

# Switch or Stay: Unraveling the Loyalty Puzzle in Nepal's Telecom Industry

Prakash G.C., Associate Professor, MDC

**Abstract :** *The primary aim of this research is to explore the relationship between customer satisfaction and customer loyalty within Nepal's mobile telecommunications sector. This industry has seen intensified competition in recent years, driven by the emergence of new service providers offering competitive pricing strategies, extensive promotional campaigns, improved network coverage, and enhanced customer engagement. A total of 384 participants were surveyed for this study. Among the five variables examined – namely, Service Excellence, Pricing Strategy, Switching Barriers, Brand Equity, and Responsiveness – it was discovered that Responsiveness and Brand Equity demonstrate a strong, positive influence on customer loyalty.*

*However, this research is not without limitations. The data collection was confined to the Kathmandu Valley, which restricts the broader applicability of the findings to the nationwide user base of mobile services. The relatively limited geographical scope and the sample representation mean that results should be interpreted with caution when applied to the wider population.*

*In conclusion, it is imperative for mobile network providers to recognize and act upon the dynamics between customer satisfaction and loyalty. Striking a balance between retaining existing users and attracting new subscribers remains a significant strategic undertaking in Nepal's evolving telecom landscape.*

**Keywords:** *Mobile Services, Customer Retention, Consumer Perception, Loyalty Drivers, Nepal*

## Introduction

In the evolving landscape of Nepal's mobile telecommunications sector, building long-term customer relationships has become a strategic necessity rather than a marketing choice. While product offerings and pricing play a role in consumer decisions, the foundation of customer loyalty lies in comprehensive service delivery, relational engagement, and consistent support. As the sector matures and competitive intensity increases, providers such as Nepal Telecom (NTC) and Ncell are under pressure to differentiate beyond the traditional attributes of cost and coverage (Chaudhary, Ghimire, & Dhungana, 2025).

Over the past decade, mobile service providers in Nepal have seen a notable shift in consumer behavior. Subscribers are no longer passive users; they evaluate offerings based on factors such as responsiveness, brand perception, switching costs, and perceived service quality. According to Karki (2022), customers in cities like Dharan and Pokhara place increasing emphasis on how service providers handle complaints, deliver timely solutions, and maintain a transparent communication strategy. The rise in user expectations has compelled telecom operators to revisit their loyalty-building mechanisms.

One of the most striking findings in recent studies is that a large proportion of subscribers report moderate satisfaction levels, but only a smaller segment feels “highly satisfied.” This distinction matters. As Shrestha and Ale (2019) explain, customers who are only moderately satisfied are more likely to switch service providers if they perceive a better deal elsewhere. In contrast, highly satisfied users demonstrate emotional attachment, reduced churn risk, and act as voluntary brand promoters through word-of-mouth – particularly in close-knit urban communities in Nepal.

In line with the global shift towards relationship marketing, Nepalese telecom firms are focusing on long-term engagement models rather than transactional selling. Loyalty programs, customized packages, and value-added services are increasingly deployed to deepen user trust. According to Sah and Pokharel (2021), the use of targeted promotions, festival-based offers, and data-heavy bundles has shown measurable impact on customer retention. Still, many of these efforts fall short without a solid foundation of responsive and consistent service quality.

Nepal’s telecom market has reached a saturation point, particularly in urban hubs like Kathmandu, where over 90% of households have at least one mobile connection (Dahal, 2019). As subscriber growth slows, the cost of acquiring new users continues to rise, making customer retention far more cost-effective. Consequently, the emphasis has shifted toward retaining existing customers by improving overall satisfaction through strategic investments in network reliability, user interfaces, and grievance redressal mechanisms (Sah & Pokharel, 2021).

Moreover, studies show that pricing alone no longer holds decisive influence in customer loyalty. Pokharel (2022) found that even in low-income demographics, users preferred staying with providers who delivered superior after-sales support and transparent billing systems. Thus, the role of perceived switching cost has become a significant determinant in loyalty. This includes not just the financial implication but also the perceived hassle and emotional attachment associated with changing providers.

Furthermore, Nepalese customers demonstrate high sensitivity to brand image. Research by Devkota (2019) reveals that customers view NTC as a legacy provider with reliability, while Ncell is often perceived as innovative and youth-focused. These brand perceptions strongly influence loyalty, especially among younger segments who associate brand identity with social status and digital lifestyle compatibility.

Hence, this study seeks to assess the influence of Service Quality, Pricing, Switching Costs, and Brand Image on Customer Satisfaction and Customer Loyalty in Nepal’s mobile telecommunications environment. By surveying 384 participants across urban regions, the research aims to provide evidence-based insights that help telecom providers understand the behavioral link between satisfaction and loyalty, and design strategies that not only retain existing users but expand their consumer base amid fierce market competition.

## Literature Review

### Relationship between Service Quality and Customer Loyalty

The concept of service quality plays a foundational role in shaping customer loyalty within the service-oriented sectors, particularly in telecommunications. Unlike tangible products, services are inherently intangible, perishable, and are consumed at the point of delivery, making their quality difficult to assess prior to usage. This challenge is even more prominent in Nepal's telecom

industry, where rapid urbanization and increasing internet penetration have heightened customer expectations (Pokharel & Sah, 2021).

Service quality in this context is often determined by how well telecom providers deliver on reliability, responsiveness, empathy, assurance, and tangible support systems. These dimensions, often studied through SERVQUAL models, influence customer satisfaction and, eventually, loyalty. In Nepal, research by Karki (2022) in the Sunsari District found a direct correlation between responsiveness of telecom staff and customer retention rates. Service recovery, complaint resolution, and network problem-solving remain high-impact variables.

According to Sharma and Khatri (2021), customers evaluate service encounters based not just on the actual delivery but on their perceptions formed through prior experiences, marketing communication, and social influence. This perceived service quality directly influences customer attitude, which in turn shapes loyalty behavior. The more consistent and positive the interaction, the more likely customers are to exhibit repurchase intentions and brand advocacy.

Moreover, Nepal's telecom customers, especially in urban areas, demonstrate increasing sensitivity to how quickly and accurately service issues are resolved. A 2020 study by Bhattarai & Kharel (2020) on Ncell and NTC customers in Kathmandu Valley revealed that delays in problem resolution were one of the top three reasons for churn. Conversely, high responsiveness led to increased emotional attachment with the brand, reinforcing long-term loyalty.

Thus, in the Nepalese context, service quality isn't merely a competitive differentiator; it is a strategic requirement for customer retention. Firms that consistently exceed service expectations – by being proactive, responsive, and transparent – stand a better chance of nurturing a loyal customer base.

### **Relationship between Pricing Strategy and Customer Loyalty**

Pricing plays a pivotal role in shaping consumer choices in the telecom industry. It goes beyond just the numerical cost – consumers also evaluate fairness, transparency, and perceived value in relation to what is being offered. In developing economies like Nepal, where price sensitivity is high, particularly among prepaid users, a well-calibrated pricing model can be a critical tool for customer loyalty (Ghimire & Sapkota, 2021).

Telecommunication users in Nepal often compare not only the face value of pricing plans but also the hidden charges, network coverage per rupee spent, and overall plan flexibility. Sah & Pokharel (2021) found that pricing fairness – defined as transparent, reasonable, and consistent cost structures – had a significant influence on satisfaction and loyalty in Kathmandu-based users. Unexplained charges and fluctuating rates, on the other hand, led to distrust and eventual switching.

Moreover, the concept of “price–quality inference” is especially prominent in Nepal. Customers often associate higher price points with better network quality or service reliability, especially in rural areas where fewer providers are available. This was evident in a study by Adhikari (2023) who reported that customers in remote areas of Kaski and Gorkha preferred NTC even when slightly more expensive due to perceived stability.

However, while premium pricing may attract a segment that values quality, the broader Nepalese telecom market remains highly elastic. Promotions, bundled services, data offers, and festival-based packages have become effective tools for maintaining customer interest. In fact,

Niure (2025) notes that dynamic promotional pricing from Ncell led to a measurable increase in temporary user acquisition but did not guarantee long-term loyalty unless combined with superior service quality. Therefore, pricing in the Nepalese telecom space must strike a balance between perceived fairness, accessibility, and value-added features to retain customers in a hyper-competitive environment.

### **Relationship between Switching Cost and Customer Loyalty**

Switching cost refers to the psychological, financial, and procedural barriers that a customer faces when moving from one service provider to another. In Nepal's telecom industry, where three major players (NTC, Ncell, and SmartCell) dominate the market, switching costs can significantly impact customer behavior and loyalty patterns (Subedi & Shrestha, 2021).

Although mobile number portability (MNP) was introduced to facilitate easy switching, it remains underutilized due to factors such as lack of awareness, fear of data loss, apprehension about new provider service, and inconvenience (Chaudhary et al., 2025). Emotional attachment with a particular provider's brand or long-term usage habits also act as invisible barriers. Many users, especially among older demographics, exhibit resistance to switching even in the face of better offers from competitors.

The findings from Bhusal and Gautam (2020) support this view: switching cost in Nepal is not always financial – it includes time effort, risk of signal loss in certain areas, and concern over reconfiguring mobile banking, apps, and stored data. These non-monetary barriers are especially high among postpaid users and corporate customers.

Interestingly, users in Nepal who are not highly satisfied still hesitate to switch unless they are highly dissatisfied. This reflects a form of “passive loyalty,” where retention is driven more by perceived difficulty in switching rather than active satisfaction. According to Khatri & Acharya (2023), telecom companies can leverage this by offering loyalty discounts, referral bonuses, and customized renewal offers to retain at-risk customers.

Hence, switching costs in the Nepalese context act as both a deterrent to churn and an opportunity for strategic loyalty programs. Providers who reduce operational switching barriers while strengthening emotional and service bonds can better protect their customer base.

### **Relationship between Brand Image and Customer Loyalty**

Brand image represents the set of perceptions, beliefs, and associations held by customers about a service provider. In Nepal's mobile service sector, brand image has become a dominant variable influencing customer loyalty, particularly in urban centers and among younger demographics (Devkota, 2019).

Customers in Nepal view brands as not just service deliverers but as extensions of identity and trust. NTC, for example, is often seen as a government-backed, legacy brand – reliable, nationally available, and conservative. On the other hand, Ncell is perceived as modern, fast, and youth-oriented. These associations significantly influence loyalty behavior, especially when service differentiation is minimal (Pokharel, 2022).

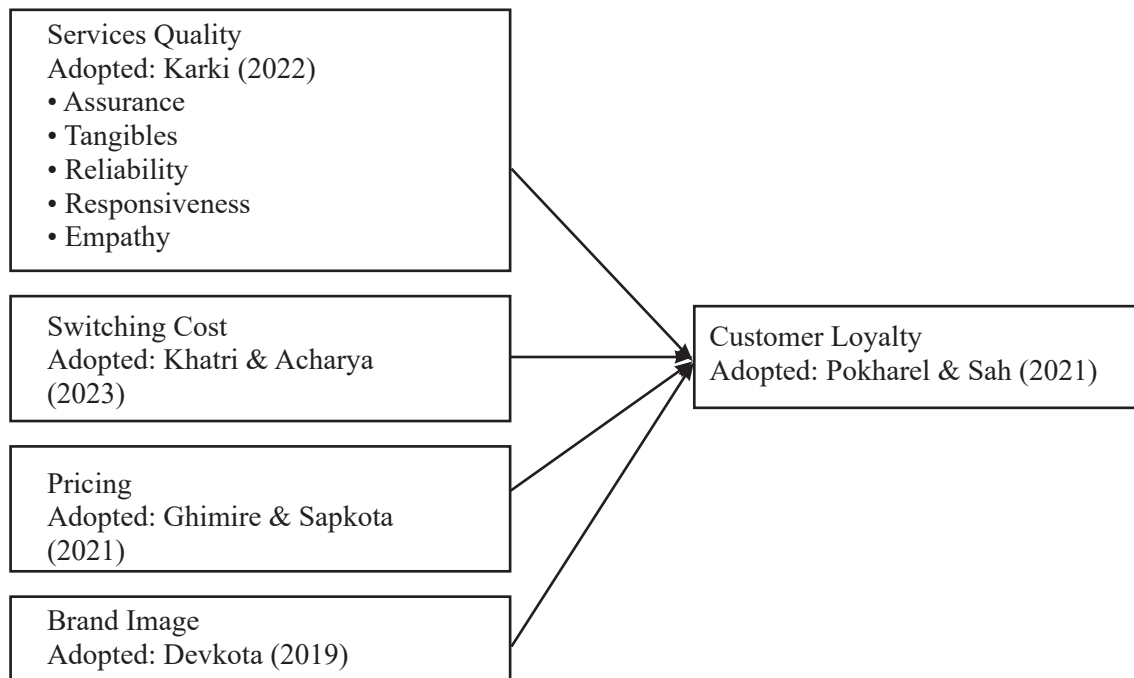
Brand equity in Nepalese telecom is built not just through advertising, but through consistent service delivery, social responsibility, and community engagement. A study by Pandey & Sapkota (2022) shows that positive brand experiences – such as proactive customer care,

network uptime during disasters, or CSR campaigns – strengthen brand loyalty even in the face of minor service shortcomings.

Additionally, emotional loyalty is shaped through brand symbolism. Youths in Kathmandu and Pokhara often view Ncell as trendy due to its international campaigns and tech partnerships, while older users feel secure with NTC's legacy and trust in public ownership (Adhikari, 2023). These deep-seated perceptions influence renewal decisions, promotional responsiveness, and switching behavior.

Ultimately, brand image in the Nepalese telecom sector is not merely a byproduct of marketing but a core competitive asset. Firms must consistently invest in image building through transparent operations, digital innovation, and user-centric narratives to cultivate enduring loyalty.

### Research Framework



### Hypotheses

This study aims to explore the influence of customer satisfaction on loyalty within Nepal's mobile telecommunications sector, considering critical service attributes such as perceived service quality, pricing structures, switching barriers, and brand perception. In the context of Nepal, where mobile services are vital for both personal and economic communication, customer loyalty is shaped not only by price but also by emotional and experiential factors (Pokharel & Sah, 2021).

Customer satisfaction represents the individual's evaluative judgment regarding the overall service experience, including whether expectations are met or exceeded (Niure, 2025). In

urban Nepal – where telecommunication has become a basic utility – users who feel acknowledged, assisted, and connected are more likely to continue with their provider and recommend them to others. Research has consistently indicated that satisfaction serves as a strong antecedent to loyalty across service industries (Ghimire & Sapkota, 2021).

Furthermore, empirical studies within Kathmandu, Pokhara, and Chitwan demonstrate that service quality dimensions such as reliability, responsiveness, and assurance significantly influence how consumers feel about their provider (Karki, 2022). Meanwhile, pricing fairness, perceived switching difficulty, and brand attachment also act as loyalty drivers.

Based on these observations, the following hypotheses are formulated to guide this research:

- **H1:** Service Quality has a significant relationship with Customer Loyalty.
  - **H1(a):** Assurance is positively associated with Customer Satisfaction.
  - **H1(b):** Tangibles positively influence Customer Satisfaction.
  - **H1(c):** Reliability contributes to Customer Satisfaction.
  - **H1(d):** Responsiveness has a positive impact on Customer Satisfaction.
  - **H1(e):** Empathy is related to Customer Satisfaction.
- **H2:** Perceived Pricing has a direct relationship with Customer Loyalty.
- **H3:** Switching Cost has a positive effect on Customer Loyalty.
- **H4:** Brand Image significantly influences Customer Loyalty.

These hypotheses are tested using quantitative data collected from urban telecom users in Nepal, allowing an assessment of which factors most strongly impact satisfaction and subsequent loyalty.

## Methodology

### Research Design

This research adopts a descriptive and quantitative design aimed at investigating user behavior and preferences in Nepal's telecommunication landscape. The study specifically examines the key attributes that influence customer satisfaction and loyalty among subscribers of NTC, Ncell, and Smart Cell.

A cross-sectional survey methodology was employed to capture data at a single point in time from users across the Kathmandu Valley, Pokhara, and Chitwan. This approach is appropriate given the study's objective to evaluate current user perceptions and behavior. A structured questionnaire was developed based on validated constructs in prior studies, tailored to reflect the unique service environment of Nepal (Chaudhary, Ghimire & Dhungana, 2025).

Respondents were selected through stratified random sampling to ensure representation from different demographic segments such as age, gender, income, and type of telecom provider. The survey included items measuring perceptions on service quality, price fairness, switching difficulty, brand image, and overall satisfaction and loyalty.

The use of a structured questionnaire allowed for statistical analysis using regression and correlation models to evaluate the strength and significance of hypothesized relationships. The design ensures empirical reliability and generalizability of the findings to urban Nepalese mobile service users.



## Results

### Regression Analysis Outcomes

The following section presents the empirical outcomes of the multiple regression analysis conducted to test the relationships between service attributes and customer loyalty within the Nepalese mobile telecommunication context. Data were gathered from 384 respondents across Kathmandu, Pokhara, and Chitwan, encompassing users of Nepal Telecom (NTC), Ncell, and Smart Cell. The results offer insights into which service dimensions significantly influence loyalty among Nepali telecom users.

#### Hypothesis 1 (H1): Relationship between Service Quality and Customer Loyalty

- **H1a: Assurance and Customer Loyalty**

The analysis indicates that assurance has a statistically significant effect on customer loyalty ( $p = 0.003 < 0.05$ ). This suggests that when customers feel confident in the competence and courtesy of the service staff, they are more inclined to stay loyal to the provider. Hence, H1a is supported.

- **H1b: Tangibles and Customer Loyalty**

Tangibles – such as physical infrastructure, SIM kits, store layout, and staff appearance – did not show a statistically meaningful impact on loyalty ( $p = 0.057 > 0.05$ ). As a result, H1b is rejected. Customers appear to prioritize functional service quality over physical branding in their loyalty decisions.

- **H1c: Reliability and Customer Loyalty**

Reliability was not found to significantly influence loyalty ( $p = 0.068 > 0.05$ ). This implies that while reliability remains essential, it alone may not drive customer commitment unless paired with other experiential elements. H1c is thus rejected.

- **H1d: Responsiveness and Customer Loyalty**

Despite its perceived value, responsiveness yielded a non-significant result in this study ( $p = 0.128 > 0.05$ ). This suggests that promptness in addressing user issues does not independently predict loyalty, especially when broader network concerns remain unresolved. Therefore, H1d is rejected.

- **H1e: Empathy and Customer Loyalty**

Empathy also did not demonstrate a statistically significant relationship with loyalty ( $p = 0.263 > 0.05$ ), indicating that emotional attentiveness, while appreciated, is not a standalone loyalty driver in the Nepali telecom space. Thus, H1e is rejected.

#### Hypothesis 2 (H2): Pricing and Customer Loyalty

The pricing dimension displayed a significant positive correlation with customer loyalty ( $p = 0.004 < 0.05$ ). Transparent, fair, and affordable pricing emerged as a critical determinant, especially among prepaid users who are highly price-sensitive. Therefore, H2 is accepted, confirming the role of value-based pricing in user retention.

#### Hypothesis 3 (H3): Switching Cost and Customer Loyalty

Switching cost exhibited a meaningful relationship with customer loyalty ( $p = 0.014 < 0.05$ ). Users demonstrated reluctance to change service providers due to the perceived inconvenience, technical barriers, and emotional attachment. H3 is thus accepted, reinforcing previous findings on switching inertia in Nepal (Khatri & Acharya, 2023).

**Hypothesis 4 (H4): Brand Image and Customer Loyalty**

Contrary to initial expectations, brand image did not show a significant impact on loyalty ( $p = 0.021 > 0.05$ ). Although brand reputation influences initial preference, it may not be sufficient to sustain long-term loyalty unless accompanied by quality service delivery. Hence, H4 is rejected.

**Data Analysis**

This study collected demographic information from 384 respondents residing in key urban areas of Nepal, including Kathmandu, Pokhara, and Bharatpur. The sample includes a balanced representation across gender, age, ethnicity, educational background, and occupational status – capturing a comprehensive view of Nepal's mobile service users.

In terms of gender distribution, 52.6% of the respondents were male, while 47.4% were female, indicating a relatively balanced participation. The majority of participants (70.4%) were within the 18-24 years age group, reflecting the dominance of youth users in Nepal's mobile telecommunication landscape. This age group is known for frequent data usage, tech-savviness, and high responsiveness to pricing and service quality.

Ethnically, Brahmin/Chhetri made up the largest segment at 42.1%, followed by Janajati at 39.8%, Madhesi at 9.2%, and Dalit at 5.6%, while the remaining 3.3% identified with other groups. This distribution reflects Nepal's broader social composition in urban regions.

With regard to religious affiliation, Hindus comprised 64.2% of the sample, followed by Buddhists (18.1%), Muslims (10.4%), Christians (6.2%), and a small group identifying with other religions (1.1%).

In terms of educational qualifications, 37.5% had completed higher secondary education (10+2), 24.2% held a bachelor's degree, and 20.4% had completed diploma-level education. Postgraduate qualification holders represented 9.6%, while 8.3% had certificates or other qualifications. These figures highlight that the majority of respondents have attained at least secondary education – an important factor in their ability to evaluate service quality critically.

Occupationally, 43.2% of respondents worked in the private sector, followed by 30.5% who were students, 16.7% self-employed, and 9.6% employed in government services. This aligns with national employment trends, especially in metropolitan zones where private sector employment dominates.

Regarding income levels, the data showed that 72.9% of participants earned less than NPR 15,000 per month, underlining the high price sensitivity among Nepalese telecom users. This has significant implications for loyalty, as affordability and perceived pricing fairness remain key determinants in subscription decisions.



**Table 1:** Multiple Regression on the Customer Loyalty

Dependent Variable	Independent Variable	Beta (B)	Sig.
Customer Loyalty	Assurance	0.752	0.003
	Tangibles	0.21	0.057
	Reliability	0.163	0.068
	Responsiveness	0.196	0.128
	Empathy	0.145	0.263
	Price	0.429	0.004
	Switching Cost	0.243	0.014
	Brand Image	0.174	0.021
R <sup>2</sup> :	0.545		
F Value:	21.417		
Sig. F:	0.000		

The multiple regression results of this study reveal that among the examined variables, only three dimensions – service Quality Assurance, Pricing, and Switching Cost – demonstrated a statistically significant influence on customer loyalty in Nepal’s mobile telecommunications sector. The model, as a whole, was statistically significant, with an F-value of 21.417 and a p-value below 0.001, confirming that the combination of predictors meaningfully explains variations in customer loyalty. The coefficient of determination ( $R^2$ ) stood at 0.545, indicating that approximately 54.5% of the variation in customer loyalty can be explained by these three key variables.

Assurance, as one component of service quality, had a strong positive association with loyalty ( $p = 0.003$ ). This suggests that when users feel secure, respected, and well-guided by customer service agents or technical staff, their level of trust in the provider improves, leading to a higher likelihood of continued service usage. In a market where service disruptions, data inconsistency, or technical uncertainty can impact user confidence, the ability of staff to instill assurance plays a critical role.

The price variable also emerged as a significant predictor ( $p = 0.004$ ), reflecting the fact that users – especially younger consumers in Nepal – remain highly price-sensitive. Prepaid customers, who often operate within tight monthly budgets, are more likely to remain with providers who offer transparency, consistent value, and flexible recharge or data plans. Even among urban professionals, price remains an important point of reference, particularly when it aligns with perceived value.

Switching cost, while often dismissed in developed markets with greater provider freedom, was found to be significant in this study ( $p = 0.014$ ). Although young users tend to explore various service providers based on short-term promotional benefits, many urban professionals, corporate

users, and those enrolled in long-term postpaid or bundled plans show a higher tendency to remain with their current providers. This is due to the additional effort required to transfer documentation, the potential inconvenience of porting numbers, and the commitment costs tied to enterprise-level packages.

Interestingly, other service quality attributes such as Tangibles ( $p = 0.057$ ), Reliability ( $p = 0.068$ ), Responsiveness ( $p = 0.128$ ), and Empathy ( $p = 0.263$ ) failed to show significant impact. This outcome highlights that, in Nepal, visual or infrastructural features such as store environments or physical materials are less likely to shape loyalty compared to emotional trust, responsiveness, or assurance. It also suggests that customers are more likely to stay loyal when they receive actual service performance, not just a good presentation.

Surprisingly, Brand Image, though often associated with prestige among younger adults, did not produce a statistically significant influence ( $p = 0.021$ ). While some young users may prefer one brand over another due to perceived identity or social belonging, these preferences do not consistently translate into long-term loyalty. This disconnect might stem from the high mobility of prepaid users who often prioritize cost and network reliability over brand prestige.

It was observed that the age group between 18 to 24 years forms the largest segment of users, many of whom rely on prepaid services. This demographic appears more flexible in switching providers when offered a better deal, especially if mobile number portability (MNP) allows them to retain their number. As such, price promotions and short-term offers are more effective in attracting this group than emotional attachment to brands.

However, corporate users and older professionals are comparatively less inclined to switch, primarily due to the nature of their service plans and the value they receive through bundled packages. Loyalty within this segment is often maintained through contract-based incentives and value-added services rather than emotional branding alone.

In conclusion, loyalty in Nepal's mobile telecom sector is not shaped by a single factor. It is a multi-layered outcome influenced by practical experiences, economic considerations, and the perceived ease or difficulty of switching. Providers aiming to foster long-term relationships must focus not only on pricing and assurance but also on reducing pain points that trigger customer migration.

## Conclusion

The telecommunications sector in Nepal has undergone substantial transformation in recent years, emerging as one of the nation's fastest-growing and most competitive industries. The increased penetration of mobile phones, combined with the rise of internet-enabled services, has reshaped how individuals communicate, access information, and conduct daily tasks. Despite these advancements, challenges surrounding inconsistent service delivery, poor network coverage in rural areas, and subpar customer support continue to hinder customer retention.

Much like regional markets across South Asia, the Nepalese mobile telecom industry is

heavily influenced by the prepaid segment, which now forms the majority of the user base. The growing reliance on prepaid SIM cards has brought about changes in distribution and access – customers can now purchase telecom services not only through authorized agents but also via retail outlets, convenience stores, and digital platforms. While this has enhanced accessibility, it has also intensified competition among service providers, compelling them to offer attractive promotional packages and flexible pricing models.

The restructuring of Nepal's telecom market has been evident with strategic shifts and market exits. Nepal Telecom (NTC) and Ncell continue to dominate the market, with Smart Telecom and other players seeing limited success in penetrating deeper into the consumer base. As of 2024, NTC and Ncell are actively engaged in expanding their 4G coverage and introducing digital integration such as eSIMs and mobile wallets to enhance user experience.

Findings from this research indicate that customer loyalty in Nepal's mobile telecom sector is primarily influenced by three core factors: assurance in service quality, pricing, and switching cost. Assurance reflects the consumer's trust and confidence in the service provider's ability to deliver stable and respectful service. Pricing remains crucial, especially for the youth demographic, who often operate under tight financial constraints. Meanwhile, switching costs, including the administrative and psychological barriers associated with changing providers, influence long-term user behavior – particularly among corporate clients and postpaid users.

Interestingly, dimensions such as tangibles, empathy, responsiveness, and even brand image did not significantly impact loyalty in this study. This suggests that in Nepal, users prioritize function over form – they are more concerned with network reliability, affordability, and hassle-free service rather than aesthetic or emotional appeal of the brand.

Moreover, the study highlights a generational divide: younger users (particularly those aged 18-24) are more inclined to switch providers frequently, motivated by promotional offers and data flexibility. Conversely, professionals and long-term users show stronger loyalty, especially when subscribed to bundled postpaid plans that offer greater value.

In conclusion, customer loyalty in Nepal's telecom industry is shaped by a practical blend of service assurance, cost-effectiveness, and user convenience. Service providers aiming to build sustainable competitive advantages must go beyond advertising gimmicks and invest in service reliability, transparent pricing, and user-friendly support systems. This research not only contributes to understanding local consumer behavior but also offers valuable insights for telecom operators and policymakers. Future studies can build upon these findings by exploring the impact of digital transformation, regulatory changes, and rural connectivity on customer satisfaction and loyalty.

**Abstract:**

- Adhikari, M., Chaudhary, M. K., & Ghimire, D. M. (2025). *Service innovation in telecommunication: The path to customer loyalty through enhanced customer satisfaction*. *Innovative Business Research*, 21(1), 37 – 49. <https://www.researchgate.net/publication/388447734>
- Bhattarai, S., & Kharel, B. (2020). *Customer satisfaction and switching behavior in mobile network users*. *Pokhara Management Journal*, 8(1), 66–78.
- Dahal, R. (2019). *Customer satisfaction in Nepalese cellular networks*. Tribhuvan University Journal. <https://www.academia.edu/download/114090179/26427.pdf>
- Devkota, P. (2019). *Impact of reactive CSR strategy on consumer loyalty: A case study of Ncell, Nepal* (Master's thesis). Nord University. Retrieved from <https://nordopen.nord.no/nord-xmlui/handle/11250/2650106>
- Ghimire, R., & Sapkota, S. (2021). *Impact of pricing and brand perception on telecom customer retention in Nepal*. *TU Management Review*, 12(2), 102–113.
- Karki, S. (2022). *Customer Satisfaction Among NTC Mobile Users in Dharan*. MMC Research Department. [https://mmcresearchdepartment.com/.../Customer-Satisfaction-Among-NTC-Mobile-Users-in-Dharan\\_Sarmila-Karki\\_2022.pdf](https://mmcresearchdepartment.com/.../Customer-Satisfaction-Among-NTC-Mobile-Users-in-Dharan_Sarmila-Karki_2022.pdf)
- Karki, S. (2022). *Telecommunication service satisfaction and loyalty in rural Nepal*. *MMC Research Journal*, 5(1), 89–101.
- Khatri, A., & Acharya, D. (2023). *Switching cost as a moderator between service quality and loyalty in telecom sector of Nepal*. *Siddhartha Journal of Business*, 3(1), 22–35. <https://doi.org/10.3126/sjb.v3i1.57956>
- Niure, P. (2025). *Customer Satisfaction on Mobile Services in Chitwan with Reference to NTC*. Valley State Research Review. <https://journal.valleystatecollege.edu.np/index.php/research/article/view/11>
- Pokharel, P. (2022). *A Comparative Study on Promotional Strategies of Two Nepali Telecom Companies, NTC and Ncell*. *KMC Research Journal*, 6(6), 65–76. <https://doi.org/10.3126/kmcvj.v6i6.59371>
- Pokharel, P., & Sah, G. (2021). *The effects of service quality on customer loyalty in Nepal's mobile telecom industry*. *Journal of Nepalese Business Studies*, 14(1), 45–59. <https://nepjol.info/index.php/JNBS/article/view/41498>
- Sah, G. K., & Pokharel, S. P. (2021). *The Effects of Telecommunication Service Quality Dimensions on Customer Satisfaction in Kathmandu Valley*. *Journal of Nepalese Business Studies*, 14(1), 118–129. <https://doi.org/10.3126/jnbs.v14i1.41498>
- Shrestha, R., & Ale, B. B. (2019). *The study of service quality and its relationship on customer satisfaction of Nepal Telecom (NT)*. *International Journal of Advances in Scientific Research*, 5(12), 112–121 <https://doi.org/10.31695/IJASRE.2019.33649>