Chapter 3
The Importance of Customer Loyalty With Corporate Governance in the Telecommunication Sector:
A Case of the Telecommunication Sector

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ABSTRACT

The telecommunication sector is a sector which is open for development. It is important to analyze the strengths and weaknesses of organizations by using different strategic management techniques. The purpose of this chapter is to emphasize the importance of customer loyalty and to bring forth the key factors to create customer loyalty in communication sector and to understand the corporate actions of organizations apply when creating loyalty. At the same time to test the factors that create loyalty from the customers’ perspective, investigation of the strategies applied for loyalty and the effects of customer loyalty programs. Therefore, the questionnaire study was made with 200 participants. T-test, anova, correlation, and regression analyses were applied to the data. This survey has the purpose of determining and investigating the dynamics and the factors that create customer loyalty in corporate governance. The results show that customer protection is crucial for companies. The most important factor of customer protection, which is loyalty, is shown to be linked with corporate actions.
INTRODUCTION

The company determines the goals that wish to achieve, sets some goals, determines the extent to which they want to reach them, when they want to achieve them, and identifies the tools they need to use to achieve it. Especially the telecommunication sector has developed rapidly.

According to Collier (2005) corporate governance is defined as 'The system which companies are directed and controlled. Corporate governance have to develop new strategies in order to be able to survive and compete with other companies. Due to this fast-growing and rapidly changing sector, the fastest adaption will bring success.

There are many factors that effects customer loyalty. Companies in telecommunication sector need to be able to make a difference regarding their competitors with successful strategies. Customer relationship management is an important factor in both allowing the firms to hold within the telecommunications market and lead their direction of the strategies they are in.

Before defining what customer loyalty is one must first define what the customer is and how important it is to a company. The customer can be defined as a person who buys the goods or services of the companies, make up the revenues, allows the companies to remain in the market (Demirbag, 2004). For companies, especially for Telecommunication companies, customers are the most important stakeholders. Many theories have been developed to influence customers because customer relationships are the most important part of a company’s marketing system. In the competitive business environment, companies need to be able to manage an advanced level of customer relationship management that can establish and manage long-term relationships to achieve maximum performance (Demirbag, 2004).

Corporate actions like customer satisfaction plays an important role for companies in order to achieve goals such as sales and profitability.

For this reason, CRM has emerged and became very important for companies (Ovali, 2014).

CRM is not a new concept, but lately it was successfully implemented with different strategies. CRM systems also bring many advantages. Organizations through these systems can:

- They can determine the best customers and their best options and protect good customers for years to come
- They can create the best model for customer needs
- They can create profitable customers by specifying their properties
- They can predict exactly when and what customers will receive
- They can predict the products for the future.

Corporate companies controls two important factors for the company as a result of the right CRM application; customer centric sustainability and change costs. Customer-centered companies attach importance to customer ideas; they obtain the clearest, transparent information from the customers and use the obtained data to shape their needs. It is safe to say that any company that is customer-centered and who listens to the voice of its customers would definitely turn profitable (Odabaşı, 2004). Keeping existing customers is a more profitable process than trying to find new customers. The main purpose of CRM is to establish long-term relationships with customers. The key outcome of CRM is to improve performance through profitability and customer loyalty and satisfaction (Demir & Kırdar, 2000).