 Male 315</td>
<td>1.1981</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5000– Less than 10000</td>
<td>117</td>
<td>1.2667 Female 185</td>
<td>1.5000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10000– Less than 15000</td>
<td>99</td>
<td>1.3929</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15000– Less than 20000</td>
<td>81</td>
<td>1.998</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More than 20000</td>
<td>35</td>
<td>1.876</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In order to determine the direction of statistical differences in the level Scheffe test has been made as shown in Table 10, where there are statistical differences in loyalty level of, according to income for the favor of high-income more than 15,000 Riyals, the more income level the high level of loyalty. Table also indicate that females are more loyal than males. This result conforms partly with (Nsour, 2010), which confirms that the difference in consumers purchasing decisions are mainly affected by income level.

7. The Results Discussion:

7.1 Conclusions:

Study results proved that there is no statistical relationship between social bonds offered by STC, and between Saudi customer loyalties to this company. On contrary, it has been found that strategies which focus on financial and structural factors were a key factor in obtaining Saudi customer loyalty for company and its services, it was also found that there are statistically differences in this loyalty level due to income level, and gender, while no differences were found due to customer educational level.

-Males constitute 63% of study sample, and 60.5% of the total sample who has less than university (diploma and less than secondary) 23.4% of the sample their income ranges between 5000 – to less than 10,000 Riyals the highest percentage of the sample amounted to of the whole. The results also show that half of the sample has loyalty towards Saudi Telecom Company, and their dealings with the company lasted more than five years.

-67% of females have loyalty for more than 5 years, while males have low loyalty towards the company or its services. Results confirm that 47% of those of high income have loyalty to STC, and this ratio is less among those of low-income, due price sensitivity that characterize this category due to its limited financial resources, and its continuous research for lower prices and better services.

-56% of STC’s customers have absolute loyalty to company’s name, while 33% of customers have loyalty to rendered services by this company.

-Results indicate that 63.5% of STC current customers agreed on importance of price offers and financial incentives provided by the company, and their role in enhancing customer satisfaction and consequently achieve loyalty to the corporation, while 31.3% approximately do not agree on the importance of these factors, or the so-called financial bonds. The results indicate that financial factors importance are as follows:

- There are full price sets to customers (4.56).
- There are financial rewards distinct customers (3.54).
- Price offers in holidays and occasions (3.32).
- Availability of price incentives for new subscriptions (3.23).

-The results show that 78% of sample respondents did not agree on role of current social factors (bonds) practiced by Saudi Telecom Company, in enhancing customer loyalty, while 18% conceive the importance of
these factors, the following are the most prominent factors according to their relative importance:

- Availability of customer satisfaction measurement tools with the provided products (3.626).
- Availability of company's social responsibility dimensions (2.567).
- Availability of improving company's partnership means with the surrounding community (2.467).

The results show that 71% of customers have a belief regarding the structural development in used technologies and systems in Saudi Telecom Company (structural bonds), that achieve customer loyalty to company and its products, while 23% of customers discard its importance in achieving this loyalty. Therefore, the factors are arranged according to their relative importance as follows:

- Continuous updating of technology and used techniques (4.145).
- Automation all business and activities conducted within the company (3.942).
- The use of modern information systems and appropriate means of communication (3.765).
- Availability of quality system for procedures and operations conducted within the company (3.554).

Through using cross tables, the financial bonds have more impact on low-income females by 54%, while 38% of low educated males were affected by these bonds. It was found that 79% of females' loyalty was affected by these bonds compared with 14.3% of males who have been affected by the same.

Social bonds have more impact on males with high education by 69%, while 51% of most educated females also were affected by these bonds. In general 88% of males loyalty was affected by these bonds, compared with 26% of females.

Structural bonds have more impact on males with high educational level by 69%, while 45% of the most educated females were also affected by these bonds.

Educated males are more affected by financial, social & structural bonds.

In general, STC using relationship marketing practices, but it is not considered a vital or institutional issue.

- Relationship marketing practices have a positive impact on profitability and customer loyalty of STC.
- Mostly, STC neglects building the social bonds with its customers, but it is aware for financial & structural bonds.
- There is a strong index that top management in STC spend less efforts on GEETING customer loyalty, because of the governmental subsides and legislations tends to STC.

7.2 Recommendations:

Based on the above mentioned results, a set of recommendations was formulated as follows:

- The need to pay more attention to complaints and suggestions boxes and to use them in identifying customers needs and desires of, according to modern marketing concept.
- The need to pay more attention on training the employees on relationship marketing strategies, and its impact on profitability, competitive advantage and market share.
- Telecommunications company should pay an attention to price mix design with provided services quality, to fit all categories and market segments.
- To pay attention to social factors that deepen and increase relationship with local community, due to their role in enhancing customer satisfaction and loyalty towards these companies.
- To pay attention to customer relationship management concept to establish strong and profitable relationships with customers, beneficiaries and stakeholders in STC in general.
- To provide criteria for customer satisfaction measurement with business climate a provided services by telecommunications companies.

References:


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