

# IMPACT OF PRICES AND CORPORATE IMAGE ON CUSTOMER LOYALTY

## A Case Study on an Egyptian Mobile Operator

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### **Abstract**

The objective of keeping current customers loyalty level (attitudinal, behavioral and combinational) has always been the key of success for mobile operators. This could not only be achieved by maintaining current customers but also retrieval of lost one.

The main objective of the research was investigated the effect of the fixed cost (monthly subscription fees) as a part of price factor that affecting customer loyalty and was not covered in previous researches especially in the Egyptian telecommunications market.

This research comprised a case study on a mobile operator working in Egypt on whose customers, was offered a package with no fixed cost as a trial to solve current customers leaving problem. Investigating the outcome of such implementation on customers of the mobile operator was done through document review for company's invoices related to mobile operator and corporate customers as well as phone interview with customers.

The research revealed that **Price and Corporate Image** were the two major factors behind customers left their mobile operator.

The research also proved that removing the fixed cost from the customer package had a significant positive impact on customer loyalty to mobile operators in Egypt, moreover compensated the negative impact of corporate image as being proven by analysis of both the numbers reported in company's invoices as well as the telephone interview results.