Factors Affecting Customer Loyalty in the Services Sector

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Abstract
The current research intends to examine the effect of Corporate Social Responsibility (CSR), customer satisfaction, and customer trust on customer loyalty in the services sector of Pakistan. This research is quantitative in nature and utilized a survey method for data collection. Moreover, the population of this study is those individuals who are using Telecom services in Pakistan. This research used a convenient sampling technique. The completed and usable questionnaires were 212. Moreover, SPSS software was utilized for data analysis. For instance, frequencies, standard deviation, and mean for each understudy variables were analysed using SPSS software. In addition, this research also conducted correlation and regression analysis. Results show that a (i) positive and significant association exists between CSR and customer loyalty, (ii) positive and significant relationship exists between customer satisfaction and customer loyalty, (iii) positive and significant association exists between customer trust and customer loyalty. Hence, the findings of this research significantly contribute towards the existing body of knowledge related to the concept of CSR, customer's satisfaction, trust, and loyalty. Thus, offering essential implications for policymakers, specifically for the Telecom sector of Pakistan. Finally, research limitations and suggestions for further studies are also highlighted.

Key Words: corporate social responsibility, customer satisfaction, customer trust, customer loyalty.

JEL Classification: M31


1. Introduction

Business operations affect customer behavior, society, and the external environment (Matten and Moon, 2020). That is why Corporate Social Responsibility (CSR) is considered as part of the strategies which are used to eradicate the negative effects on the external environment. Past researches indicate that CSR has reached the maturity stage, however, it has become an important area of research and practice in contemporary business environment (Martinez-Conesa et al., 2016; Alvarado-Herrera et al., 2017). Recently, CSR has become a key strategy for organizations in order to maximize customer loyalty, satisfaction, and profits as well as increasing the positive attitudes of the customers towards its brands (Calabrese et al., 2016). Thus, the higher demand from the stakeholders regarding the social responsibility initiatives is an indication for the organizations, compelling them to focus on the social issues in their business operations in order to maintain and increase customer's confidence leading towards customer's loyalty. Furthermore, customer's satisfaction plays a significant role towards fostering customers' loyalty.
(Yoo, Huang, and Kwon 2015; Pérez and Del Bosque 2015). Scholars have identified that customer satisfaction is linked to a person's own experience about the quality of services provided by an organization, in addition, a consumer's satisfaction is interlinked with his/her expectations from a service or product and the actual services or product provided (Bruhn 2003; Kılıçarslan, and Caber 2018; Türkay et al., 2018). As stated by Gyasi and Azumah (2009) customer satisfaction is described as a customer opinion related to the services or product offered to him/her at a certain time period.

Moreover, customer trust is at the forefront of customer loyalty (Nguyen, Leclerc, and LeBlanc, 2013) and customer retention (Gounaris, 2005; Milan, Eberle, and Bebber, 2015; Ranaweera and Prabhu, 2003). In addition, trust is defined as the person's expectations, assumptions, and beliefs regarding the positive outcomes of others' future behavior (Robinson, 1996; Yasir & Nazir, 2020; Yasir et al., 2016). As services provided by the Telecommunication sector of Pakistan are intangible in nature therefore customer trust perceptions are very much important for the repurchase of the services. Previous literature shows the association between customer trust and customer loyalty, highlighting that customer trust perception has a significant role in the customer and service provider relationship (Sun and Lin, 2010). Hence, the higher level of customer trust is necessary thereby to form and sustainable customer loyalty, because higher customer trust perceptions levels assist in the formation as well as fostering long-term relationship between the customer and service provider (La & Choi, 2012; Ball, Coelho, & Machas, 2004).

This research investigates the interrelationship between CSR, customer's trust, satisfaction and loyalty in the context of telecommunication sector of Pakistan. As empirical evidence on the understudy variables in the context of telecom sector (Al-Abdallah and Ahmed, 2018; Kodua and Mensah, 2017), specifically from Pakistan is still limited (Afridi et al., 2018). Moreover, current study extends the existing body of knowledge, as current study examines the association between; CSR, customer trust, satisfaction and loyalty, as little empirical evidence exists which focuses on finding the direct relationship among these variables in a single model (Islam et al., 2020; Glaveli, 2020; Park et al., 2017). In addition, Pakistan has been selected as context for this research. As, past researches are conducted in the developed countries context on the understudy variables. To the best of researcher's knowledge, current study is the first to investigate the effect of CSR, customer trust, customer satisfaction towards influencing customer loyalty in the telecom sector of Pakistan. Thus, objectives of this study are: (a) to determine the relationship between CSR initiatives and customer loyalty, (b) to investigate the association between customer satisfaction and customer loyalty, (c) to examine the effect of customer trust on customer loyalty, in the context of the telecommunication sector of Pakistan.

2. Hypotheses development

2.1. Corporate social responsibility and customer loyalty

Kim & Ham (2016) identified that customer view of business activities in the area of CSR is the core area of research in field of marketing for firms which are trying to gain higher customer loyalty. The field of CSR is considered to be an important factor which builds the nations and forms the behaviours of multiple stakeholders which includes customers as well (Kim and Kim, 2016). Thus, corporate social responsibility presents itself as a better idea not for organizational top management (Lacey et al., 2015) but for people in practical field also (Luo and Bhattacharya, 2006). Previous literature shows that CSR initiatives make customer able to pick a firm based on the positive image that they create about it (Sen & Bhattacharya, 2001). Moreover, Lacey et al. (2015) found that corporate social responsibility activities not only work as an attractor but it also impacts the consumer relationship and coming referrals. The efforts of company's activities under CSR have good impact on customer including among other positive services feedback, more buying frequency, high confidence and strong customer loyalty, as positive CSR activities push customers towards positive evaluation of the firm thus generating positive attitude which produces stronger loyalty (McCain et al., 2019).
Mandhachitara & Poolthong (2011) study shows that corporate social responsibility activities are the greatest way to gain loyalty of a customer. In the field of telecommunication, the services offered by different companies are almost identical so developing customer loyalty is a tough task. Therefore, previous literature shows a significant and positive link between companies’ CSR activities and their customer behavior toward the companies’ offerings (Akbari, Mehrali et al. 2019; Mohr, Webb, and Harris, 2001; Balcombe, Rigby, and Azapagic, 2013). Furthermore, Previous literature shows a positive association between corporate social responsibilities and customer loyalty (Cuesta-Valiño et al., 2019; Crespo and del Bosque, 2005; Marin, Ruiz, and Rubio, 2009). Thus, CSR initiatives are one of the best strategies to show organizational procedures and policies that are in line with the societal values (Polonsky et al., 2005). Pérez, et al., (2013) observed that corporate social responsibility activities are directly linked with customer loyalty. Hence, this study hypothesizes that:

**Hypothesis 1:** Corporate social responsibility has a positive and significant relationship with customer loyalty.

### 2.2. Customer satisfaction and customer loyalty

Customer satisfaction and loyalty play a past research has shown a positive relationship between customer satisfaction and customer loyalty (Yang and Peterson, 2004; Ismail et al., 2006; Chiou, Droge, & Hanvinich, 2002; Redda & Shezi, 2019). Scholars view that a highly satisfied customers are highly likely to recommend the services or product of a company to others (Russell-Bennett & Rundle-Thiele, 2004). Further research has added that highly satisfied customers not only spread positive image but also get involved in the act of repurchasing (Roberts-Lombard, 2011; Kandampully & Suhartanto, 2000). Caniago et al. (2014) and Aspizain (2016) found that in the industry of advertising customer satisfaction has markable effect on customer satisfaction. Ampadu et al. (2015) in their research on telecom sector found that customer satisfaction and loyalty are associated.

Yoo, Huang, and Kwon (2015) pointed out that high levels of customer satisfaction lead towards customer loyalty. Similarly, it has found that satisfied customer is highly likely to make sustained purchases (Nyadzayo and Khajehzadeh, 2016). In addition, previous studies have found a direct link between customer satisfaction and customer loyalty (Rychalski and Hudson, 2017). The satisfaction of customer has a direct effect on customer trust, customer retention and continued purchase intention, so satisfaction is considered as a key component of achieving loyalty of the customers (Liang & Wen-Hung, 2004; Gustafsson et al., 2005; ). In addition, extensive studies on the subject have found that customer satisfaction is one of the most notable factors for developing customer loyalty (Akbari, Mehrali et al., 2019; Slack et al., 2020; Pérez & Del Bosque 2015). Hence this study hypothesizes that:

**Hypothesis 2:** Customer satisfaction has a positive and significant relationship with customer loyalty.

### 2.3. Customer trust and customer loyalty

Researchers in the field of psychology, marketing and customer behavior have shown that customer loyalty is positively affected by trust (Harris and Goode, 2004; Lee et al., 2016; Jun et al., 2017; Alkhurshan & Rjoub, 2020). Moreover, Chiu and Droge (2006) stated that repurchase habit largely depends on trust. While Harris and Goode (2004) verified that decision to rebuy is dependent upon trust as it is considered a corner stone for an interaction, buying and rebuying in a business operation. The same was confirmed by Chiu and Droge (2006) stating that trust and confidence are key factors to build up customer loyalty. It is presumed that trust will result in creating a good image in the mind of customer which will consequently lead to achieving customer loyalty. Numerous studies have confirmed that trust is the foundation for developing customer loyalty ultimately (Morgan and Hunt, 1994; Moorman et al., 1993). The interdependence of trust and loyalty of customer has been supported by a number authors like Sirdeshmukh, Singh, and Sabol (2002), Chaudhuri and Holbrook (2001), Lim and Razzaque (1997), Singh and Sirdeshmukh (2000), Garbarino and Johnson (1999). However, in a volatile market where
there is a range of options available lack of trust might result in developing negative loyalty. In telecom sector, studies have pointed to existence of significant positive effect of trust on loyalty of customer (Corbitt et al., 2003).

In telecommunication sector customer trust impacts loyalty of customer through its effect on perceptions of the customer about quality of services (Sirdeshmukh, Singh, and Sabol, 2002). Thus, customer loyalty is broad based investment which provides a clean picture of managing connection between the service providers and customers in telecom sector (Raza et al. 2020). Ball, Coelho, and Machás (2004) view that customer trust explains customer loyalty, meaning that customer trust is the key factor responsible for attaining, sustaining and fostering customer loyalty (Lau and Lee, 1999). Thus, previous literature shows a positive and significant association between customer trust and customer loyalty (Haque and Mazumder, 2020). Hence, this study hypothesizes that:

**Hypothesis 3. Customer trust has a positive and significant relationship with customer loyalty.**

2.4. Framework

Figure 1: Framework of the study

![Framework of the study](source: own)

3. Methodology

3.1. Sampling and data collection

This study used convenient sampling technique which is a non-probability sampling method. This sampling technique has the ability to generate a large pool of respondents in a relatively short time. As in this method, individuals that are conveniently available and willing to participate in the study are selected (Onwuegbuzie and Collins, 2007). In addition, previous studies conducted on the understudy constructs and sector also used convenient sampling method (Hassan et al., 2012). Moreover, survey questionnaire was utilized for collecting data. In addition, data was collected through social media applications for instance, Facebook and WhatsApp. Furthermore, five hundred questionnaires were sent of which two hundred and twelve completed questionnaires were received.

3.2. Measurement scales

All the questions were anchored on a five-point Likert Scale ranging from 1= strongly-disagree to 5= strongly-agree. Moreover, CSR was measured using six questions/items from Pérez and Del-Bosque (2013). This research measured customer satisfaction with three items, customer loyalty with four items and customer trust with three items and these scales were from the study of Kaur and Soch (2012).
4. Analysis

Initially, this study provides the demographic details and values of the Cronbach alpha analysis. Afterwards the correlation and regression analyses are provided. As correlation and linear regression are the most commonly used techniques for examining the association between two quantitative constructs. Correlation measures the degree of a relationship between two constructs; whereas, in the regression analysis, one variable is independent and its impact on the other dependent variable is measured (Bewick et al., 2003). Thus, in this study, both correlation and regression analyses were conducted in order to examine the degree of the association between the constructs, as well as, to know how much the independent variable effects the dependent variable.

4.1. Demographic description

The respondents of this study include 51 female and 161 male participants, 24.1% and 75.9% of the sample size respectively. In addition, sample of this research includes respondents of age bracket; less than 30 years were 99 individuals, 30 to 40 years old were 63 individuals, 41 to 50 years old were 45 individuals and more than 50 years old were 5 individuals making it 46.7%, 29.7%, 21.2% and 2.4% of the sample respectively. Moreover, respondent's education level was; diploma holders were 40 individuals, graduates were 82 individuals, and postgraduates were 67 individuals, and other were 23 individuals, making it 18.9%, 38.7%, 31.6% and 10.8% of the sample size respectively.

4.2. Cronbach alpha

Cronbach alpha analysis was used for measuring the questionnaires internal consistency. In addition, the acceptable value for Cronbach alpha is greater than .7 (Sekaran 2006). Cronbach's alpha value for corporate social responsibility was .815, customer satisfaction was .830, loyalty was .833 and for customer trust was .851, thus, these values are within the acceptable range.

4.3. Correlation

Table 1 highlights the correlation analysis of this research.

<table>
<thead>
<tr>
<th></th>
<th>Customer Satisfaction</th>
<th>Customer Loyalty</th>
<th>Customer Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR</td>
<td>1</td>
<td>.459**</td>
<td>.440**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>N 212</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>.440**</td>
<td>.726**</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>N 212</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Trust</td>
<td>.433**</td>
<td>.618**</td>
<td>.808**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>N 212</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**p<.01
Source: own research
Table 1 indicates the correlation analysis of this research. Results demonstrate that a positive and significant association exists between corporate social responsibility and customer satisfaction \((r=.459, p<0.01)\). Furthermore, a significant and positive association exists between customer satisfaction and customer loyalty \((r=.726, p<0.01)\). Lastly, a positive and significant relationship exists between customer loyalty and trust \((r=.808, p<0.01)\).

**4.4. Regression**

The following tables illustrate regression analysis for the understudy variables relationship.

Table 2. **Regression analysis for Corporate social responsibility and Customer Loyalty (N212)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.710</td>
<td>.225</td>
<td>7.607</td>
</tr>
<tr>
<td></td>
<td>CSR</td>
<td>.499</td>
<td>.070</td>
<td>.440</td>
</tr>
</tbody>
</table>

\(R^2=.194, \Delta R^2=.190, F=50.436, df=1, P<.000\)

Source: own research

Regression analysis was conducted for CSR and customer loyalty. The value of \(R^2 = .194\) indicating that 19.4% variation in customer loyalty is brought because of corporate social responsibility. In addition, Beta value is .440 which shows a positive association between CSR and customer loyalty.

Table 3. **Regression analysis for Customer Satisfaction and Customer Loyalty (N212)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.071</td>
<td>.149</td>
<td>7.189</td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction</td>
<td>.658</td>
<td>.043</td>
<td>.726</td>
</tr>
</tbody>
</table>

\(R^2=.528, \Delta R^2=.525, F=234.459, df=1, P<.000\)

Source: own research

Regression analysis for customer satisfaction and loyalty was conducted. The value of \(R^2 = .528\) showing that 52.8% variation in customer loyalty is brought because of customer satisfaction. In addition, Beta value is .726 which indicates a positive relationship between customer satisfaction and customer loyalty.

Table 4. **Regression analysis for Customer Trust and Customer Loyalty (N212)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.896</td>
<td>.124</td>
<td>7.219</td>
</tr>
<tr>
<td></td>
<td>Customer Trust</td>
<td>.744</td>
<td>.037</td>
<td>.808</td>
</tr>
</tbody>
</table>

\(R^2=.653, \Delta R^2=.652, F=395.669, df=1, P<.000\)

Source: own research
Table 4 indicates the regression analysis for customer trust and customer loyalty. Value of $R^2 = .653$ indicating that 65.3% variation in customer loyalty is brought due to customer trust. In addition, Beta value is .037 indicating a positive association between customer trust and loyalty.

5. Discussion

Finding of this study revealed a positive association between CSR and customer loyalty. Similar findings are also demonstrated by previous studies (Latif, Pérez, and Sahibzada, 2020; Kim and Ham, 2016; Pérez and Rodríguez del Bosque, 2015). In addition, past studies demonstrate that consumers are more willing to purchase goods or services from companies who undertake corporate social responsibilities initiative, consequently leading towards customers repeat purchase behavior (Stanaland et al., 2011; Palacios Florencio et al., 2018). Furthermore, Lacey et al. (2015) have also identified that corporate social responsibility not only works as a stimulator but also impacts consumer relationships and future referrals. Previous literature shows that organizations CSR activities positively effects customers loyalty, including stronger confidence, higher purchase intention, satisfactory production/service evaluation as well as greater customer loyalty (Park et al., 2017; Kim et al., 2017). So, when consumers observe positive corporate social responsibility, their attitude toward that organization will be positive, leading towards higher levels of customer's loyalty (Mc-Cain et al., 2019). Thus, in the telecommunication sector of Pakistan, there exists a positive association between customers perceptions of CSR initiatives and customers loyalty.

Results of this research support the second hypothesis of this study thereby confirming that a positive and significant association exists between customer satisfaction and customer loyalty. Findings of the current research are in line with the past studies who also demonstrated a positive relationship between customer satisfaction and loyalty (Martinez and Rodríguez-del-Bosque, 2013; Chung et al., 2015; Al-Ghamdi, S. A., and Badawi, 2019; Kim and Kim, 2016; Ashraf et al., 2017; Halim and Hermawan, 2017; Perez and Rodriguez-del-Bosque, 2015). Furthermore, previous literature shows that one of the key phenomena to consider while developing customer's loyalty program is customer satisfaction (McIlroy and Barnett, 2000; Belás et al., 2015). Thus, customer satisfaction is an important factor indicating how good the consumers need and demands are met whereas customer loyalty is an important factor indicating the probability of a customer in order to repeat the purchases. This shows that customer loyalty is crucial because even if a customer is satisfied with the goods or services, they will still continue to explore other goods or services of similar kind who are providing better value. Hence, it can be said that organizations can have satisfied customers without loyal customer, but it is nearly impossible to have loyal customers without customers satisfaction. Thus, both the constructs are positively associated specifically in the telecom sector of Pakistan.

Results of this research shows that customer trust is associated with customer loyalty. Previous study on the said relationship also supports the results of current study which indicates that trust has a significant and positive association with customer loyalty (Chaudhuri & Holbrook, 2001; Sirdeshmukh et al., 2002). As customer trust is an individual's desires and expectations regarding a goods or services that are going to be fulfilled by the company (Sarwari, 2017). Moreover, past literature indicates a significant effect of customer trust on customer loyalty. Previous literature further shows that when promises of the goods or services with the consumers are fulfilled, it led towards enhanced customer trust in the company's services and goods resulting in creating and maintaining loyal customers (Morgan & Hunt 1994; Chaudhuri & Holbrook, 2001). Hence, in this study as well, the results show that customer trust is an important driving force which effects customer loyalty, specifically in the context of telecommunication sector of Pakistan.

5.1. Theoretical implications

This research has several theoretical implications. For instance, this research contributes towards the understanding of the understudy construct which has not been examined in depth in past studies
relating to CSR and customer loyalty in the telecom sector of Pakistan. Thus, assisting in developing a higher understanding of the association between corporate social responsibility and customer loyalty. Secondly, this research also extends the existing body of knowledge by examining the effect of customer satisfaction on customer loyalty. Thus, the findings of this research provide support to the proposition that customer satisfaction is one of the key antecedents of customer loyalty in the understudy sector. Thirdly, the current research contributes towards the existing literature by providing a better understanding the phenomenon and association between customer trust and loyalty in the telecom sector of Pakistan. This research reveals that trust plays a significant role in influencing customer loyalty. Hence, customers who trust their telecom service provider are less likely to do comparisons with other alternatives thus an enhanced customer loyalty will be achieved.

5.2. Managerial implications

Current study findings have significant managerial implications. First, the findings of this research provide guidelines for organizational top management, confirming that corporate social responsibility measures are among the factors that customer consider when they purchase goods or services. In the contemporary business environment, customers are better informed than before about organizational operations, and this study results show that customer appreciate organizations that are engaged in CSR activities. Thus, CSR initiatives are helpful in the field of the telecom sector which will yield positive results for a customer. Hence, corporate social responsibility is one of an effective way to increase customer loyalty in the contemporary consumerist society as customers are increasingly focusing on social issues and responding more intensely every day.

Secondly, customer satisfaction is one of the key factors that effects customer loyalty. Therefore, top management of the organizations need to develop strategies and policies thereby putting procedures and practices in place to ensure the degree to which the service provided by an organization meet or exceed the customer's expectations. It is recognized that the improvement of customer satisfaction will create consumers that are more loyal. By referring to customer loyalty, organizations can attract more consumers. Top management of the organizations are advised to satisfy and better manage their relationships through quality products and/or services offering to their customers as a competitive policy in the contemporary business environment. Thus, telecom sector in Pakistan is required to offer services that meet and/or surpass customers expectation.

Thirdly, according to the findings of this research, organizations should focus on their customer trust in order to increase their customer loyalty. As, acquiring new customers is both expensive and hard for the company in terms of marketing when the number of customers has reached its peak. Therefore, practitioners need to develop marketing strategies thereby to enhance customer perceptions to promote long-term loyalty in today’s context of environmentally friendly products and services. Thus, it is important for the top management of the organizations to understand which aspect of the marketing contributes mostly toward customer trust leading towards effectively influencing customers loyalty.

5.3. Limitation and future research

This study is cross-sectional in nature. Therefore, further research can be conducted based on longitudinal design. Moreover, future research can also be conducted on the understudy variables in the other dissimilar service sector for instance, hospitals, education, banking and airline especially in the context of Pakistan as few researchers have conducted study on these variables in Pakistan. Furthermore, this study examines the direct relationship between CSR, customer satisfaction, customer trust and customer loyalty, thus, this study did not investigate the role of any mediating and/or moderating variables. Therefore, further researches can explore the moderating and mediating effects between the understudy framework. Lastly, this research was based on the sample of 212 respondents, therefore future researches are needed thereby having a large sample size and also using a more robust sampling technique.
6. Conclusion

This study shows that CSR initiatives have a significant effect on the loyalty of customers in the services sector, specifically the telecommunication sector of Pakistan. From the current study findings, CSR initiatives are one of the right strategies to satisfy the existing consumers who become loyal afterward. Therefore, telecom service providers should pay attention to providing, continuing, and improving their CSR activities. Moreover, CSR statements indicate the organizations' activities; for instance, the customer-related activities, environmental activities, and products/services prices are the ones gaining attention. Thus, the telecom service providers have to exert greater efforts in educating and increasing the customers’ awareness about the significance of environmental causes and subsequently their activities in protecting, supporting, and advocating such causes.

Current research also investigated the effect of customer satisfaction on the loyalty of a customer. Findings showed a positive and significant association between customer satisfaction and customer loyalty. Thus, for success in the contemporary marketplace, consumer satisfaction should be on top priority. As satisfaction is one of the aims of every organization because when consumers are satisfied, they become loyal customers leading towards positively affecting the organizational financial performance. Moreover, acquiring new customers comes with a heavy price, so retaining old customers is more beneficial. Therefore, organizations highly invest in order to satisfy their consumers. In addition, customer satisfaction drives customer loyalty which is fundamentals for the success of any organization. Hence, the satisfaction of customers is base for developing the loyalty of customers.

The findings of this research further revealed that customer trust has a positive effect on customer loyalty. So, if customers start feeling confident or develop trust in the service provider, a process of attachment or loyalty arises. In addition, customer loyalty arises as a result of customers already feeling confident with the company goods or services and other features, including the promises given by the company. Moreover, if customers are loyal, thereby generating benefits for the organization, as they will make repeat purchases, they will discuss the company’s products positively to other potential customers who will encourage and recommend to others to use the product or services. Thus, fulfilling customers’ expectations and desires becomes a reason for retaining the customer for a long time and ensuring future buying.

References


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