

Department of Management

Customer Satisfaction and Repurchase Intention: an application to the
telecommunications industry

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Abstract

In an ever changing world, enterprises need to focus in their customers in order to guarantee their future survival and success. However, what constructs are truly important in determining Customer Repurchase Intention? For a long time, Overall Customer Satisfaction was considered to be the fundamental construct when determining Repurchase Intention. In this study, it is proofed that although Overall Customer Satisfactions is important, it is not the fundamental construct determining Repurchase Intention. Constructs like Quality Perception or Trust play a fundamental role in maintaining a customer, in the complex world of International Telecommunication in a Business to Business perspective.

Abstract

Num mundo em constante mudança, as empresas devem apostar nos seus clientes para garantir a sua sobrevivência e futuro sucesso. No entanto, quais são as variáveis que realmente influenciam a intenção de manter e desenvolver um relacionamento comercial?

Durante vários anos, a Satisfação de Cliente foi considerada a variável que mais influenciava a Intenção de Recompra e, conseqüentemente, a manutenção um relacionamento comercial. Neste estudo é provado que a Satisfação de Cliente, apesar de importante no contexto comercial, não é de todo a variável mais importante quando se fala de Intenção de Recompra. Variáveis como a Confiança ou a Percepção de Qualidade também desempenham um papel fundamental no complexo mundo das Telecomunicações Internacionais numa perspectiva *Business-to-Business*.

Keywords: Customer Satisfaction, Quality, Trust, Repurchase Intention and Telecommunications

JEL Classifications: Telecommunications (L96), Marketing and Advertising (M39)

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To José, my dear son

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Executive Summary

Num mundo em constante mudança, as empresas devem apostar nos seus clientes para garantir a sua sobrevivência e futuro sucesso. No entanto, quais são as variáveis que realmente influenciam a intenção de manter e desenvolver um relacionamento comercial?

Durante vários anos, a Satisfação de Cliente foi considerada a variável que mais influenciava a intenção de recompra e, conseqüentemente, a intenção de manter um relacionamento comercial. Neste estudo é provado que a Satisfação de Cliente, apesar de importante no contexto comercial, não é de todo a variável mais importante quando se fala de Intenção de Recompra.

Pelo estudo efectudado, demonstra-se que num contexto *Business-to-Business*, tendo como foco especial o sector das telecomunicações internacionais, a Satisfação do Cliente não tem um impacto directo na intenção de Recompra, sendo que a sua importância é mais relevante na promoção feita pelos clientes à empresa.

Por fim, comprava-se a complexidade da variável de Intenção de Recompra, que acaba por ser determinada por vários aspectos da empresa que fornece o serviço, desde os produtos e/ou serviços que fornece até ao valor acrescentado por estes, passando pela confiança que se estabelece entre duas empresas.

1 Introduction

1.1 Background

When Bell invented the telephone or Marconi established the first intercontinental broadcast using radio electric waves, they could not predict the impact their discoveries would have in the world nor could they anticipate the billions of dollars the Telecommunications industry would represent in the future.

People have always wanted to communicate with each other and Telecommunications give them the opportunity to easily do it. Telecommunications innovations, like telephone or satellite, united families and countries, developed several different types of businesses and provided a wealthy source of income for several Governments.

Until the 90s, the majority of telecommunications companies were owned by the governments and they were considered strategic. In fact, they were monopolies, with huge profitability and mainly focused on their own countries.

When finally the Telecommunications services were liberalized throughout the industrialized world and the Telecommunications giants were privatized, this business became one of the most attractive in the world, with several new companies trying to enter the market. As a result, in the last decade, this sector has gone through a consolidation process, which included several acquisitions and even, the bankruptcy of MCI Worldcom.

On the other hand, in this period, the companies were also severely affected by the continuous reduction of the bandwidth price due to the new discoveries in transmission mediums. Innovations like the Internet, ADSL connections or VoIP completely changed the Telecommunications business structure, and the old profit formula: “selling bandwidth and calls with phenomenal margins” simply collapsed.

Nowadays, the Business to Business (B-2-B) Telecommunications sector plays a fundamental role in the world economy. Without it, companies could not reach their clients, nor could they expand their businesses to new countries. In addition, in table 1-1, the financial indicators of

the biggest players of the Business-to-Business Telecommunications are shown, to demonstrate the strength of this market.

Group (2010 results)	Market capitalization	Revenue	EBITDA	Customers
ATT	\$185.65B	\$125.00 B	\$38.59B	Not disclosed
Vodafone	\$148.46B	\$74.18B	\$23.77B	340 K
Telefónica	\$111.64B	\$89.30B	\$32.44B	265 K
Verizon	\$102.7 B	\$106.64B	\$34.78B	87 K
France Telecom	\$58.22B	\$65.04B	\$21.80B	193 K
BT	\$23.64B	\$33.36B	\$8.54B	Not disclosed

Table 1-1 - Financial data of main International Telecommunications Groups (<http://finance.yahoo.com>)

1.2 Problem Statement

Nowadays, the global telecommunication business is quite complex as there are several competitors, including regional and local companies that are able to reach the global market through alliances. All companies have access to the same technology and customers are increasingly better informed and more demanding. Moreover, the market is unstable with many acquisitions and fusions happening. On the other hand, the traditional business in Telecommunications, as previously highlighted, is no longer profitable and only Value-Added Services seem to be able to guarantee the companies survival.

In an environment where competitiveness is no longer determined by the technological factors and, when retaining customers is becoming increasingly difficult, in order to be successful, a company needs to know its customers and, above all, needs to know how each aspect of itself influences the customers in a positive way, in a way that leads to Repurchase Intention. As a result, the following questions should be posed:

- Which constructs or aspects of a company truly influence Repurchase Intention?
- What makes a customer Recommend a Company?
- Does Overall Customer Satisfaction directly influence Repurchase Intention?
- Is Trust relevant?
- Moreover, Quality: how does it relate with Customer Satisfaction and Repurchase Intention?

1.3 Research Objectives

The main goal of this thesis is to determine, through statistical analysis, what are the main constructs that influence and impact customer Repurchase Intention in the International Telecommunications industry.

By developing this analysis, the main goal is to help the service companies, mainly the Telecommunication Companies, to better know where to put their efforts, in order to maximize each one of the studied constructs and, in turn, maximize repurchase intention.

1.4 Thesis division

In order to achieve the Research objectives, this thesis is divided into five main chapters. Firstly, it will start with an introduction where a background of the telecommunications business will be presented and the research problem developed.

In the second chapter, the literature review will be done, with the main focus in repurchase intention, trust, customer satisfaction and quality, and the research questions and frame of reference will be developed.

In section three, the research methodology will detailed and in section four, the study of the empirical data will be done and the results of the statistical analysis will be presented.

Finally, in chapter five, the major conclusions and implications will be presented.

2 Literature Review

2.1 Global Telecommunications Industry

2.1.1 Dynamic Evolution

As highlighted in the first part of this thesis, the Telecommunications Industry has had several changes in the last years, namely acquisitions, consortiums and fusions.

In the end of the last century, all TMT companies were considered good investments, all projects in this area were seen as good opportunities and companies were encouraged to get bigger and more adventurous in their pursuits.

As Curwen and Whalley (2004) highlighted, Telecoms were taking over each other not only impelled by an expanding market, but also by the eagerness of the national governments to have success abroad. For example, Worldcom became a huge company through fast pace acquisitions and European Telecommunications companies made several foreign investments.

However, in 2001 the markets plough, with the crisis in the TMT quickly spreading into other industries. The absurd values of the acquisitions practiced in the past were punishing the companies and, regardless of their financial stability or even sound investments, all were severely affected (Curwen and Whalley, 2004).

Along with this crisis, the technological factors also changed with the convergence of technologies, which created new opportunities for the Telecom companies to expand vertically. Moreover, Telecom Customers, and specifically, the customers of the International Telecoms started to demand different products and services.

In fact, part of the development and expansion of the telecommunications companies were due to the customer requirements and requests (Goleniewski, 2002).

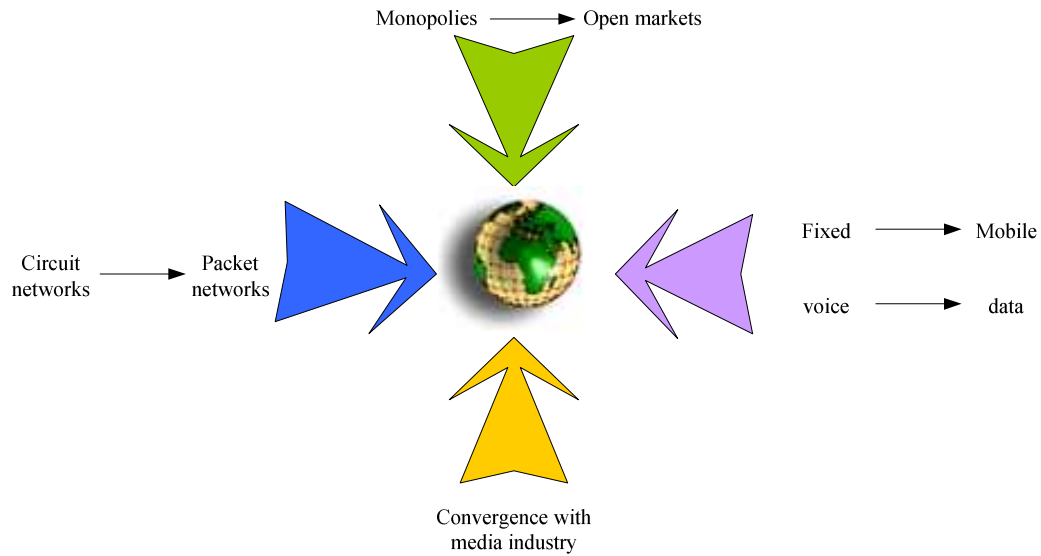


Figure 2-1- Paradigm shift in the Telecommunications business (Olsson, 2003)

In this context, Outsourcing became a famous word, with companies wanting to focus on their core objectives and delegating the telecommunications to the specialists. This fact represented huge opportunities for the sector, with some outsourcing agreements reaching several millions of dollars.

On the other hand, the companies started to face a new competitor: Internet, which allowed good connectivity at a low price. Internet shattered what was until then the domain of private networks. In addition, IPSEC software made Secure Connections over the Internet possible and several companies have taken this route to establish their internal networks in a cheap way (Minoli, 2003).

Another development that affected Telecoms was VoIP protocol: the possibility of making Voice calls over Internet. In fact, VOIP was a huge development for the consumer that had now the possibility of making calls at a very low cost through the Internet. However, for telecommunications companies, it was a nightmare as it reduced the phone bills considerably, mainly for the international calls.

Products like DSL or Ethernet Links are starting to make normal Leased Lines obsolete and even in certain European countries Leased Lines are no longer available (ITU-T 50 years of Excellence, 2006). The combination of these technologies contributes for the reduction of the Telecommunications Companies' profits.

All these changes and developments are signs of the convergence that took place in the sector and still is a major trend in this business. Two type of convergence may be defined: a technological convergence between voice and data, and a sector convergence between Telecommunications, IT and Media (Katz, 1996).

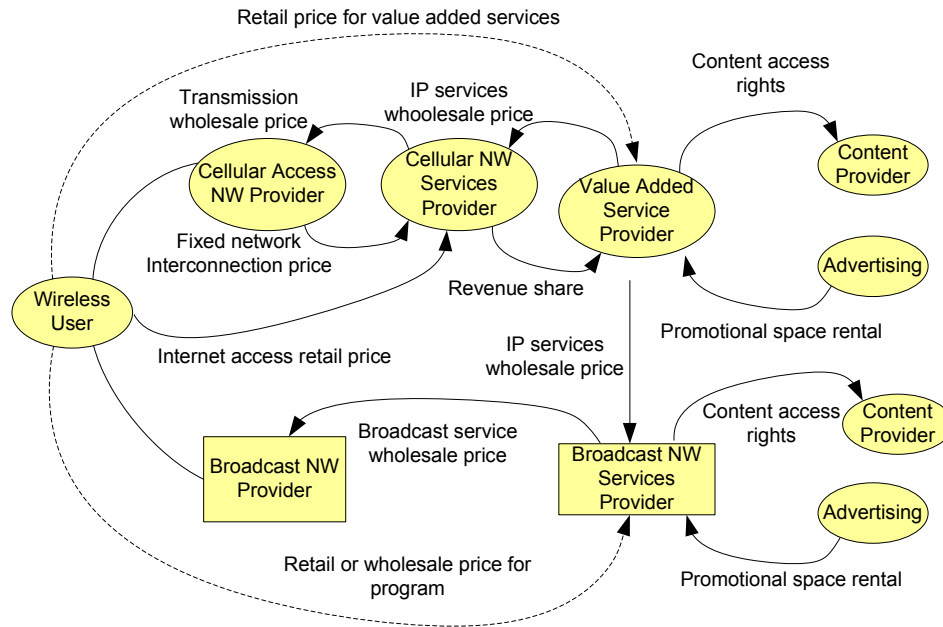


Figure 2-2 - Example of established relationships in a convergence environment (Berg, M. et al, 2003)

As a result of all these developments, nowadays, the biggest International Telecommunications companies are transforming themselves into integrators: integrating fixed, mobile and wireless communications, with the convergence of the different types of Telecommunications. Moreover, several agreements between Microsoft, Accenture or IBM and the Major Telecommunications companies show the necessity of expanding into different areas of business, outside of their comfort zone. These new areas include services, often quite complex, which rely greatly on relationships and customer bonding (ITU Telecom World 2009).

2.1.2 The “unpredictable” consumer and the “needing” customer

All the changes discussed in the previous chapter had a direct impact on the relationship between customers/ consumers and companies. The increasing number of competitors, the development of new services and the reduction in prices empowered consumers (Olsson, 2003).

Nowadays, end users are no longer tied to monopolies, as they have a varied offer to choose from. In addition, they are more aware of their rights and the value of companies' products and services. Telecommunications Companies aggressive Marketing and regulators bodies have contributed greatly for this emancipation. In fact, the liberalization of the Telecommunications Business, with services like phone numbers portability, gave customers the freedom of choice and the power to change (Olsson, 2003) and, at the same time, forced companies to improve and be innovative.

However, focusing in a business-to-business environment, although the customers have also been empowered, customer needs do not support unpredictability nor uncertainty, as business needs are long term ones and stability is fundamental (Baker, 2003). In addition, Fill (2006) advocates that positive relationships between buying and selling organizations are pivotal for success.

In a business-to-business environment, according to Håkansson (1982), the existence of multiple and complex interactions between buyer and seller organizations are the main differentiators from the traditional consumer behavior.

Moreover, several studies have shown that long-terms relationships with customers may be very profitable for a company, with the total profit attained from the customer increasing throughout the duration of the contract. In fact, it may start with the basic profit attained from the contracted services but throughout the contract, it may include more sold services and word-of-mouth and referrals effect, if the customer is delighted with the company (Bruhn, 2003).

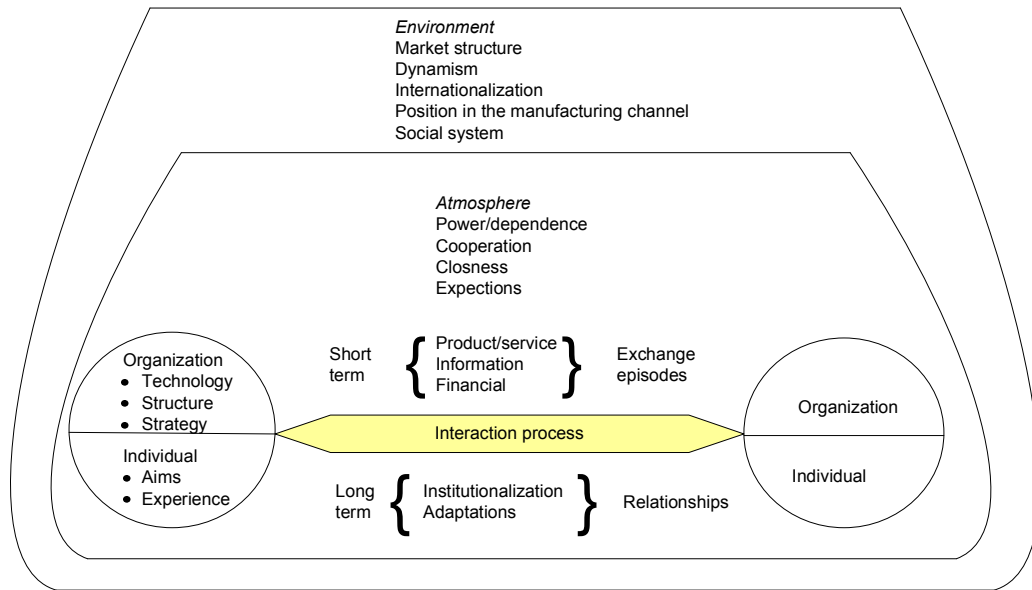


Figure 2-3 - The main elements of the interaction model (Håkansson, 1982)

The need for stability and predictability has a huge influence in the way Global Telecommunications Companies manage their interactions with their customer, which are also companies. Therefore, long term relationships seem to be the solution for future growth and sustainability of the Business to Business telecommunications sector.

2.2 Customer Retention & Repurchase Intention

2.2.1 Definition

Customer retention has been a quite discussed topic among scholars, mainly relating with relationship marketing (Pfeifer and Farris, 2004). However, why is Customer Retention so important? According to Ang and Buttle (2006), several studies showed that a 5 per cent increase in Customer Retention represent an increase of 25 to 95 per cent in the customer net present value, depending on the type of business. Moreover, existing customers are usually less sensitive to price, bring along new customers and do not have star up costs (Komorowski and Zytkow, 1997; Pfeifer and Farris, 2004).

Nevertheless, Customer Retention seems to be difficult to define. According to Blattberg and Getz (2001), Customer Retention may be defined as: the customer continues to purchase a

service or a product during a certain amount of time. However, the issue with this definition is the fact that, in a Business-to-Business environment, the amount of time between repurchases may be years. As a result Balttberg and Getz (2001) proposed that not only the action but also the Repurchase Intention should count as retention in businesses with long purchases cycles.

Following this, which constructs should influence Repurchase Intention? For several years, most literature about customer satisfaction was based on the idea that a satisfied customer would buy more products or services and would prolong their relationship with the suppliers just because they were satisfied. As a result of this assumption, Customer Satisfaction would immediately lead to more purchases and business growth (Gerson, 2004; McNealy, 1996).

For example, according to Mcnealy (1996), Customer Satisfactions had an impact on Customer Loyalty that in turn had also an effect on Customer Retention, as detailed in Figure 2-4.

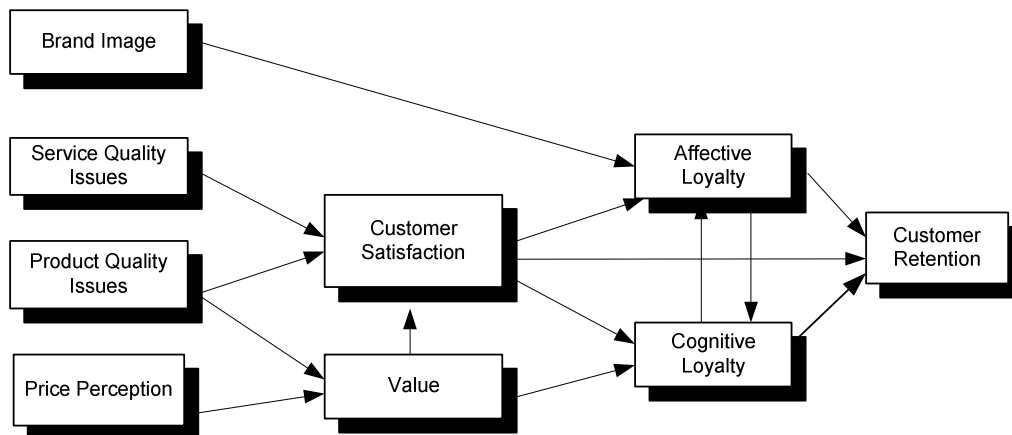


Figure 2-4 - Relationship between loyalty and satisfaction (McNealy 1996)

Indeed, as seen in this model, Customer Satisfaction was considered the most important construct of Customer Retention and, consequently, Repurchase Intention. Following this, several companies invested in strategies to maximize customer satisfaction, expecting that this action would by itself guarantee the retaining of existing customers and business success (Piercy, 2002; Hennig-Thurau and Klee, 1997).

However, practice would prove that Customer Satisfaction alone would not guarantee repurchase (Piercy, 2002). In fact, it was detected that customers that stated they were satisfied with the services of a company would easily switch to a competitor (Griffin, 2002). Moreover, in certain areas of business, it seemed to exist more switching among satisfied customers than dissatisfied ones (Hennig-Thurau and Klee, 1997).

Following this, the obvious relationship between Customer Satisfaction and Repurchase Intention started to be better analyzed and Repurchase Intention Construct proved to be far more complex than once thought. For example, recent meta-analysis of customer satisfaction revealed that it only accounted for 25% of the variance in repeat purchase in certain businesses (Szymanski and Henard, 2001), while, in other areas of business, there is no direct link between customer satisfaction and repurchase intention (Hennig-Thurau and Klee, 1997).

2.2.2 Repurchase Intention as a complex concept

Having this mind, Repurchase Intention is a more complex concept that one could suppose: not only it may be associated with customer satisfaction, but it may also be related with several other factors. According to Bendapudi and Berry (1997), Repurchase Intention is related with Customer Loyalty and Switching Constrains.

Switching constrains are related with the barriers that the provider creates in order to keep the customer. In the telecommunications area, these constrains may vary from price reductions to outsourcing agreements, varying through different value-added services (Lee and Murphy, 2005). In fact, a bigger service component corresponds to bigger switching constrains, due to the interactions effect and a higher uncertainty associated with patronage switching and higher switching costs (Lee and Murphy, 2005).

Having this in mind, what companies truly want are Loyal Customers. Customer Loyalty goes beyond the simple Repurchase Intention, it means a delighted customer that praises the company and promotes it, it means an affective relationship between the customer and the provider, something that customer retention alone does not have (McNealy, 1996). As Gremler and Brown (1999) put it: it is one of the best ways to have an extended sales force.

In fact, when customers are delighted with a company, they promote it; they talk about how happy they are with the services, how exciting the news products are or how friendly the people in the company are. All these nice conversations contribute to promote the company in the society and, a positive word-of-mouth may do wonders to the sales of a company (Gremler and Brown, 1999).

Unfortunately, achieving this degree of psychological bonding is not easy; it implies satisfaction but, above all, trust and a very good relationship. As Chandrashekar, Tax, Rotte and Grewal (2007) highlighted, Customer Loyalty is only achieved through good and sound relationships between customers and providers.

Finally, as the surveys used in this study do not have information to analyze Switching Constrains, the model proposed will focus mainly on the constructs related with Customer Loyalty: for example Trust.

2.3 Customer Satisfaction

2.3.1 Definition

Customer Satisfaction has had the keen interest of researchers in the last decades, with hundreds of articles published about this subject in several different publications. However, how can one define Customer Satisfaction? According to Johnson and Fornell (1991), it may be defined as the customer overall evaluation of the performance of an offering, product or service, up to date.

In addition, Gerson (2004) defines Customer Satisfaction as the customer perception that his or her expectations have been met or surpassed and Thureau and Hansen (1999) define it, based on the disconfirmation paradigm, as the customer's emotional or empathic reaction to a perceived difference between performance appraisal and expectations.

As a result, Customer Satisfaction may be defined as the degree to which customer expectations of a product or service are met or exceeded. Following this, customer satisfaction is greatly related with expectations, perceived value and quality of a service or product. In fact, McDougall and Levesque (2000) proved that core service quality and perceived value have a strong influence on Customer Satisfaction.

2.3.2 Customer Satisfaction in Business-to-Business relationships

In Business-to-Business relationships, like the ones that are under analysis in this study, the duration and the customer involvement in the relationship are completely different from the normal consumer behavior, which is usually restricted to a single transaction and as Gummesson (2002) put it, transitions do not have memory or history and sentiment is not usually involved in them.

On the other hand, Business-to-Business relationships have a history, as they could last for several years, and also have sentiment, as there is a greater involvement of the customer in the service that is provided (Homburg and Rudolph, 2001), with collaboration being a common practice between sellers and buyers. As a result, these relationships are complex and the interactions occur between all levels of the buyer and seller companies. The customer may interact with sales people, but also with technical people, management or the financial department. So, multiple interactions are established (figure 2-5) and all of them contribute to Customer Satisfaction (Gummesson, 2002).

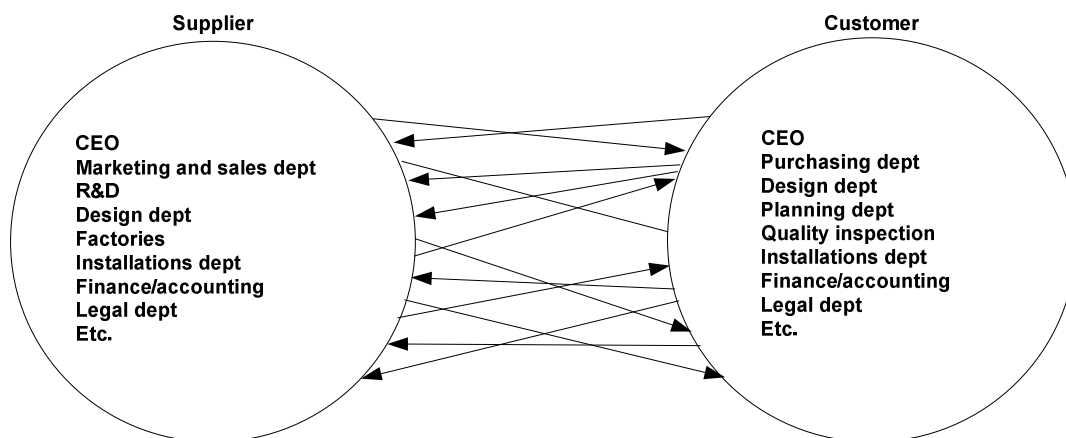


Figure 2-5 - Relationships between the many-headed supplier and many-headed customer

In addition, these interactions may not all have the same impact on Customer Satisfaction. Frequency of encounter and the attitude towards the customer influence considerably Customer Satisfaction. In fact, what matters is the quality of the relationship (Thurau and Klee, 1997).

Having this in mind, Homburg and Rudolph (2001) developed a multi-dimensional conceptualization of the industrial customer satisfaction, detailed in figure 2-6, that focus on the different interactions customers have with the seller company in a Business-to-Business environment.

This multi-dimensional analysis has great consequences for Customer Satisfaction. The first conclusion is that everyone and everything that is in contact with the customer may impact customer satisfaction. This leads to the conclusion that personal relationships are fundamental in a Business-to-Business environment in order to maintain customers satisfied (Homburg and Rudolph, 2001).

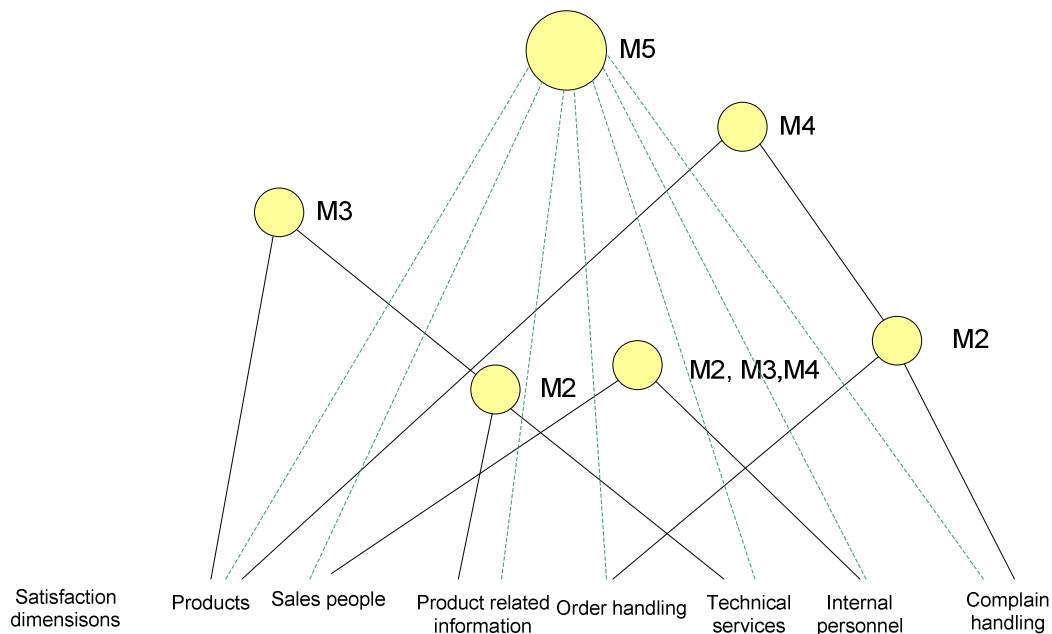


Figure 2-6 - Diagram of Homburg and Rudolph Customer Satisfaction construct

The other conclusion is that companies must know their customer well, know their needs, their desires and what delights them. In this way, each interaction can increase Customer Satisfaction and lead to Repurchase Intention (Gerson, 2004).

2.4 Quality Perception

2.4.1 Definition

Quality is regularly used to define an object, product or a service that fulfils one's needs and exceeds one's perception of what that object, service or product should be. In fact, according to Jain (2001), Quality may be defined as the degree to which a product or service meets the requirements of a customer.

On the other hand, Kumar (2006) defends that is impossible to have a single definition of Quality because it is not a unique phenomenon; it involves several parameters and different dimensions (figure 2-7). Following this, Quality has already been defined in the literature, as "fitness for use" or "conformance to requirements and specifications", all depending on the dimension of Quality that is under analysis.

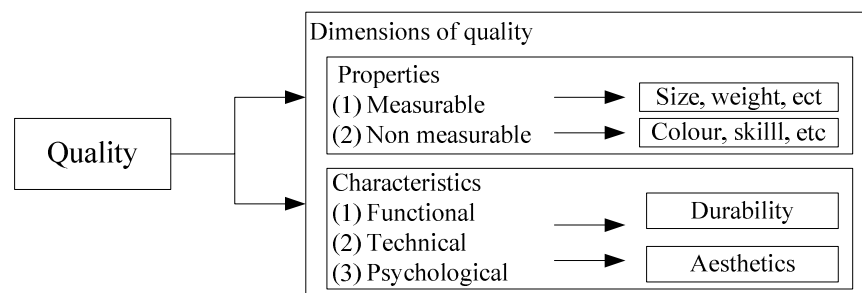


Figure 2-7 - Examples of quality dimensions (Kumar 2006)

ISO 9000:2000 defines quality as the degree to which a set of inherent characteristics fulfils a need or expectation that is stated: general, implied or obligatory (Hoyle, 2005).

Following these definitions, it is clear the importance of quality, as it is related with the customer expectation. In fact, customers demand Quality and that is why a company can be certified through the ISO certification system.

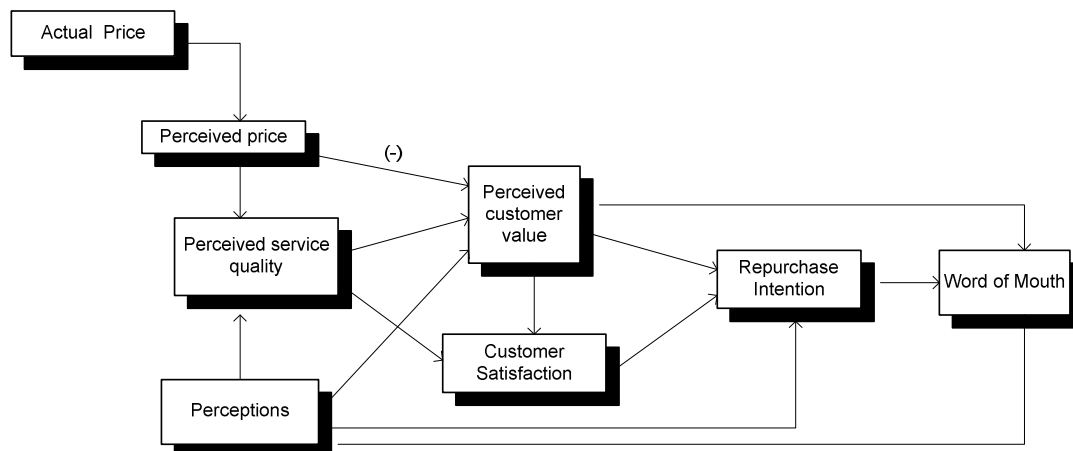
As Hoyle (2005) highlights, customers may choose their suppliers through recommendation or testing of the suppliers capabilities. However, when this is not possible or feasible, a third party (ISO certifications) authentication of the company's quality is fundamental.

ISO certifications imply that Quality is perceived as a strategic goal and, not only, a goal of the operational department. In fact, Quality is of the utmost importance for the companies, if they want to be successful.

2.4.2 Quality perception versus Customer Satisfaction

The relationship between Quality and Customer Satisfaction is not yet perfectly defined and, furthermore, may even be considered a controversial one. In fact, some authors state that Quality Perception is an antecedent of Customer Satisfaction (Oh, 1999), while others define Customer Satisfaction as an antecedent of Quality Perception (Hennig-Thurau and Klee, 1997).

According to Oh (1999), Quality Perception is an antecedent of customer satisfaction, as quality perception is related with a conformation or disconfirmation of an expectation (figure 2-8). As a consequence of the disconfirmation theory, if customers perceive bad quality, they are dissatisfied and if they perceive good quality, they are satisfied. In addition, it is Customer Satisfaction that has a direct impact on Repurchase Intention.

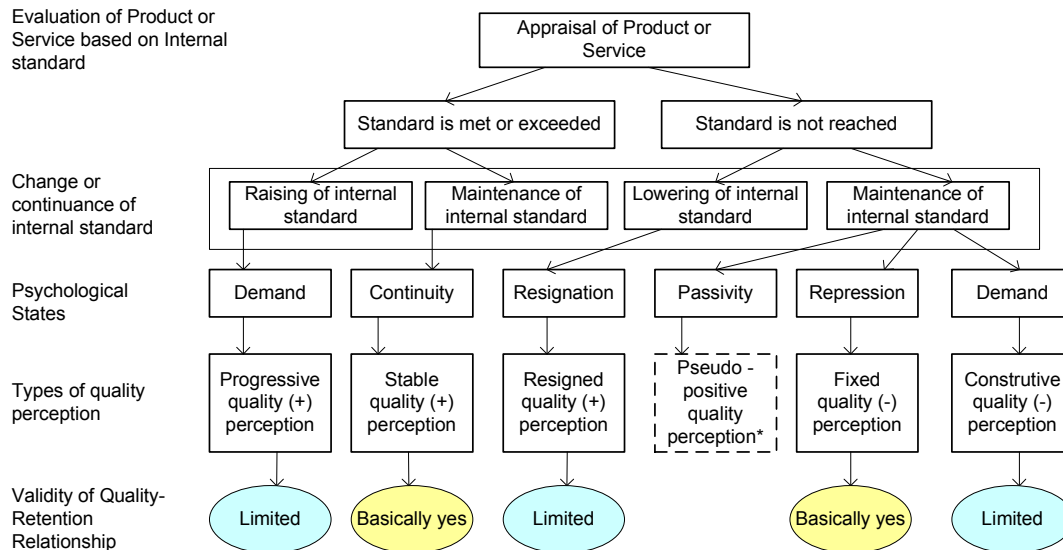


Note: Arrows indicate hypothesized causal effects.

Figure 2-8 - Diagram of proposed Word of Mouth construct of Oh (Oh, 1999)

On the other hand, Hennig-Thurau and Klee (1997) have a completely different understanding of the relationship between Perceived Quality and Customer Satisfaction. According to them, before engaging in a commercial transaction, the customer already has a perception and a

concept of quality, which was formed by previous experiences of satisfaction or dissatisfaction (figure2-9). So, Customer Satisfaction is an antecedent of the Quality construct and it is Quality that has a direct impact on Customer Retention / Repurchase Intention.



* Pseudo-positive perception is seen by Bruggemann et al as the result of distorting the perception of a situation that is regarded as unchangeable. Because of the grave measurement difficulties inherent in this construct, this quality type will be ignored here.

Figure 2-9 - Diagram of relationship between Quality and Customer Retention

These two different interpretations illustrate the difficulty scholars have in reaching an agreement on the relationship between Customer Satisfaction and Quality and which of these constructs has an influence in Repurchase Intention.

2.5 Trust

2.5.1 Definition

Trust is one of the most studied themes in the last years in all fields of Social science, from Management to Sociology. While it was a small niche of study in the early 80s, it has developed to be one of the most important constructs in management (Bachmann and Zaheer, 2006). Being a very complex theme, Trust has several possible definitions with scholars separating the meanings for people or organizations and intra-organizations or inter-organizations. Nevertheless, almost all definitions are based on a relationship between a

thruster, the person that trusts, and a trustee which may be a person or a system (Bachmann and Zaheer, 2006; Herrmann et al, 2005).

For example, Giddens (1994) defines Trust as the confidence in the reliability of a person or a system regarding a given set of outcomes. On the other hand, Trust may also be defined as the extent to which a given party is willing to depend on something or somebody in a given situation with a feeling of relative security, even though negative consequences are possible (Herrmann et al, 2005).

These definitions show that Trust implies confidence regardless of a possible assumption of risk. As a result, in certain areas, legal aspects are fundamental to incentive a trustful relationship, as they provide protection and a guarantee against the risk of trusting (Herrmann et al, 2005).

All these different aspects contribute for the complexity of the Trust construct.

2.5.2 Trust in a Business-to-Business Context

Several authors (Hardin, 2006) defend that Trust is a feeling that is declining in our societies with negative impacts on social interactions and cooperation. Aligned with this declining, the neoclassical theories are based on the self-interested rational behavior; in other words, they postulate the egoism of the economic agents, leaving no space for Trust or cooperation (Herrmann et al, 2005). However in real life, economic agents are less selfish than the neoclassical theories predict and Trust is proofed to be fundamental for the maintenance of the interdependent world we live in and for its economic development (Sztompka, 1999).

In a Business-to-Business environment, like the one that is being study in this thesis, Trust is of the utmost importance for the maintenance of lasting relationships (Morgan and Hunt, 1994; Egan, 2008). Trust impact is felt on the reductions of transaction costs between the parties, as it decreases the need for more complex contracts and lessens the necessity of control and monitoring. Moreover, in a relationship based on Trust, partners also believe that no opportunistic behavior will take place and cooperation between the parties will be the basic rule (Nacif, 2002). In fact, Trust is so important, that even an all new approach to marketing was developed around it: Relationship Marketing.

Although Relationship Marketing has only 20 years as a concept (Morgan and Hunt, 1994), it has been in practice since the Middle Age: whenever it was detected that a customer had more potential than the normal customer, a relationship was developed based on commitment and Trust (Buttle, 1996). Now-a-days, in a Business-to-Business environment where the development of products and their acquisition are very expensive, and after sale support is fundamental, trust and commitment between sellers and buyers are vital for the business development and the survival of both parts (Morgan and Hunt, 1994; Buttle, 1996; Hennig-Thurau and Hansen, 2000).

Following this reasoning, Trust must ultimately lead to Repurchase Intention, and according to Davis and Manrodt (1996), this connection is obvious: customers simply tend to patronize with the companies they trust. However, how does a company promotes trust with their customers in a business-to-business environment?

According to Von Krogh and Roos (1996), Trust construct for cooperative agreements depends mainly on predictability, but also on dependability and faith. Beamish and Killing (1997) also defend that in a cooperative relationship, in an international environment, Trust is mainly dependent on the expectations about the continuity of the agreement, exchange of information and flexibility. Considering this, a company should be predictable in its action and have no opportunistic behaviors. Moreover, good communication between the parties is a key element to preserve the flow of information (Morgan and Hunt, 1994).

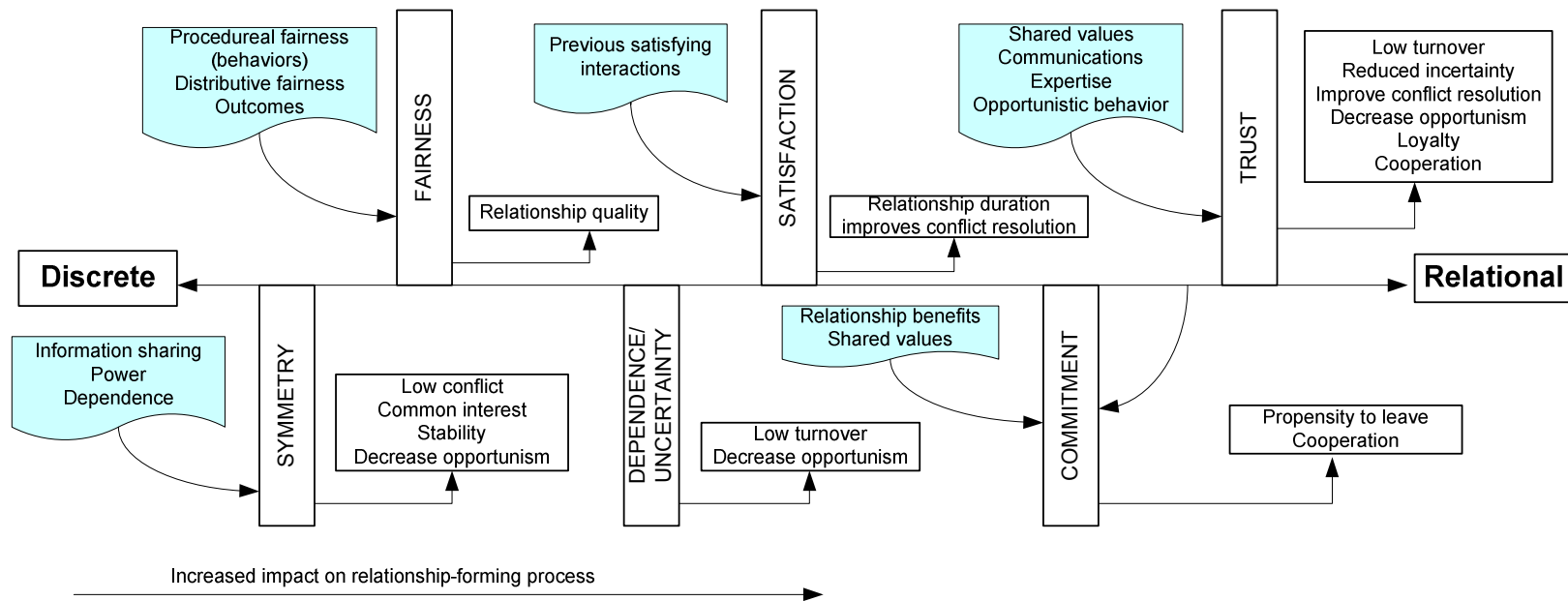


Figure 2-10 - Managing customer relationships: a strategic framework (Peppers and Rogers, 2004)

As this strategic framework (figure 2-10) shows, part of the constructs analyzed in the thesis, Customer Satisfaction or Trust, is directly involved in a Business-to-Business relationship and Repurchase Intention.

2.6 Literature and Research Questions

As highlighted in the literature analysis for Customer Satisfaction, when customers are delighted, they will talk about the company, creating an extension of the company sales force (Gremler and Brown, 1999). As a result, it is expected that Customer Satisfaction will have a direct influence on Recommending the Company:

H1: Customer Satisfaction will largely influence Word of Mouth (Recommending the Company).

Considering the literature review of Quality Perception versus Customer Satisfaction and the controversial aspects of the relationship between these two constructs, it is expected that they are different constructs. In fact, while Henig-Thurau and Klee (1997) defended that customer satisfaction is an antecedent of quality perception, Oh (1999) has a completely different opinion.

H2: Overall Customer Satisfaction and Quality Perception are different constructs.

Considering how difficult it is to define a model for Repurchase Intention: Bendapudi and Berry (1997) purpose that Repurchase Intention is related with customer loyalty and switching constrains, while other authors defend that Customer Satisfaction plays an important role (McNealy, 1996). It is considered, as hypothesis, that all main constructs, will influence Repurchase Intention construct.

H3: Overall Customer Satisfaction influences Repurchase Intention

H4: Trust influences Repurchase Intention

H5: Quality Perception influences Repurchase Intention

2.7 *Frame of Reference*

Taking into consideration the hypotheses that were raised in the previous section, the following Frame of Reference (Figure 2-11) can be deduced:

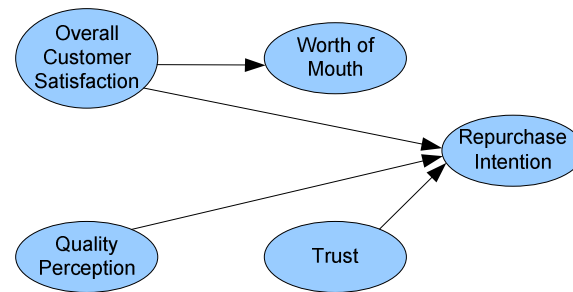


Figure 2-11 - Frame of Reference

In detail, Overall Customer Satisfaction is a different construct from Quality Perception and is one of the most important constructs of Word of Mouth. In addition, Overall Customer Satisfaction, Quality Perception and Trust influence Repurchase Intention.

In addition, Table 2-1 shows the relationship between the Research questions, research hypothesis and constructs.

Research Questions	Research Hypothesis	Constructs
Which constructs or aspects of the firm truly influence the Repurchase Intention?	H3: Overall Customer Satisfaction influences Repurchase Intention H4: Trust influences Repurchase Intention H5: Quality Perception influences Repurchase Intention	Overall Customer Satisfaction Repurchase Intention Trust Quality Perception
What makes a customer Recommend the Company?	H1: Customer Satisfaction will largely influence Word of Mouth (recommending the company).	Overall Customer Satisfaction Worth of Mouth
Does Overall Customer Satisfaction directly influence Repurchase Intention?	H3: Overall Customer Satisfaction influences Repurchase Intention	Overall Customer Satisfaction Repurchase Intention
Is Trust relevant?	H4: Trust influences Repurchase Intention	Trust Repurchase Intention
Moreover, Quality: how does it relate with Customer Satisfaction and Repurchase Intention?	H2: Overall Customer Satisfaction and Quality Perception are different constructs. H5: Quality Perception influences Repurchase Intention	Quality Perception Repurchase Intention Overall Customer Satisfaction

Table 2-1 Relationship between research questions, research hypothesis and constructs

The proposed relationships are deducted from the Literature Review and are based on it is expected to happen on a Business to Business environment.

3 Research Methodology

3.1 Research Purpose

In Social Science, the research purpose may be classified into three groups: Exploratory, Descriptive and Explanatory.

Exploratory research, according to Stebbins (2003), is an undertaking with the goal to discover generalizations that lead to the description and understanding of an area of social or psychological life. It is the type of research that provides the first insight about a problem and it is not aimed at reaching conclusions.

Descriptive research, on the other hand, is not related with explanation, it is related with the description or classification. According to Carter (2001), the aim of descriptive research is to discover new facts about a situation or people, through the collection of information about the phenomenon, which will be the basis for further research and namely, explanatory research. A good descriptive research is the one that will provide the “why” questions (Vaus, 2001).

Explanatory research has its basis on “why” questions (Vaus, 2001) and on the discovery of cause-effect relationships. This type of research will go further into the findings of the descriptive research and it will try to prove them with experiments and statistics.

Taking into account the definitions presented above, this thesis may be characterized as a Descriptive research. First of all, in the lecture review, it has been proven that there is a relationship between Trust, Quality, Customer Satisfaction and Repurchase Intention, making an exploratory research not necessary. On the other hand, in the thesis, the statistical analysis is done in order to determine which constructs influence Repurchase Intention, but the origin of these relationships is not analyzed, nor explained. Therefore, the questions posed are “how” and “how much” questions and not “why” questions, which proves that this is a Descriptive research.

3.2 Research approach

The research approach may be qualitative if it does not pursue the quantification of a phenomenon. It is a broader approach to a study of a social event that seeks to answer the “why” and “how” questions (Baker, 2003). Due to this, the researcher plays a fundamental role in the data acquisition and analysis and, consequently, the quality of the research relies greatly on their skills and knowledge (Patton, 2002).

On the other hand, the research approach may be quantitative if it quantifies a relationship between two or more variables (Schmidt and Hollensen, 2006). This type of research is also characterized by a certain degree of distance between the researcher and the people that are subjected to the analysis.

In fact, according to Schmidt and Hollensen (2006), the objective of qualitative research is to give a holistic view of the research problems. On the other hand, the quantitative research narrows its analysis to less variables of the problem but focus on a large amount of respondents, to effectively extract a mathematical relation.

Based on this analysis, this thesis is based on a quantitative approach, as the data of an international telecommunications firm is statistically analyzed to quantify the relationships of the variables under study.

3.3 Research Strategy

According to Yin (2009) there are five forms of research strategies that could be used: Survey, Experiment, Archival analysis, History and Case Study.

Each research type differs and to make a correct choice, according to Yin (2009), the following conditions have to be studied:

- The type of research questions posed
- The extent of control an investigator has over actual behavioral events
- The degree of focus on contemporary as opposed to historical events

In the table below, each research strategy is matched with the three conditions.

Strategy	Form of Research Question	Requires Control of Behavioral Events	Focuses on Contemporary Events
Experiment	How, why?	Yes	Yes
Survey	Who, what, where, how many, how much?	No	Yes
Archival analysis	Who, what, where, how many, how much?	No	Yes/No
History	How, why?	No	No
Case Study	How, why?	No	Yes

Table 3-1 - Relevant situations for different research strategies (Cosmos Corporation)

As previously highlighted, this research is primarily based on the Customer Surveys of an International Telecommunications Company. Following this, the research strategy will be Surveys, which will enable the identification and quantification of a relationship between Customer Satisfaction, Quality Perception, Trust, Word of Mouth and Repurchase Intention.

3.4 Population and Sample Selection

As previously highlighted, the population of the analysis corresponds to the customers of an International Telecommunications company. These customers are other companies, mainly Global and multinational ones. Therefore, this study analyses a Business to Business environment.

In detail, from these companies, the sample is selected as follows:

- Top 100 Companies (with the highest revenue)
- Major Companies Worldwide
- Major Regional Companies
- Major National Companies

From these companies, only the key players were surveyed: IT Managers and teams, Financial Managers and Commercial Managers.

3.5 Data Collection

3.5.1 Survey

The survey is made of 27 general questions (Annex 3), which are divided into 3 categories, depending on the type of reply: Satisfaction, Agreement and Likelihood. This division is based on a 5 points Likert scale. In detail:

Satisfaction's reply type:

- 1 – Very dissatisfied
- 2 – Dissatisfied
- 3 – Neutral
- 4 – Satisfied
- 5 – Very satisfied

Likelihood's reply type:

- 1 – Very unlikely
- 2 – Unlikely
- 3 – Neutral
- 4 – Likely
- 5 – Very likely

Agreement's reply type:

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

The questions used in the research are in the following table:

Question	Type of reply	Variable Name
Overall Satisfaction with The Company	Satisfaction	Customer Sat
Recommend The Company	Likelihood	Recommend
Purchase Intention for The Company	Likelihood	Repurchase
Choose The Company 1st time	Likelihood	1 st time
Agree: Trust in The Company	Agreement	Agree trust
Agree: The Company is high quality organization	Agreement	Agree Quality
Agree: The Company solutions answer business challenges	Agreement	Agree Challenges
Agree: The Company provides good value for money	Agreement	Agree Money
Agree: The Company creates business value	Agreement	Agree Value
Agree: The Company is partner not supplier	Agreement	Agree Partner
Agree: The Company is easy to do business with	Agreement	Agree Easy
Agree: The Company co-ordinates well internally	Agreement	Agree Co-ordination
Agree: The Company informs using high quality deliverables	Agreement	Agree Deliverables
Overall Sat Product & Solutions Portfolio	Satisfaction	Prod Sat
Prod Sat: Meeting product needs	Satisfaction	Prod Needs
Prod Sat: Ability to adapt products	Satisfaction	Prod Adapt
Prod Sat: Innovation on product development	Satisfaction	Prod Innov
Prod Sat: Communication of portfolio and benefits	Satisfaction	Prod Comm
Sat: Overall Account Management	Satisfaction	Sat AM
Sat: Overall Pricing	Satisfaction	Sat Price
Sat: Overall Consulting Services	Satisfaction	Sat CS
Sat: Overall Project Management Service	Satisfaction	Sat PM
Sat: Overall Technical Service Delivery	Satisfaction	Sat TSD
Sat: Overall Service & Solution Performance	Satisfaction	Sat SSP
Sat: Overall Customer Support & Incident Management	Satisfaction	Sat CSIM
Sat: Overall Service Management	Satisfaction	Sat SM
Sat: Overall Billing/Invoicing	Satisfaction	Sat Bill

Table 3-2 - List of question versus variables names used in the research

3.6 Data Analysis Procedure

Firstly, the data will be analyzed through descriptive statistics.

Secondly, it will be tested for Normality, as all posterior analyses are based on this assumption. The normality tests used were Kolmogorov-Smirnov and Shapiro-Wilk tests.

In addition, the correlation between all the variables will be under analyses. The correlation used is Pearson correlation with $\alpha=0.05$. The Pearson correlation is appropriate as all variables follow a Normal curve, as detailed in Annex 2.

Finally, Linear Regression will be used to create statistical models for all main variables. Specifically:

- Customer satisfaction
- Quality perception
- Trust
- Recommend the company (word of mouth)
- Repurchase intention

The following table resumes the statistics used in this study.

Type of Statistics	Purpose
Descriptive (Mean, Standard Deviation, Anova)	Describe the data
Kolmogorov-Smirnov and Shapiro-Wilk	Test for Normality
Pearson Correlation	Correlation between variables.
Linear Regression with co-linearity	Determine valid statistical models
Cronbach tests	Confirm reliability of the models

Table 3-3 - Different types of the statistics used in the study

Following this analysis, the hypothesis of the thesis will be tested against the models created for the different constructs.

3.7 Validity and Reliability

In order to guarantee the quality of the research and the usefulness of its conclusions, the assessment of the measurement is vital. On the other hand, it is also fundamental that the measurement procedure is done correctly. In fact, for the measurement method to be acceptable, it must be reliable and valid. A valid measurement is always reliable; however, a reliable measurement may not be valid, as demonstrated in the picture below.

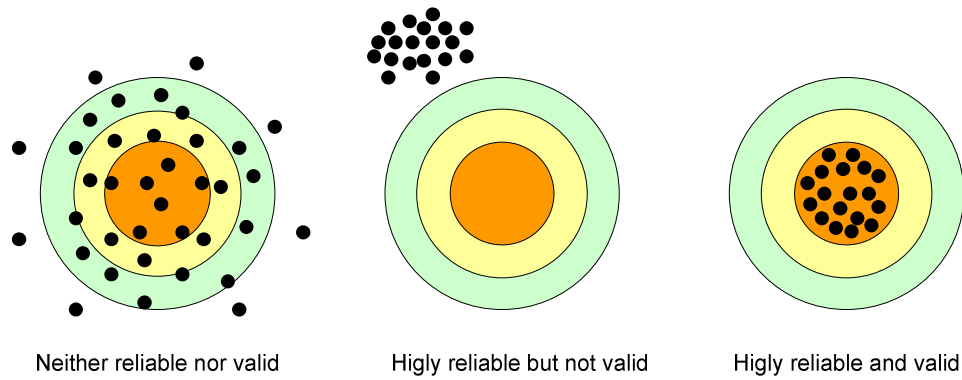


Figure 3-1 - Illustration of possible reliability and validity situations in measurement

Validity, as Cargan (2007) highlights, has three main types:

- Construct validity that refers to the establishment of correct operational procedures for the concepts being studied.
- Internal validity that refers to the relationship between the dependent and independent variables.
- External validity that is related with the generalization of the results to other populations.

Regarding Internal Validity, although the data used is secondary, the methods to retrieve and manipulate it were not used in order to cause errors or omissions. Therefore, the internal validity is confirmed.

Regarding External Validity, the usage of the conclusions of this study in other population is not under analysis and therefore, External Validity is not relevant in the context of this thesis.

On the other hand, Reliability is concerned with obtaining the same results for repeated measurements. It is all about consistency (Cargan, 2007). Reliability may be statistically tested using the Cronbach Alpha tests, which test specifically the internal consistency of the population.

The results for the different models under study are the following:

Construct	Cronbach's Alpha	N of Items	N of cases
Customer Satisfaction final model	0,880204	7	1980
Quality Perception	0,883499	8	1996
Trust	0,85571	7	2070
Recommend the Company	0,879692	7	2794
Repurchase intention	0,858561	7	2787

Table 3-4 - Cronbach's Alpha tests results

Considering that a Cronbach test proves reliability if the result is above 0.5, the results for the different constructs are very good and definitively prove the internal reliability of the measurement. Finally, each analysis has a different number of cases due to the errors in the original data and their consequent removal from the analysis.

4 Results

4.1 Descriptive Statistics

The descriptive statistics are one way of analyze the data and verify if it matches the necessary parameters.

From the tables below, (the complete descriptive statistics are in Annex 1) it is possible to retrieve the following information:

- All variables scales vary from 1 to 5, as expected.
- The number of valid cases varies between variables. This is due to errors in the survey.

Therefore, only 1610 surveys are fully acceptable for all variables.

	N	Mean	Std. Deviation
Sat: Overall Account Management	2147	3,95	0,893
Agree: the Company solutions answer business challenges	2820	3,85	0,723
Recommend the Company	3047	3,82	0,922
Purchase Intention for the Company	3047	3,82	0,914
Sat: Overall Service Management	2279	3,79	0,838
Prod Sat: Meeting product needs	3013	3,78	0,756
Overall Satisfaction with the Company	3047	3,77	0,823
Agree: the Company is high quality organization	2825	3,77	0,801
Overall Sat Product & Solutions Portfolio	2997	3,77	0,732
Sat: Overall Technical Service Delivery	2102	3,76	0,852
Sat: Overall Service & Solution Performance	2078	3,75	0,781
Agree: the Company creates business value	2821	3,73	0,722
Agree: the Company is partner not supplier	2820	3,69	0,931
Sat: Overall Consulting Services	1970	3,64	0,768
Sat: Overall Project Management Service	2061	3,62	0,879
Sat: Overall Customer Support & Incident Management	2098	3,61	0,972
Choose the Company 1st time	3047	3,58	0,896
Prod Sat: Communication of portfolio and benefits	2999	3,56	0,812
Prod Sat: Innovation on product development	2990	3,52	0,793
Agree: the Company is easy to do business with	2812	3,44	1,012
Agree: the Company informs using high quality deliverables	2816	3,43	0,925
Agree: Trust in the Company	2828	3,41	0,847
Prod Sat: Ability to adapt products	3006	3,35	0,929

Agree: the Company provides good value for money	2809	3,34	0,84
Sat: Overall Billing/Invoicing	1934	3,34	0,932
Sat: Overall Pricing	2105	3,26	0,859
Agree: the Company co-ordinates well internally	2815	3,05	1,089

Table 4-1 - Main Descriptive Statistics details

The One Way Anova results are the following:

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	3215,473189	26	123,6720457	165,3615816	0	1,495738
Within Groups	53329,69411	71307	0,747888624			
Total	56545,1673	71333				

Table 4-2 - Anova test results

4.2 Normality tests

As discussed in the last chapter, in order to guarantee the results of the inferential statistics, all variables have to be tested for Normality despite of the number of cases. The Normality tests used were Kolmogorov-Smirnov (Lilliefors Significance Correction) and Shapiro-Wilk tests.

The results are in Annex 2 and, as the significance of all tests is less than 0.05, the normality of the distributions is proved.

4.3 Correlation

As in the previous section normality of all variables was demonstrated; Pearson correlation may be used with no limitations. Following this, the correlation results were obtained using:

- Pearson correlation type
- Significance at 0.001
- Two tails test

Moreover, as expected, all variables are correlated, as the surveys are centric about Customer Satisfaction and Repurchase Intention.

4.3.1 Overall Customer Satisfaction

Overall Customer Satisfaction correlation with the other variables is presented in table 4-3. The most important fact is the correlation value between Overall Satisfaction and Recommend the Company being so high.

Variables	Correlation Values
Recommend the Company	0,71
Overall Sat Product & Solutions Portfolio	0,69
Agree: the Company is high quality organisation	0,65
Sat: Overall Service & Solution Performance	0,59
Prod Sat: Meeting product needs	0,58
Agree: the Company is easy to do business with	0,57
Agree: the Company co-ordinates well internally	0,57
Sat: Overall Technical Service Delivery	0,56
Sat: Overall Customer Support & Incident Management	0,55
Sat: Overall Service Management	0,55
Prod Sat: Ability to adapt products	0,54
Sat: Overall Account Management	0,52
Choose the Company 1st time	0,52
Agree: Trust in the Company	0,52
Agree: the Company informs using high quality deliverables	0,51
Agree: the Company is partner not supplier	0,49
Sat: Overall Project Management Service	0,48
Agree: the Company creates business value	0,47
Agree: the Company solutions answer business challenges	0,47
Sat: Overall Consulting Services	0,46
Prod Sat: Innovation on product development	0,46
Purchase Intention for the Company	0,45
Agree: the Company provides good value for money	0,44
Prod Sat: Communication of portfolio and benefits	0,42
Sat: Overall Pricing	0,34
Sat: Overall Billing/Invoicing	0,32

Table 4-3 - Overall Customer Satisfaction constructs correlation with other variables

4.3.2 Quality Perception

Quality Perception correlation with other variables is presented in table 4-4. Once again, the special highlight goes to the correlation with “Overall Customer Satisfaction”. This result was already expected, considering the analyses done on the literature review.

Variables	Correlation Values
Overall Satisfaction with the Company	0,65
Recommend the Company	0,65
Overall Sat Product & Solutions Portfolio	0,61
Sat: Overall Service & Solution Performance	0,59
Sat: Overall Customer Support & Incident Management	0,56
Agree: the Company co-ordinates well internally	0,56
Sat: Overall Technical Service Delivery	0,56
Agree: Trust in the Company	0,53
Sat: Overall Service Management	0,52
Agree: the Company informs using high quality deliverables	0,52
Agree: the Company is easy to do business with	0,51
Agree: the Company creates business value	0,50
Choose the Company 1st time	0,50
Prod Sat: Meeting product needs	0,50
Agree: the Company solutions answer business challenges	0,49
Prod Sat: Innovation on product development	0,47
Agree: the Company is partner not supplier	0,47
Prod Sat: Ability to adapt products	0,47
Sat: Overall Account Management	0,44
Purchase Intention for the Company	0,42
Sat: Overall Project Management Service	0,42
Agree: the Company provides good value for money	0,42
Prod Sat: Communication of portfolio and benefits	0,41
Sat: Overall Consulting Services	0,40
Sat: Overall Billing/Invoicing	0,32
Sat: Overall Pricing	0,28

Table 4-4 - Quality Perception constructs correlation with other variables

4.3.3 Recommend the Company

Recommend the Company correlation with other variables is presented in table 4-5. Once again, the most important fact is the correlation value with Overall Satisfaction.

Variables	Correlation Values
Overall Satisfaction with the Company	0,71
Agree: the Company is high quality organization	0,65
Overall Sat Product & Solutions Portfolio	0,63
Choose the Company 1st time	0,62
Agree: the Company is easy to do business with	0,56

Sat: Overall Service & Solution Performance	0,56
Purchase Intention for the Company	0,55
Prod Sat: Meeting product needs	0,54
Prod Sat: Ability to adapt products	0,53
Agree: Trust in the Company	0,52
Sat: Overall Service Management	0,52
Agree: the Company co-ordinates well internally	0,52
Agree: the Company is partner not supplier	0,52
Sat: Overall Customer Support & Incident Management	0,52
Sat: Overall Technical Service Delivery	0,52
Sat: Overall Account Management	0,51
Agree: the Company creates business value	0,50
Agree: the Company solutions answer business challenges	0,49
Agree: the Company informs using high quality deliverables	0,49
Agree: the Company provides good value for money	0,47
Prod Sat: Innovation on product development	0,47
Prod Sat: Communication of portfolio and benefits	0,44
Sat: Overall Project Management Service	0,42
Sat: Overall Consulting Services	0,41
Sat: Overall Pricing	0,37
Sat: Overall Billing/Invoicing	0,31

Table 4-5 - Recommend the Company constructs correlation with other variables

On the other hand, Recommend the Company is also related with the Quality Perception, which seems to be an obvious relationship: if customers consider that a company has quality, they will recommend it.

4.3.4 Trust

Trust correlation with other variables is presented in table 4-6. Regarding this variable, the most important fact is the lack of very high correlation values with other variables.

Variables	Correlation values
Recommend the Company	0,52
Overall Satisfaction with the Company	0,52
Agree: the Company is partner not supplier	0,50
Overall Sat Product & Solutions Portfolio	0,49
Sat: Overall Service & Solution Performance	0,45
Agree: the Company is easy to do business with	0,44
Choose the Company 1st time	0,44
Sat: Overall Customer Support & Incident Management	0,43
Agree: the Company creates business value	0,43
Agree: the Company provides good value for money	0,43

Agree: the Company solutions answer business challenges	0,43
Prod Sat: Meeting product needs	0,42
Purchase Intention for the Company	0,42
Prod Sat: Ability to adapt products	0,42
Sat: Overall Technical Service Delivery	0,41
Agree: the Company co-ordinates well internally	0,41
Sat: Overall Service Management	0,41
Agree: the Company informs using high quality deliverables	0,40
Sat: Overall Account Management	0,40
Prod Sat: Innovation on product development	0,39
Prod Sat: Communication of portfolio and benefits	0,37
Sat: Overall Consulting Services	0,36
Sat: Overall Project Management Service	0,36
Sat: Overall Pricing	0,33
Sat: Overall Billing/Invoicing	0,28

Table 4-6 - Trust constructs correlation with other variables

4.3.5 Repurchase Intention

Repurchase Intention correlation with other variables is presented in table 4-7. Regarding this variable, just like variable Trust, the most important fact is the lack of very high correlation values with other variables.

Variables	Correlation Values
Recommend the Company	0,55
Overall Sat Product & Solutions Portfolio	0,46
Choose the Company 1st time	0,46
Overall Satisfaction with the Company	0,45
Agree: the Company is partner not supplier	0,43
Agree: the Company is high quality organization	0,42
Agree: Trust in the Company	0,42
Prod Sat: Meeting product needs	0,42
Sat: Overall Service & Solution Performance	0,40
Agree: the Company solutions answer business challenges	0,39
Agree: the Company provides good value for money	0,38
Agree: the Company is easy to do business with	0,38
Agree: the Company creates business value	0,38
Sat: Overall Account Management	0,38
Sat: Overall Technical Service Delivery	0,38
Prod Sat: Ability to adapt products	0,37
Sat: Overall Service Management	0,37
Sat: Overall Customer Support & Incident Management	0,36
Prod Sat: Innovation on product development	0,35

Prod Sat: Communication of portfolio and benefits	0,35
Agree: the Company informs using high quality deliverables	0,34
Agree: the Company co-ordinates well internally	0,31
Sat: Overall Project Management Service	0,31
Sat: Overall Consulting Services	0,31
Sat: Overall Pricing	0,30
Sat: Overall Billing/Invoicing	0,23

Table 4-7 - Repurchase Intention constructs correlation with other variables

4.4 Linear Regression Analysis

In order to analyze the different hypotheses raised in previous sections, several models were created. As all variables were tested positively for normality, the linear regression could be used for the development of simple statistical models that could help to determine which variables are relevant for the main constructs.

The Linear regression used was based on the Model Fit model with co-linearity test to guarantee the validity of the model.

4.4.1 Overall Customer Satisfaction

In order to determine the best possible linear model for Overall Customer Satisfaction, Linear Regression was used and several interactions were made until all explanatory variables were significant.

After all the interaction, the best model for Overall Customer Satisfaction is the following:

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Sat: Overall Account Management, Agree: the Company co-ordinates well internally, Sat: Overall Service & Solution Performance, Prod Sat: Meeting product needs, Agree: the Company is easy to do business with, Agree: the Company is high quality organisation ^a		Enter

a. All requested variables entered.

b. Dependent Variable: Overall Satisfaction with the Company

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,779 ^a	,607	,606	,525

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	840,023	6	140,004	508,196	,000 ^a
	Residual	543,545	1973	,275		
	Total	1383,568	1979			

a. Predictors: (Constant), Sat: Overall Account Management, Agree: the Company co-ordinates well internally, Sat: Overall Service & Solution Performance, Prod Sat: Meeting product needs, Agree: the Company is easy to do business with, Agree: the Company is high quality organization

b. Dependent Variable: Overall Satisfaction with the Company

Table 4-8 - Statistical data of Overall Customer Satisfaction model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,188	,073		2,588	,010		
	Agree: the Company is high quality organization	,277	,020	,272	13,696	,000	,504	1,983
	Agree: the Company is easy to do business with	,098	,016	,122	6,196	,000	,516	1,940
	Agree: the Company co-ordinates well internally	,113	,015	,150	7,709	,000	,526	1,901
	Prod Sat: Meeting product needs	,213	,020	,198	10,857	,000	,597	1,676
	Sat: Overall Service & Solution Performance	,149	,020	,139	7,426	,000	,569	1,757
	Sat: Overall Account Management	,123	,017	,130	7,443	,000	,649	1,541

Dependent Variable: Overall Satisfaction with the Company

Table 4-9 - Linear Regression with co-linearity tests of Overall Customer Satisfaction model

Case Processing Summary				Reliability Statistics	
		N	%	Cronbach's Alpha	N of Items
Cases	Valid	1980	64,98195	0,880204	7
	Excluded ^a	1067	35,01805		
	Total	3047	100		
a. Listwise deletion based on all variables in the procedure.					

Table 4-10 - Cronbach reliability test for Overall Customer Satisfaction model

4.4.2 Quality Perception

In order to determine the best possible linear model for Quality Perception, Linear Regression was used and several interactions were made until all explanatory variables were significant.

After all the interaction, the best model for Quality Perception is the following:

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Sat: Overall Service & Solution Performance, Agree: the Company creates business value, Agree: Trust in the Company, Agree: the Company co-ordinates well internally, Agree: the Company solutions answer business challenges, Sat: Overall Customer Support & Incident Management, Overall Satisfaction with the Company ^a		Enter

a. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,768 ^a	,590	,589	,529

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	802,084	7	114,583	408,703	,000 ^a
	Residual	557,353	1988	,280		
	Total	1359,437	1995			

a. Predictors: (Constant), Sat: Overall Service & Solution Performance, Agree: the Company creates business value, Agree: Trust in the Company, Agree: the Company co-ordinates well internally, Agree: the Company solutions answer business challenges, Sat: Overall Customer Support & Incident Management, Overall Satisfaction with the Company

b. Dependent Variable: Agree: the Company is high quality organisation

Table 4-11 - Statistical data of Quality Perception model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,224	,078		2,875	,004		
	Agree: Trust in the Company	,137	,017	,144	7,913	,000	,624	1,603
	Agree: the Company solutions answer business challenges	,105	,020	,095	5,309	,000	,650	1,538
	Agree: the Company creates business value	,120	,020	,107	6,075	,000	,660	1,516
	Agree: the Company co-ordinates well internally	,116	,014	,156	8,152	,000	,567	1,765
	Sat: Overall Customer Support & Incident Management	,116	,016	,137	7,160	,000	,566	1,768
	Overall Satisfaction with the Company	,228	,021	,232	10,837	,000	,451	2,219
	Sat: Overall Service & Solution Performance	,157	,021	,149	7,537	,000	,531	1,885

Dependent Variable: Agree: the Company is high quality organization

Table 4-12 - Linear Regression with co-linearity tests of Quality Perception model

Case Processing Summary				Reliability Statistics	
		N	%	Cronbach's Alpha	N of Items
Cases	Valid	1996	65,50706	0,883499	8
	Excluded ^a	1051	34,49294		
	Total	3047	100		

a. Listwise deletion based on all variables in the procedure.

Table 4-13 – Cronbach reliability test of Quality Perception model

4.4.3 Recommend the Company

In order to determine the best possible linear model for Recommending the Company which may be compared with Word of Mouth, Linear regression was used and several interaction were made until the model had only significant explanatory variables. Moreover, co-linearity was analyzed and all variables that contributed to a higher co-linearity were removed.

After all the interaction and co-linearity analysis, the best model for Recommend the Company is the following:

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Overall Satisfaction with the Company, Purchase Intention for the Company, Agree: the Company is partner not supplier, Choose the Company 1st time, Agree: the Company is easy to do business with, Agree: the Company is high quality organisation ^a		Enter

a. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,809 ^a	,654	,653	,540

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1538,908	6	256,485	878,432	,000 ^a
	Residual	813,749	2787	,292		
	Total	2352,657	2793			

a. Predictors: (Constant), Overall Satisfaction with the Company, Purchase Intention for the Company, Agree: the Company is partner not supplier, Choose the Company 1st time, Agree: the Company is easy to do business with, Agree: the Company is high quality organisation

b. Dependent Variable: Recommend the Company

Table 4-14 - Statistical data of Recommend the Company model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-,282	,059		-4,801	,000		
	Purchase Intention for the Company	,167	,014	,164	12,230	,000	,688	1,454
	Choose the Company 1st time	,219	,014	,213	15,111	,000	,625	1,600
	Agree: the Company is high quality organisation	,213	,018	,186	11,990	,000	,513	1,948
	Agree: the Company is partner not supplier	,072	,014	,073	5,144	,000	,614	1,629
	Agree: the Company is easy to do business with	,074	,013	,082	5,502	,000	,562	1,780
	Overall Satisfaction with the Company	,360	,018	,323	19,733	,000	,464	2,155

Dependent Variable: Recommend the Company

Table 4-15 - Linear Regression with co-linearity tests of Recommend the Company model

Case Processing Summary				Reliability Statistics	
		N	%	Cronbach's Alpha	N of Items
Cases	Valid	2794	91,69675	0,879692	7
	Excluded ^a	253	8,303249		
	Total	3047	100		

a. Listwise deletion based on all variables in the procedure.

Table 4-16 - Cronbach reliability test of Recommend the Company model

4.4.4 Trust

In order to determine the best possible linear model for Trusting the Company, which is considered one of the most important factors for a successful commercial relationship in the Relationship Marketing theory, linear regression was used and several interactions were made until all explanatory variables were significant.

After all the interaction, the best model for Trust is the following:

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Sat: Overall Customer Support & Incident Management, Agree: the Company provides good value for money, Purchase Intention for the Company, Agree: the Company is partner not supplier, Agree: the Company is high quality organisation, Overall Satisfaction with the Company ^a	.	Enter

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,658 ^a	,433	,431	,657

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	678,302	6	113,050	262,049	,000 ^a
	Residual	889,998	2063	,431		
	Total	1568,300	2069			

a. Predictors: (Constant), Sat: Overall Customer Support & Incident Management, Agree: the Company provides good value for money, Purchase Intention for the Company, Agree: the Company is partner not supplier, Agree: the Company is high quality organisation, Overall Satisfaction with the Company

b. Dependent Variable: Agree: Trust in the Company

Table 4-17 - Statistical data of Trust in the Company model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,251	,083		3,034	,002		
	Agree: the Company is high quality organisation	,229	,025	,217	9,035	,000	,479	2,089
	Agree: the Company provides good value for money	,128	,020	,125	6,405	,000	,722	1,386
	Agree: the Company is partner not supplier	,187	,019	,204	9,850	,000	,641	1,561
	Purchase Intention for the Company	,102	,019	,106	5,260	,000	,681	1,469
	Overall Satisfaction with the Company	,144	,026	,138	5,619	,000	,456	2,195
	Sat: Overall Customer Support & Incident Management	,074	,019	,083	3,945	,000	,621	1,611

Dependent Variable: Agree: Trust in the Company

Table 4-18 - Linear Regression with co-linearity tests of Trust in the Company model

Case Processing Summary				Reliability Statistics	
		N	%	Cronbach's Alpha	N of Items
Cases	Valid	2070	67,93567	0,85571	7
	Excluded a	977	32,06433		
	Total	3047	100		

a. Listwise deletion based on all variables in the procedure.

Table 4-19 - Cronbach reliability test of Trust in the Company model

4.4.5 Repurchase Intention

In order to determine the best possible linear model for Repurchase Intention, Linear Regression was used and several interactions were made until all explanatory variables were significant.

After all the interaction, the best model for Repurchase Intention is the following:

Variables Entered/Removed^b

Model	Variables Entered	Variables Removed	Method
1	Recommend the Company, Agree: the Company provides good value for money, Agree: Trust in the Company, Prod Sat: Meeting product needs, Agree: the Company is partner not supplier, Choose the Company 1st time ^a	.	Enter

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,602a	,363	,361	,719

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	817,598	6	136,266	263,836	,000 ^a
	Residual	1435,816	2780	,516		
	Total	2253,414	2786			

a. Predictors: (Constant), Recommend the Company, Agree: the Company provides good value for money, Agree: Trust in the Company, Prod Sat: Meeting product needs, Agree: the Company is partner not supplier, Choose the Company 1st time

b. Dependent Variable: Purchase Intention for the Company

Table 4-20 - Statistical data of Repurchase Intention model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,941	,080		11,809	,000		
	Choose the Company 1st time	,130	,020	,129	6,518	,000	,581	1,720
	Agree: Trust in the Company	,096	,020	,091	4,712	,000	,619	1,615
	Agree: the Company provides good value for money	,078	,020	,073	3,931	,000	,671	1,491
	Agree: the Company is partner not supplier	,108	,019	,112	5,802	,000	,617	1,620
	Prod Sat: Meeting product needs	,104	,023	,088	4,560	,000	,619	1,617
	Recommend the Company	,274	,022	,279	12,378	,000	,453	2,210

a. Dependent Variable: Purchase Intention for the Company

Table 4-21 - Linear Regression with co-linearity tests of Repurchase Intention model

Case Processing Summary				Reliability Statistics	
		N	%	Cronbach's Alpha	N of Items
Cases	Valid	2787	91,46702	0,858561	7
	Excluded a	260	8,532983		
	Total	3047	100		

a. Listwise deletion based on all variables in the procedure.

Table 4-22 - Cronbach reliability test of Repurchase Intention model

4.5 Testing Research hypothesis

Taking into consideration the statistical analysis done in previous sections, the following overall model may be drawn:

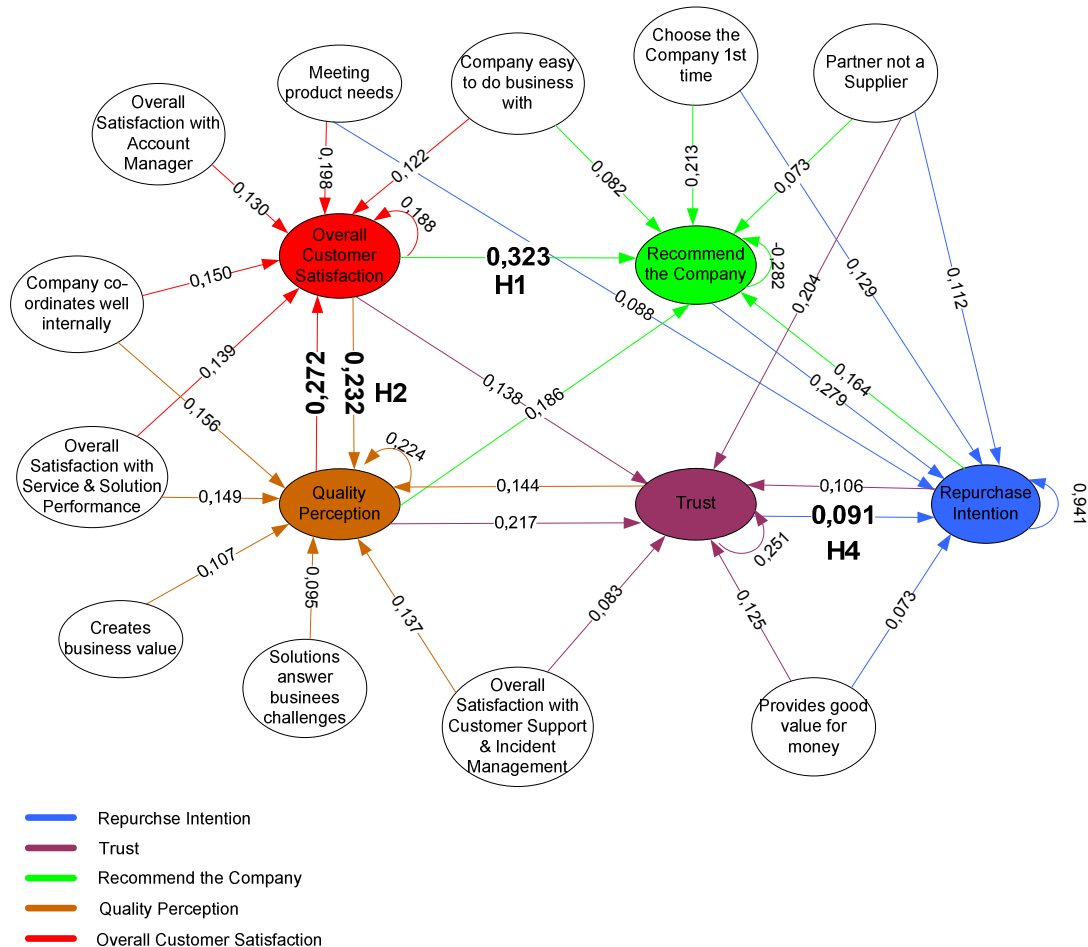


Figure 4-1 - Models of the constructs in study with main emphasis on Repurchase Intention

One immediate conclusion is that Overall Customer Satisfaction and Quality Perception do not have a direct impact on Repurchase Intention. Nevertheless, they impact Recommend the Company and Trust in the company, which have a direct impact on Repurchase Intention.

H1: Customer Satisfaction will largely influence Word of Mouth (recommending the company).

In fact, considering the analysis of Figure 4-1, Overall Customer Satisfaction is the variable that contributes the most to Recommend the Company. Therefore, this hypothesis is statistically confirmed.

H2: Overall Customer Satisfaction and Quality Perception are different constructs.

Following the statistical analysis and figure 4-1, it is clear the Customer Overall Satisfaction and Quality Perception are different constructs, with different variables influencing them. Nevertheless, the final models show that they both influence each other.

H3: Overall Customer Satisfaction influences Repurchase Intention

As already highlighted, this hypothesis does not hold. In fact, Overall Customer Satisfaction does not have a direct impact in the Repurchase Intention; it influences this construct through Trust.

H4: Trust influences Repurchase Intention

Following the model of the Repurchase intention construct, Trust is one of the main constructs to influence Repurchase Intention. If the customer trusts the Company, they will have a higher intention to repurchase from it.

H5: Quality Perception influences Repurchase Intention

Just like Overall Customer Satisfaction, Perceived Quality does not seem to have a direct impact in Repurchase Intention. Once again, Quality Perception influences Repurchase Intention through Trust, which is one of the main variables of this construct.

5 Conclusions and Recommendations

5.1 Major Conclusions

The aim of this research was to analyze some of the main constructs usually associated with a Business to Business environment, like International Telecommunication, in order to determine how far these constructs would influence Repurchase Intention.

Following this, one of the main conclusions of this study is that neither Overall Customer Satisfaction nor Quality Perception seem to have a direct influence on Repurchase Intention. Nevertheless, they greatly influence Word of Month, which is a key element of Repurchase Intention and therefore should be maximized.

On the other hand, Quality Perception and Overall Customer Satisfaction are closely related constructs.

Finally, in addition to Word of Month, Repurchase Intention is also influence by several different aspects of the company, like: price, products or trusting in it. So, this implies that almost all aspects of a Company should be improved, if Repurchase Intention is to be maximized.

5.2 Research Contribution

The main contribution of this study is to be one of the firsts to analyze a specific area of the Telecommunication Business: International Enterprises, which is the one that has more characteristic of a Business-to-Business environment, in terms of Repurchase Intention and its relationship with other major constructs, like Trust, Quality Perception or Customer Satisfaction.

5.3 Managerial Implications

One of the main findings of this research is the fact that the assumption that a Satisfied Customer would immediately lead to more repurchase is not at all accurate for the environment of International Telecommunications.

In fact, although Customer Satisfaction has been one of the main concerns of managers around the world, customers' sales are far more complex and depend on several other constructs. Therefore, the following recommendations are done, mainly in the context of International Telecommunications:

- Overall Customer Satisfaction is important when a customer recommends the company. Therefore, when focusing on Customer Satisfaction, one of the positive outcomes is Word of Mouth.
- In the International Communications environment, although Overall Customer Satisfaction and Quality Perception are different constructs, they are positively related and therefore, if efforts are made to improve Quality, improvements in Customer Satisfaction should be expected.
- Trust and Repurchase intention have several similarities, as they both rely on the perception that the company is a partner and provides good value for money. Therefore, a company should increase its efforts to maximize customer Trust.

In conclusion, for Managers the main concern should not be Customer Satisfaction alone. It is important to realize that the company has to be competitive, good value for money, friendly and develop trustworthy relationships with customers.

5.4 Limitations

The main limitation of this research is the fact that the data used is only related with one company and the statistical models developed should be confirmed in other environments, using other companies' data.

On the other hand, as the data used is from a company customer survey, secondary data, it is not possible to extend the existing data nor to use more questions that could provide more information and, consequently, lead to more detailed models and results.

5.5 Future research suggestions

As highlighted in Literature Review section, constructs like switch constrains were not analyzed in this thesis. However, their impact on Repurchase Intention could be an interesting topic of study and could lead to an improvement of the deducted Repurchase Intention model.

In addition, further Telecommunications companies could be studied, not only to increase the variety of data, but also to vary the companies' profiles: more focused on price or on services, a pioneer in technological terms or with less research & development concerns.

Finally, further research could be done on the relationship between Repurchase Intention and Effective Repurchase.

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<http://www.btplc.com>

<http://www.itu.int/WORLD2009>

http://www.itu.int/ITU-T/50/docs/ITU-T_50.pdf

<http://www.orange.com>

<http://www.telefonica.com>

<http://www.vodafone.com>

<http://finance.yahoo.com>

Annex 1 – Descriptive statistics

The complete Descriptive Statistics of the sample.

	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Overall Satisfaction with the Company	3047	1	5	3,77	,823	,678
Recommend the Company	3047	1	5	3,82	,922	,850
Purchase Intention for the Company	3047	1	5	3,82	,914	,835
Choose the Company 1st time	3047	1	5	3,58	,896	,802
Agree: Trust in the Company	2828	1	5	3,41	,847	,718
Agree: the Company is high quality organization	2825	1	5	3,77	,801	,642
Agree: the Company solutions answer business challenges	2820	1	5	3,85	,723	,523
Agree: the Company provides good value for money	2809	1	5	3,34	,840	,705
Agree: the Company creates business value	2821	1	5	3,73	,722	,521
Agree: the Company is partner not supplier	2820	1	5	3,69	,931	,868
Agree: the Company is easy to do business with	2812	1	5	3,44	1,012	1,025
Agree: the Company co-ordinates well internally	2815	1	5	3,05	1,089	1,186
Agree: the Company informs using high quality deliverables	2816	1	5	3,43	,925	,856
Overall Sat Product & Solutions Portfolio	2997	1	5	3,77	,732	,536
Prod Sat: Meeting product needs	3013	1	5	3,78	,756	,571
Prod Sat: Ability to adapt products	3006	1	5	3,35	,929	,863
Prod Sat: Innovation on product development	2990	1	5	3,52	,793	,628
Prod Sat: Communication of portfolio and benefits	2999	1	5	3,56	,812	,660

Sat: Overall Account Management	2147	1	5	3,95	,893	,797
Sat: Overall Pricing	2105	1	5	3,26	,859	,738
Sat: Overall Consulting Services	1970	1	5	3,64	,768	,590
Sat: Overall Project Management Service	2061	1	5	3,62	,879	,772
Sat: Overall Technical Service Delivery	2102	1	5	3,76	,852	,726
Sat: Overall Service & Solution Performance	2078	1	5	3,75	,781	,610
Sat: Overall Customer Support & Incident Management	2098	1	5	3,61	,972	,946
Sat: Overall Service Management	2279	1	5	3,79	,838	,702
Sat: Overall Billing/Invoicing	1934	1	5	3,34	,932	,868
Valid N (listwise)	1610					

Annex 2 - Normality tests

The following table shows the results of the Normality tests done to the sample.

	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Overall Satisfaction with The Company	,348	1611	,000	,804	1611	,000
Recommend The Company	,283	1611	,000	,852	1611	,000
Purchase Intention for The Company	,267	1611	,000	,854	1611	,000
Choose The Company 1st time	,267	1611	,000	,871	1611	,000
Agree: Trust in The Company	,239	1611	,000	,883	1611	,000
Agree: The Company is high quality organization	,352	1611	,000	,799	1611	,000
Agree: The Company solutions answer business challenges	,344	1611	,000	,797	1611	,000
Agree: The Company provides good value for money	,223	1611	,000	,880	1611	,000
Agree: The Company creates business value	,323	1611	,000	,822	1611	,000
Agree: The Company is partner not supplier	,279	1611	,000	,865	1611	,000
Agree: The Company is easy to do business with	,259	1611	,000	,887	1611	,000
Agree: The Company co-ordinates well internally	,184	1611	,000	,912	1611	,000
Agree: The Company informs using high quality deliverables	,265	1611	,000	,875	1611	,000
Overall Sat Product & Solutions Portfolio	,363	1611	,000	,782	1611	,000
Prod Sat: Meeting product needs	,348	1611	,000	,802	1611	,000
Prod Sat: Ability to adapt products	,232	1611	,000	,893	1611	,000
Prod Sat: Innovation on product development	,258	1611	,000	,866	1611	,000
Prod Sat: Communication of portfolio and benefits	,284	1611	,000	,856	1611	,000
Sat: Overall Account Management	,278	1611	,000	,840	1611	,000
Sat: Overall Technical Service Delivery	,301	1611	,000	,847	1611	,000
Sat: Overall Service & Solution Performance	,316	1611	,000	,835	1611	,000
Sat: Overall Customer Support & Incident Management	,266	1611	,000	,879	1611	,000
Sat: Overall Service Management	,296	1611	,000	,847	1611	,000
Sat: Overall Billing/Invoicing	,212	1611	,000	,884	1611	,000
Sat: Overall Pricing	,216	1611	,000	,883	1611	,000

Sat: Overall Consulting Services	,264	1611	,000	,850	1611	,000
Sat: Overall Project Management Service	,269	1611	,000	,872	1611	,000

Annex 3 – Survey

	Very Satisfied			Very Dissatisfied	
Overall Satisfaction with the Company					
Overall Satisfaction Account Management					
Overall Satisfaction Pricing					
Overall Satisfaction Consulting Services					
Overall Satisfaction Project Management Service					
Overall Satisfaction Technical Service Delivery					
Overall Satisfaction Service & Solution Performance					
Overall Satisfaction Customer Support & Incident Management					
Overall Satisfaction Service Management					
Overall Satisfaction Billing/Invoicing					
	Very Satisfied			Very Dissatisfied	
Overall Satisfaction Product & Solutions Portfolio					
Product Satisfaction Meeting product needs					
Product Satisfaction Ability to adapt products					
Product Satisfaction Innovation on product development					
Product Satisfaction Communication of portfolio and benefits					
	Very Likely			Very Unlikely	
Recommend the Company					
Purchase Intention for the Company					
Choose the Company for the first time					
	Strongly Agree			Strongly Disagree	
The Company is trustworthy					
The Company is high quality organization					
The Company solutions answer business challenges					
The Company provides good value for money					
The Company creates business value					
The Company is partner not supplier					
The Company is easy to do business with					
The Company co-ordinates well internally					
The Company informs using high quality deliverables					