

Telecom industry of Pakistan has been grown up in recent years despite facing many competitive challenges similar to other industries across the globe. It is still enchanting new entrants to come into play. The purpose of this research is to propose and test a model of customer retention in the Telecom industry of Pakistan. Moreover, the study aims to identify the key determinants of customer retention related to telecom service providers. It investigates the effects of perceived service quality and brand image towards customer retention. This study also shows how mediating variable like customer satisfaction influences the relationship between perceived service quality and brand image towards customer retention.

Successful organizations know that the key to triumph lies in their customers. Hence in today's world, the companies who do not provide value to their customers offer an opportunity for the competitors to jump inside and pilfer these customers. Customer satisfaction with company's offerings is often seen as crucial for victory and long-term competitiveness. In the context of relationship marketing, customer satisfaction is often viewed as one of the central determinants of customer retention.

Hence, this study was executed with the sample of three hundred and ten customers in the third largest city of Pakistan, Faisalabad. Customers were the network users from both public and private sectors such as universities, banks and shopping malls. Questionnaires were utilized as the research instrument for collecting data. Data were collected through non-probability sampling technique. Regression analysis and Sobel test technique were practiced to test the hypothesized relationship amongst independent, mediating and dependent variables using SPSS.

The findings of the result suggest that operators from Telecom Industry must consider that they should focus on the vital and core point of customer retention. This study helps to have deep insights for the managers of telecom industry to check, where do they lack and what are their urgent need for the growth in longer run. As customers are the essential asset for any organization and looking for new customers is relatively difficult task with respect to monetary and time cost associated with it.

As, service quality will be ultimate battle field for all operators to retain their subscribers for longer time. As customer retention relies on brand image and service quality of network provider strongly, such reliance is further strengthened with mediating role of customer satisfaction. Thus, every successful organization earns brand image when it satisfies and retains customers through better services. This overall work on retention is going to reinforce the acute signification of customer retention in telecom industry.